

**Testimony of the National Association of Clean Air Agencies (NACAA)
Submitted to the Senate Appropriations Committee
Subcommittee on Interior, Environment, and Related Agencies
Regarding the FY 2023 Budget for the U.S. Environmental Protection Agency
May 11, 2022**

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to provide testimony on the FY 2023 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 four recommendations with respect to FY 2023 appropriations. The association urges Congress to 1) provide \$500 million in grants to state and local air quality agencies, which is \$178 million above the President’s proposed budget for FY 2023; 2) provide flexibility to state and local air quality agencies to use any additional grants to address the highest priority programs in their areas; 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; and 4) provide grant increases under authorities of the CAA that do not require matching funds (e.g., Section 103) as much as possible to allow agencies that do not have sufficient matching funds to still obtain the additional grants.

NACAA is the national, non-partisan, non-profit association of air pollution control agencies in 40 states, including 115 local air agencies, the District of Columbia and four territories. NACAA exists to advance the equitable protection of clean air and public health for all, and to improve the capability and effectiveness of state and local air agencies. These agencies have the “primary responsibility” under the CAA for implementing our nation’s clean air programs. As such, they conduct an array of critical activities intended to improve and maintain air quality and protect public health.

Air Pollution Poses Serious Public Health Problems

Federal, state and local air quality programs under the CAA have been highly successful in reducing air pollution, during a time that the country has continued to experience strong economic growth. However, air pollution continues to be a significant problem, threatening public health and welfare, especially in overburdened environmental justice communities that disproportionately suffer adverse human health and environmental impacts.

Every year tens of thousands of Americans die prematurely from air pollution and millions are exposed to unhealthful levels of air contaminants, resulting in cancer, damage to respiratory, cardiovascular, neurological and reproductive systems and other health problems.¹ In 2020, approximately 30 percent of the U.S. population – about 97 million people – lived in areas that exceeded one or more federal health-based air pollution standards.² Additionally, EPA’s most

¹<https://www.epa.gov/clean-air-act-overview/air-pollution-current-and-future-challenges>

² Our Nation’s Air Trends through 2020, <https://www.epa.gov/air-trends>

recent hazardous air pollution data show that “millions of people live in areas where air toxics pose potential health concerns.”³ Environmental justice communities are particularly at risk.

With respect to climate change, some of our nation’s strongest programs are led by state and local governments, which have instituted programs to make meaningful progress towards reducing greenhouse gases. However, there is still much to be done to address increasing greenhouse gas emissions that result in more and worse wildfires, longer ozone seasons and upward trending global temperatures.

Overall, few problems in this Subcommittee’s jurisdiction pose greater threats to public health than air pollution and climate change. In terms of the national budget, the amount appropriated for federal grants to state and local air quality agencies is relatively small. Yet the return on investment is among the highest when considering the benefits of protecting public health and the environment against the serious threats posed by air pollution and climate change.

State and Local Air Agencies Continue to Be Underfunded

The CAA places the responsibility for implementing the federal air pollution program squarely on state and local clean air agencies. This is an enormous undertaking that calls for monitoring, issuing permits, planning, developing strategies for reducing emissions, enforcing requirements, educating the public, training staff and a host of other activities that grow more complex and sophisticated each year. Increasingly, these agencies are tasked with new and high-priority responsibilities to reduce air pollution, address the disproportionate harm faced by overburdened communities and tackle climate change. Unfortunately, this simply cannot be accomplished with current levels of funding.

State and local air agencies have been underfunded for many years. Federal grants to state and local air quality agencies (under Sections 103 and 105 of the CAA) were approximately the same in FY 2022 as they were in FY 2004 – nearly 20 years ago. This represents a substantial decrease in purchasing power when inflation is factored in, during a time when air quality issues have become ever more complicated and costly to address. Furthermore, while federal grants were originally intended to cover 60 percent of the cost of implementing the CAA, they cover less than a quarter of that today, with the remainder coming largely from state and local programs themselves.

Major source fees under Title V of the CAA are not the answer to this shortfall since they are required to be used to support the operating permit program only and cannot be spent on other activities. Moreover, as state and local agencies reduce air pollution, the amount of funding available from fees that are paid by regulated entities is decreasing.

The funds recently appropriated under the “Infrastructure Investment and Jobs Act” (November 15, 2021) are not the solution either, as most of those resources are directed to water and infrastructure projects. While those are worthwhile efforts, they do not sustain the day-to-day work of state and local air quality agencies. Additionally, some newly available funds are

³https://www.epa.gov/system/files/documents/2022-03/airtoxscreen_2017tsd.pdf (page 123)

tied to specific new work, rather than existing responsibilities, which does not help to address the current funding deficit.

