

**Testimony of the National Association of Clean Air Agencies (NACAA)
Submitted to the House Appropriations Committee
Subcommittee on Interior, Environment, and Related Agencies
Regarding the FY 2021 Budget for the U.S. Environmental Protection Agency
March 5, 2020**

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to provide testimony on the FY 2021 budget for the United States Environmental Protection Agency (EPA), particularly grants to state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act (CAA), which are part of the State and Tribal Assistance Grant (STAG) program. NACAA has three recommendations with respect to FY 2021 appropriations. The association urges Congress to 1) increase federal grants to state and local air pollution control agencies by \$87 million above FY 2020 levels, for a total of \$315 million (\$163 million above the Administration's request of \$151.9 million); 2) provide flexibility to state and local air quality agencies to use any additional grants to address the highest priority programs in their areas; and 3) retain grants for monitoring fine particulate matter (PM_{2.5}) under the authority of Section 103 of the Clean Air Act, rather than shifting it to Section 105.

NACAA is the national, non-partisan, non-profit association of air pollution control agencies in 41 states, including 115 local air agencies, the District of Columbia and four territories. These agencies have the "primary responsibility" under the Clean Air Act for implementing our nation's clean air programs. As such, they carry out an array of critical activities intended to improve and maintain air quality and protect public health.

NACAA again thanks the Subcommittee for its commitment to air quality. There have been recommendations from the Administration to cut funding for state and local air quality grants, yet this body has continually recognized the importance of healthful air quality and has not reduced these resources. While this is appreciated, it is important to explain how essential additional funding is for these critical clean air programs going forward.

Air Pollution Is Still a Serious Problem in the United States

Federal, state and local programs to address air pollution under the Clean Air Act have been hugely successful. Many areas of the country have seen dramatic improvements to air quality while enjoying strong economic growth. Strides in clean air and the economy have gone hand in hand in many places. However, in spite of these improvements, significant air quality problems still exist, posing threats to public health and welfare. Every year tens of thousands of people die prematurely from air pollution and millions are exposed to unhealthy levels of air contaminants, resulting in health problems such as cancer and damage to respiratory, cardiovascular, neurological and reproductive systems.¹ According to EPA, in 2018 about 137 million people in this country lived in counties that exceeded one or more of the federal health-based air pollution standards.²

¹<https://www.epa.gov/haps/health-and-environmental-effects-hazardous-air-pollutants> and <https://www.epa.gov/clean-air-act-overview/air-pollution-current-and-future-challenges>

² <https://www.epa.gov/air-trends/air-quality-national-summary>

With respect to hazardous air pollutants (HAPs), EPA’s most recent data indicate that in 2014 “millions of people live in areas where air toxics pose potential health concerns.”³

The task Congress faces of balancing many competing needs is daunting. However, few, if any, of the issues this Subcommittee addresses pose more of a public health problem than air pollution. Congress can address this critical problem by providing additional federal grants to those fighting on the front lines – state and local air quality agencies.

Additional Air Quality Grant Funding is Essential

State and local air quality agencies face ever increasing responsibilities while federal funding has not kept pace with the need for resources. While the Clean Air Act envisioned that the federal government would support up to 60 percent of the cost of state and local air programs, the reality is that it provides only 25 percent and in some cases much less, while state and local agencies provide the remaining 75 percent. Federal grants to state and local air quality agencies (under Sections 103 and 105 of the CAA) were \$228 million in FY 2020, which is the same amount these agencies received over 15 years ago, in FY 2004. If that figure is adjusted for inflation, level funding would be approximately \$315 million in today’s dollars – \$87 million more than current grants. Although the need for increases is far greater, NACAA recommends that Section 103 and 105 grants receive merely level funding adjusted for inflation – or \$315 million – in FY 2021.

State and local air quality agencies have had to do their best with inadequate resources for many years. While they have managed to improve and maintain air quality, there is still a long way to go. Without funding increases, many state and local air agencies would have difficulty keeping pace with existing requirements and addressing new responsibilities.

On a regular basis, these agencies carry out a host of essential resource-intensive activities as part of their “core” programs. These include monitoring, compiling emission inventories, planning, conducting sophisticated modeling, permitting and inspecting sources and adopting and enforcing regulations. A tremendous effort is needed to continue existing responsibilities, especially considering that since FY 2004, grants have been the same dollar amount as they are today while the purchasing power has diminished significantly.

In addition to the core programs, state and local air quality agencies must also address new and emerging issues as regulations, technologies, monitoring, controls and other elements of the program become more sophisticated. The public demands more information and assistance from state and local air quality agencies, including, for example, data related to wildfires and natural disasters that can be used to understand the level of risk and how they may protect themselves.

