



**Testimony of the Officers of the Environmental Council of the States
Before the
Senate Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies**

**Addressing the FY19 Budget for the U.S. Environmental Protection Agency
April 27, 2018**

Dear Chairman Murkowski, Ranking Member Udall and members of the Subcommittee,

The Environmental Council of the States (ECOS) is the national nonprofit, nonpartisan association of state and territorial environmental agency leaders. We, its undersigned Officers, submit this testimony on Fiscal Year 2019 (FY19) appropriations for the U.S. Environmental Protection Agency (EPA).

State environmental agencies are the engines of environmental progress in our nation. Under America's system of cooperative federalism, agencies like ours normally take the lead in implementing federal environmental laws like the Clean Air Act, Clean Water Act, Safe Drinking Water Act, and Resource Conservation and Recovery Act. Today, states exercise over 90 percent of the delegable authorities under these and other federal laws. You can learn more about the tangible progress the states have delivered on [ECOS Results](#), our newly launched data visualization portal.

State environmental agencies depend on federal funding to do their work; [ECOS has documented that the federal government provides, on average, 27 percent of our agencies' budgets](#). Without that money, state agencies would find it more challenging to properly administer federal environmental laws, improve public health, and protect the environment. ECOS therefore asks that Fiscal Year 2019 appropriations provide sustained support to programs that advance the well-being of our communities.

Please consider these principles as you deliberate about the FY 2019 appropriations. Please also consider the following specific requests:

Increase State and Tribal Assistance (STAG) Categorical Grants.

STAG Categorical Grants fund a huge range of work by state environmental agencies. Much of that work is core implementation activity such as issuing environmental permits, inspecting facilities and enforcing the law, setting standards, and managing data. But categorical grants also fund creative solutions to local problems.

For example, STAG funds issued under Section 319 of the Clean Water Act recently helped Iowa DNR address nonpoint source pollution that threatened the habitat of brook trout, a cherished native game fish. Brook trout thrived in northeast Iowa's spring-fed streams until years of erosion and polluted runoff harmed their habitat. Iowa's DNR tackled the problem by using

STAG funds to convene communities on two historic trout creek systems through the Yellow River Headwaters Watershed Project and the Silver Creek Watershed Project. These groups worked with DNR Fisheries to restock impaired streams with South Pine brook trout, and with landowners in the area to protect and improve water quality. Their efforts, and similar work across northwest Iowa, increased the number of streams with self-sustaining trout populations from 6 to 45.

STAG Categorical Grants also help our agencies take on larger projects that deliver positive economic benefits for communities. For example, federal support through the STAG Brownfields Response program helped the Oklahoma DEQ oversee the closure and resolution of environmental liability of Bricktown, a former oil field and bulk petroleum storage area. After soil and groundwater remediation, property values in Bricktown have soared to \$40 million, and area businesses pay \$50 million in annual wages. Projects like these led the Oklahoma Department of Commerce recently to report that federal dollars invested through such programs deliver a seventeen-fold return on income tax dollars.

STAG support is critical to the continued creativity and vitality of state-led environmental regulation. States therefore thank Congress for preserving STAG Categorical Grants over the past two fiscal years, and ask that Congress further support the program in the FY19 budget.

Continue Funding Environmental Infrastructure via State Revolving Funds.

STAG funds also support state-level investments in the infrastructure that provides our citizens safe drinking water and a clean aquatic environment. Much of that infrastructure is aging or inadequate and the states therefore depend on the funding that Congress provides through the STAG State Revolving Fund (SRF) program. Congress recently reemphasized its support for state water infrastructure by delivering \$766 million in further funding through Title IV of the FY18 Consolidated Appropriations Act.

The reality is that our nation's water infrastructure needs continue to grow along with our populations and the advancing age of our existing facilities. ECOS has documented these needs in reports such as our [State Water and Wastewater Project Inventory](#), which describes the top 20 "shovel-ready" water and wastewater projects in each state. States have also shown the impact of these projects on water quality, and have demonstrated creative infrastructure solutions from an Ohio workshop series designed to help small, aging wastewater treatment plants attain regulatory compliance to Pennsylvania's investment with the Partnership for the Delaware Estuary to grow and deploy native freshwater mussels in local waterways to address nutrient and sediment pollution in the Chesapeake Bay and Delaware Estuary on a revenue generating basis. Congress should continue funding projects like these so that states can continue to serve as the laboratories of our democracy.

Preserve the STAG Multipurpose Grant Program.

Under cooperative federalism, states gain the authority to allocate federal resources in ways that reflect local needs and priorities. State agencies cannot deliver on this promise unless Congress ensures flexibility in federal funding. Funding flexibility also streamlines joint decisionmaking

by EPA and states, and ultimately allows states to more quickly convert federal dollars into positive environmental and public health results.

The history of the STAG Multipurpose Categorical Grant program demonstrates that states know how to use flexible funding to efficiently address the most pressing challenges within their borders. For example, states used 2016 Multipurpose Grant money to fund activities ranging from implementing the National Ambient Air Quality Standards to improving electronic data management systems, and to control everything from water pollution to pesticide overuse. Congress appropriated money for this program in FY 2016 and FY 2018, and we urge you to do so in FY 2019 as well; making the Multipurpose Grant program a dependable funding stream would allow states to deploy that money in ways that maximize the long-term benefit to their citizens.

Support State-level Business Process Improvement (BPI) Programs.

ECOS members have long recognized that we must become more efficient and cost-effective if we are to meet our obligation to do more work despite flat or declining budgets. One way we have done so is by “leaning” our business processes and targeting our work to maximize our impact. For example, the Vermont Department of Natural Resources conducted a process improvement event designed to address the way in which public water supply systems obtain permits for drawing water from new sources. Vermont DNR’s work reduced the time it takes to issue such permits by 32% and paved the way for even further efficiency gains through a new electronic permit submission process.

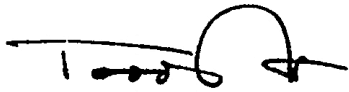
Although states are well aware that business process improvement programs deliver long-term value, it can still be challenging for us to divert staff from core work. We therefore ask Congress to deliver specific appropriations support for process improvement.

Avoid Rescission and Impoundment of STAG Funds.

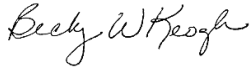
States work closely with EPA through ECOS’ State Grants Subgroup to speed the distribution of federal funds and allow on-the-ground work to begin sooner. Our experiences lead us to urge Congress not to include rescissions of unobligated STAG funds in future enacted budgets, as this often results in uncertainty and delays in obligating pass-through funding. For the same reason, States ask Congress to discourage impoundment of enacted appropriations.

Conclusion

ECOS appreciates the fact that Congress is considering the views of state environmental agencies as it prepares the FY19 budget. We welcome the opportunity to speak with you about any of these issues in more detail, or to further explain how federal funding can support state-level work to protect human health and the environment. Please don’t hesitate to call us at 202-266-4920, email our executive director at ssankar@ecos.org, or send mail to us at 50 F Street NW, Suite 350, Washington D.C. 20001.



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