



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

**Addressing the FY20 Budget for the U.S. Environmental Protection Agency
May 17, 2019**

Dear Chairwoman 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 2020 (FY20) 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 our [ECOS Results](#) 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](#). The U.S. Congress included provisions in the CWA, CAA, RCRA, and SDWA to provide assistance to states to operate these federal programs primarily through state and tribal assistance grants (STAG). Without adequate federal funding support, state agencies [find it more challenging](#) to properly administer federal environmental laws, improve public health, and protect the environment. ECOS therefore asks that Fiscal Year 2020 appropriations provide sustained support to programs that advance the well-being of our communities.

Please consider these principles as you deliberate about the FY 2020 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, including those that support voluntary and community-based programs, also fund creative solutions to local problems.

For example, STAG funds issued under Section 319 of the Clean Water Act recently helped

Wyoming's Department of Environmental Quality (WDEQ) partner with The Nature Conservancy (TNC) and various other private and public stakeholders in Northwest Wyoming to improve the [Grass Creek/Cottonwood Creek](#) watershed. Historic grazing practices in this area had contributed to degraded rangeland and stream conditions, until the partnership led by TNC installed best management practices with area ranchers and other stakeholders. Data collected by TNC over the course of the project suggest marked decreases in nitrogen and phosphorous, as well as decreased streambank erosion and increases in desirable riparian and rangeland vegetation. In 2018 this project was added to U.S. EPA's [Nonpoint Source Success Stories](#), and also in 2018, Wyoming DEQ used its Section 319 funds to initiate [nine similar projects](#).

STAG categorical grants also help our agencies take on larger projects that deliver positive economic benefits for communities. For example, downtown Nashville, TN is home to "The Gulch," a former rail yard which decades of neglect turned into a blighted neighborhood. Due to the use of Voluntary Brownfields Agreements the Tennessee Department of Environment and Conservation (TDEC) was able to leverage and expand private investment into the neighborhood and ensure a faster and more thorough redevelopment process. The Gulch is now a vibrant, LEED-certified mixed-use neighborhood and a popular local destination for shopping, dining, and entertainment, yielding significant new tax revenue.

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 three fiscal years, and ask that Congress further support the program in the FY20 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 with a second consecutive year of supplemental funding through Title IV of the FY19 Consolidated Appropriations Act, but there is still more to be done. The American Society of Civil Engineers estimates that our nation faces more than [\\$271 billion](#) in wastewater infrastructure needs. The situation is even more staggering on the drinking water side, where the U.S. EPA's most recent assessment cites a [\\$472.6 billion need](#) for infrastructure investments.

These figures show that the already extensive 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. In late 2018, West Virginia DEQ became the first state in its region to obligate its FY18 Clean Water SRF money: \$50 million that will go to restore and upgrade wastewater and stormwater infrastructure and extend sewer service to two previously unserved areas. On the drinking water side, [Alaska](#) and [Connecticut](#) recently set up micro-loan programs with specially streamlined requirements to expand SRF loan access to the smallest of public water systems. In

Alaska these small systems are commonly found in remote native Alaskan villages, and since small systems have not typically had SRF access these new micro-loans will have an even greater proportionate positive effect on public health. Congress should continue funding projects like these so that states can continue to serve as important sources of revolving funding to modernize local communities.

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

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. ECOS understands that the FY18 and FY19 funds will be obligated to states in tandem, meaning that a large investment in priority state programs is on the horizon. States are appreciative that Congress established this program in 2016, and we urge you to appropriate a third consecutive year of Multipurpose Grant funds in FY 2020. Making this grant program a dependable funding stream would allow states to deploy that money in ways that maximize the long-term benefit to their citizens.

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.

Fully Fund Increased State Responsibilities

During the past several years, states and U.S. EPA have done considerable evaluation and alteration to the state-federal division of responsibility for environmental regulatory programs. ECOS has facilitated many of the high-level discussions about this topic through our work on Cooperative Federalism, and many of these conversations have been oriented toward shifted responsibility from U.S. EPA toward the states. States believe that federal funds are essential to our ability to maintain the critical resources for many of these additional responsibilities.

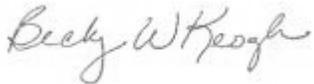
States are also largely carrying out the responsibilities over air quality monitoring, state research, and other program implementation activities. These activities, which are now performed by the states, are important to be carried out consistently to assure adequate public protection remains. These efforts could be negatively impacted by the proposed shift of STAG categorical grant funds for particulate air quality programs from Clean Air Act

(CAA) §103 grants, which do not require a state funding match, to CAA §105 grants which require a 40% state match or Maintenance of Effort (MOE). This change would likely amount to reduced levels of effort or inconsistency among states in monitoring networks if these federal funds are not maintained.

States' regulatory workloads increase gradually year-by-year, and most STAG categorical grant programs have been flat-funded for several years in a row. This, too, has the effect of an increase in state program responsibilities without a proportional increase in federal support. As mentioned in the introduction, states rely heavily on federal funding and even peripheral decreases in this funding can adversely impact state programs. We ask, therefore, that Congress account for increasing state implementation costs in federal funding levels and push back against the proposed CAA §103-§105 funding shift, and similar policy changes at states' expense.

Conclusion

ECOS thanks you for considering the views of state environmental agencies as you prepare the FY20 budget. We would welcome any further discussion with you about these issues and how federal funding can support state-level work to protect human health and the environment. Please do not hesitate to call us at 202-266-4920, email our executive director at dwelsh@ecos.org, or send mail to 1250 H Street NW, Suite 850, Washington D.C. 20005.



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