How Would Additional Funding Be Used?

NACAA surveyed state and local air agencies about the funding that will be needed to meet their current and expected obligations. Based upon the responses, NACAA is recommending that federal grants under Sections 103 and 105 be increased to \$500 million annually, beginning in FY 2023. This is \$178 million above the President's proposed budget for FY 2023 and an increase of \$269 million over the FY 2022 appropriation of \$231 million.

In NACAA's survey, many agencies reported inadequate funding for basic responsibilities that are the very foundations of their programs. These include monitoring, permitting, enforcement, wildfire response, staffing, training, planning, regulatory development, public outreach and community support. Increases in funding would provide for continuation of these essential tasks. Additionally, the following are just a few of the things that increased federal grants would support:

- advancing new programs and expanding existing clean air efforts that protect all Americans, especially vulnerable communities that continue to bear the greatest pollution burdens;
- strengthening pollution detection and visualization efforts through air monitors, sensors, and airborne and mobile detection equipment for criteria pollutants, air toxics and emerging contaminants;
- supporting small business programs and emission reductions from smaller sources, including inspections, compliance assistance and technical support;
- addressing climate change with emission reduction programs that include planning, monitoring, permitting and enforcement; energy-transition assistance for communities dependent on fossil fuels; and adaptation and resilience for frontline communities that face extreme weather and other climate impacts;
- preparing and empowering state and local agencies to take on the additional air quality responsibilities in new federal clean energy and clean transportation programs; and
- tackling the ever-increasing threats posed by wildfires, including mitigating adverse health impacts and communicating with the public.

Additionally, if Congress adopts significant climate legislation, it is essential that adequate funds beyond regular FY 2023 appropriations be provided to state and local agencies and municipalities to allow them to carry out the law's requirements, even if those agencies and municipalities do not currently receive Section 103 and Section 105 grants directly.

Agencies Need Flexibility in the Use of Grants

Air pollution problems around the country vary by area and each state or local air quality agency must tailor its approach to address its unique set of circumstances and the issues facing its community. While one locale's greatest concern may be the impacts from wildfires, another may find local hazardous air pollution sources or ozone to be greater challenges. A one-size-fits-

all strategy for grants that is applied nationally may not recognize the need to focus resources effectively. Therefore, NACAA recommends that Congress provide state and local air agencies with the flexibility to use increased grant funds on the highest priority programs in their areas.

Allow Agencies that Cannot Match to Receive Grants

While Section 105 of the Clean Air Act requires grant recipients to provide matching funds, Section 103 does not. Providing certain grants under Section 103 authority, therefore, is very helpful for those state or local agencies that are unable to raise additional matching funds.

In the past, EPA proposed shifting the PM_{2.5} monitoring grant program from Section 103 authority to Section 105. NACAA has asked Congress in previous years to retain PM_{2.5} monitoring grants under Section 103 so that no agencies would be forced to refuse critical monitoring grants due to their inability to afford the required match. We are very grateful that Congress has previously been agreeable to this request, and we ask that these funds once again remain under Section 103 authority in FY 2023.

This concern goes beyond just the PM_{2.5} monitoring grant program, however. While some agencies have adequate matching funds, others do not. These are often the very same agencies in dire need of the additional grants we are seeking. So that no agency would be ineligible for additional grants, we request that Congress provide as much of the grant increase as possible under authorities that do not require matching funds (e.g., Section 103). In this way, those agencies that do not have sufficient matching funds could still obtain the additional resources.

Conclusion

State and local air quality agencies' efforts to protect and improve air quality are critically important both for public health and a sound economy. NACAA recommends that Congress 1) provide \$500 million in grants to state and local air quality agencies, which is \$178 million above the President's proposed budget for FY 2023; 2) provide flexibility to state and local air quality agencies to use any additional grants to address the highest priority programs in their areas; 3) retain grants for monitoring PM_{2.5} under the authority of Section 103 of the Clean Air Act, rather than shifting it to Section 105; and 4) provide grant increases under authorities of the CAA that do not require matching funds (e.g., Section 103) as much as possible to allow agencies that do not have sufficient matching funds to still obtain the additional grants.

Thank you very much for this opportunity to provide testimony. If you require additional information, please contact Miles Keogh (mkeogh@4cleanair.org) or Mary Sullivan Douglas (mdouglas@4cleanair.org) of NACAA.