

**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 2025 Budget for the U.S. Environmental Protection Agency
May 9, 2024**

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to provide testimony on the FY 2025 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 2025 appropriations. The association urges Congress to 1) provide \$500 million in grants to state and local air agencies, which is an increase of \$264 million over the FY 2024 appropriation of \$236 million; 2) provide flexibility to state and local air quality agencies to use federal 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, nonpartisan, non-profit association of 157 air pollution control agencies in 40 states, including 117 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.

The Clean Air Act Has Been Very Successful

Since the adoption of the CAA in 1970, federal, state and local air quality agencies have made tremendous strides in reducing air pollution and thereby protecting public health. According to EPA, total emissions of the six criteria air pollutants (for which the national health-based standards are set) have decreased by 73 percent between 1980 and 2022 and, between 1990 and 2017, emissions of the toxic air pollutants identified in the CAA have declined by 74 percent.¹ Since state and local air agencies have the primary responsibility for implementing the federal clean air program, their contributions to the success of the program have been essential.

While these impressive air quality improvements took place, our country has continued to experience strong economic growth.² During the same period identified above (1980 – 2022), during which pollution was reduced markedly, gross domestic product increased 196 percent,

¹ <https://www.epa.gov/air-trends/air-quality-national-summary#emissions-trends>

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

vehicle miles traveled went up 108 percent, energy consumption increased 29 percent and the country's population grew by 47 percent.³ Improvements to air quality and a strong economy have gone hand in hand.

Air Pollution Remains a Serious Public Health Problem

Despite the gains federal, state and local programs have made in the pursuit of healthful air quality, air pollution remains a serious public health concern. *In fact, very few problems this subcommittee addresses pose greater threats to public health than air pollution and climate change.* Air pollution continues to threaten public health and welfare, especially in overburdened environmental justice communities that disproportionately suffer adverse human health and environmental impacts.

Each year in America, air pollution causes tens of thousands of premature deaths and exposes millions to unhealthful levels of air contaminants, resulting in cancer, damage to respiratory, cardiovascular, neurological and reproductive systems and other health problems.⁴ In 2022, about 85 million people in the U.S. lived in areas that exceeded one or more federal health-based air pollution standards.⁵ Additionally, EPA's hazardous air pollution data show that "millions of people live in areas where air toxics pose potential health concerns."⁶ Environmental justice communities are particularly at risk.

When it comes to climate change, 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. State and local governments have instituted some of the country's strongest climate change programs, making meaningful progress towards reducing greenhouse gases.

Significant Challenges Remain for State and Local Air Quality Agencies

As stated earlier, under the CAA, state and local agencies have the primary responsibility for implementing the federal clean air program. This massive undertaking calls for monitoring, issuing permits, planning, developing emission-reduction strategies, enforcing rules, educating the public, hiring and training staff and conducting many other complex activities. Increasingly, these agencies are tasked with new and high-priority responsibilities to reduce air pollution, address the disproportionate harm facing overburdened communities and tackle climate change. Unfortunately, this simply cannot be accomplished with current levels of funding.

Federal, state and local air quality programs have come a long way in cleaning up the air, but there is still far to go. Unfortunately, there are no longer any "easy fixes" or low-hanging fruit to be had. What remain are extremely difficult challenges toward making incremental, but essential, improvements. These include addressing dispersed sources (e.g., mobile sources and

³ <https://www.epa.gov/air-trends/air-quality-national-summary#emissions-trends>

⁴ <https://www.epa.gov/clean-air-act-overview/air-pollution-current-and-future-challenges> and <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3670349/>

⁵ <https://www.epa.gov/air-trends/air-quality-national-summary#emissions-trends>

⁶ https://www.epa.gov/system/files/documents/2023-02/AirToxScreen_2018%20TSD.pdf (page 113)

smaller area sources), climate change, cumulative impacts and other very complex issues. Confronting these problems requires investments in increasingly high-tech solutions that come with a cost, including monitoring, modeling and data analysis, among others, not to mention investing in and retaining staff who are sufficiently trained in these increasingly complicated subject areas.

Just one example of a problem that is placing greater demands on state and local air agencies is wildfires. These fires in many places across the country cause smoke and pollution that can pose significant public health challenges and they have been rising in number, frequency and size. Increased resources are needed for such complex activities as monitoring smoke, analyzing data, notifying and communicating with the public and promoting preparedness activities, all of which are essential to address public concerns and protect public health.

Air Agencies Need Significant Resources to Succeed and Help Grow the Economy

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 not much higher in FY 2024 than 20 years ago, representing a substantial decrease in purchasing power when factoring in inflation. During this time, air quality issues have become more complicated and costly. Moreover, 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.

The increase in funds we are recommending is not necessarily sufficient for the many responsibilities facing state and local agencies, but it would be very helpful as a foundation of support to meet the modern-day demands of our programs. Not only would this further our quest for healthful air quality, but adequate funding for clean air programs would be good for the economy as well, ultimately helping in the creation of new jobs. For example, well-funded state and local programs could reduce delays in construction and operating permitting, increase needed compliance assistance for businesses, provide monitoring that would help tailor strategies to the hardest-hit areas and develop rules and plans to implement those strategies.

Increased grants would be used for many of the basic ongoing and essential responsibilities facing state and local air quality agencies. Additionally, new funding would support:

- strengthening pollution detection and visualization through monitors, sensors and airborne- and mobile-detection equipment;
- supporting small business programs and emission reductions from smaller sources, including inspections, compliance assistance and technical support;
- addressing climate change through planning, monitoring, permitting and enforcement; energy-transition assistance for communities dependent on fossil fuels; and adaptation and resilience for communities that face extreme weather and climate impacts;
- ensuring state and local agencies can meet necessary long-term planning requirements and take on the additional air quality responsibilities in new federal clean energy and clean transportation programs;

- tackling the ever-increasing threats posed by wildfires, including mitigating adverse health impacts and communicating with the public; and
- expanding and adding new programs that protect all Americans, especially vulnerable communities that continue to bear the greatest pollution burdens.

Funds from Permit Fees and Recent Legislation Do Not Solve the Problem

The permit fee program under Title V of the Clean Air Act, while extremely valuable, does not solve state and local air agencies' funding problems. Title V fees only support the operating permit program and must not be used for other activities (i.e., federal grants and permit fees must not be mingled) and they apply only to major sources and do not cover the significant costs for non-major sources (e.g., permits, monitoring, enforcement, compliance assistance). Additionally, current fees already are substantial and there would be significant resistance to any increases. Finally, fee revenue has decreased drastically due to reductions in emissions on which they are based (i.e., success in controlling emissions results in diminished fee revenue).

The Inflation Reduction Act (IRA)⁷ includes essential and welcome funding for state and local air agencies to address climate change in particular. However, those funds are not a substitute for the increases we seek, which are intended to make up for the historical deficits in state and local grant funding and bring the appropriations to the level they should be for these agencies to carry out the ongoing responsibilities that existed prior to the IRA and will continue into the future. Additionally, successfully implementing the IRA will likely increase the responsibilities of state and local air agencies' core programs, for which the measure did not allocate specific additional funding.

Conclusion

Federal grants to state and local air quality agencies are a relatively small piece of the national budget. 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 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 agencies, which is an increase of \$264 million over the FY 2024 appropriation of \$236 million; 2) provide flexibility to state and local air quality agencies to use federal 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.

⁷ <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>