Technology is advancing at a lightning pace. The public not only has the ability to obtain and operate localized monitoring and sensor equipment but also has come to expect ready access to data. However, agencies struggle with antiquated technology and expend scarce resources trying to respond to the public’s requests for information. These agencies need additional resources to manage and share the air quality data being generated by government and the public, and to

³https://www.epa.gov/sites/production/files/2018-09/documents/2014_nata_technical_support_document.pdf, p. 138

develop programs to address air quality issues as they come to light. Additionally, if state and local programs are to keep pace with technological and other advances and to provide the public and regulated community the efficiency and services they require, it is imperative that they have the resources to adequately train their staffs.

There are many activities requiring additional funding and they vary from area to area, since different parts of the country have unique problems and priorities. However, there are important efforts for which many agencies need additional resources. These include, among others:

- reducing concentrations of fine particulate matter;
- improving small business compliance assistance;
- enhancing our monitoring systems, equipment and procedures;
- modernizing modeling and other estimation tools;
- improving emission inventories of air pollutants;
- developing new strategies to meet our health-based air quality standards;
- improving risk assessment capabilities; and
- helping the public better understand air pollution and how to protect their health.

These and other activities are critical to our mission to reduce air pollution, maintain the improvements we have already made and continue to protect public health and welfare. Additionally, a well-funded and well-functioning national air program will support the economy through timely, well-reasoned permitting, planning and actions that support the private sector.

While the increase requested in this testimony would not fully meet the needs of state and local clean air programs, even such a modest enhancement will help.

Grant Cuts Would Severely Impair State and Local Programs

In light of the critical need for *increased* grant funding, state and local air agencies would find it difficult to accommodate *any* cuts to federal air quality grants. The reductions to state and local air quality grants contemplated in the FY 2021 budget proposal – approximately 33 percent – would mean many agencies would not be able to fully implement the federal requirements of the CAA’s health-based standards and deliver the healthful air the public expects and deserves.

When grant reductions were proposed several years ago, NACAA surveyed state and local air quality agencies to learn what a reduction of approximately 30 percent in federal air quality grants would mean to their programs.⁴ In their responses, numerous agencies described severe curtailments to their activities in the face of the proposed steep cuts: cancellation of programs, loss of staff and a diminished capacity to obtain and maintain clean air. Nearly every respondent reported that cuts of this magnitude would severely reduce the essential services they provide, not only to the general public (i.e., decreasing air pollution, maintaining clean air and protecting public health), but also to the regulated community, who seek expeditious, consistent and defensible

⁴ NACAA Report, *Impacts of Proposed FY 2018 Budget Cuts on State and Local Air Quality Agencies* (May 22, 2017), <http://www.4cleanair.org/sites/default/files/Documents/NACAAFundingReport-FY2018.pdf>

permitting, compliance assistance and other services. Additionally, state and local air quality agencies reported that a 30-percent cut in grants could force them to turn some of their important CAA implementation work back to the federal government.

Finally, without sufficient resources to carry out required mandates, regions of the country could be sanctioned under the CAA, including the withholding of significant federal highway funds, severe emissions “off-set” limits that could interfere with economic development and the possibility of EPA imposing Federal Implementation Plans on states.

Flexibility in the Use of Funds Is Important

Air pollution problems vary across the country and each state or local area must address its own unique set of challenges. A single strategy applied to all areas of the country would not be the best use of additional resources. One area may have the greatest need for programs that address the impacts of wildfires, while another may need to apply additional funding to ozone-related programs or reducing hazardous air pollutants. Since a one-size-fits-all strategy would not focus resources in the most efficient manner, it is important that Congress provide state and local air agencies with the flexibility to use increased funds on the highest priority programs in their areas.

NACAA Recommends that Monitoring Grants Remain Under Section 103 Authority

As in previous years, the Administration’s request proposes to begin to shift the PM_{2.5} monitoring grant program from Section 103 authority to Section 105 authority. When funds are provided under Section 103, no state or local matching funds are needed, while Section 105 grants call for matching funds. We request that these funds remain under Section 103 authority. There are some state and local air quality agencies that are unable to provide additional matching funds. If the program is shifted to Section 105 authority, these agencies could have to refuse critical monitoring grants because they are unable to afford the required match. NACAA has made this recommendation in previous years and state and local air quality agencies are very appreciative that Congress has been agreeable to this request in the past.

Conclusion

The work of state and local clean air agencies is critically important to protect and improve public health. Because this work reduces public health care costs, it is a sound investment to ensure that these agencies’ programs are adequately funded. Accordingly, NACAA recommends that Congress 1) increase federal grants to state and local air agencies by \$87 million above FY 2020 levels, for a total of \$315 million; 2) provide flexibility to state and local air agencies to use any additional grants to address the highest priority programs in their areas; and 3) retain grants for monitoring fine particulate matter under the authority of Section 103.

Thank you very much for this opportunity to provide testimony. If you have any questions or require additional information, please contact Miles Keogh, Executive Director of NACAA, at mkeogh@4cleanair.org or Mary Sullivan Douglas, Senior Staff Associate, at mdouglas@4cleanair.org.