



Biden Boosts EPA's Budget by Billions

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In a move fitting for a catchy article title, in late May President Biden's administration released its proposed budget for EPA for fiscal year 2022 (FY2022) (EPA's fiscal year runs from October 1 to September 30). Alliteration aside, the proposed budget could have major implications for the way EPA operates over the coming year, providing \$11.233 billion to fund the agency's various missions and duties.

As society becomes more accustomed to large dollar figures from news coverage of limelight billionaires or a total for the U.S. debt over \$27 trillion, it's easy to overlook another multi-billion dollar number in the realm of federal budgets without fully appreciating the value and implications involved. To better grasp the significance of this budget proposal, some facts to consider: (1) this is the largest top-line request for EPA's budget in its entire history; (2) the budget effects an increase of \$2 billion over the enacted spending for FY2021; and (3) the budget includes a request for approval to add 1,000 new full-time employees (FTE), one of the largest of any federal agency.

Beyond its scope, details of the proposed FY2022 budget and the initiatives set forth in the proposal demonstrate an increase in activities of which industry should be aware. Some key initiatives set forth by the proposal that justify the budget include addressing climate change, prioritizing environmental justice, increasing support to states, and strengthening the agency's workforce.

Overall, the budget claims an increase of \$1.8 billion in programs and efforts for "Tackling the Climate Crisis." Notable components of this include a \$100 million increase in funding for air quality grants for states to increase air pollution controls, \$100 million to develop a community air quality monitoring and notification system to provide real-time data to overburdened and marginalized communities and enforcement officials, an additional \$60 million for research into the impacts of climate change on human health and the environment, and funds for addressing climate impacts through expenditures on infrastructure. Details of the latter include significant increases in existing water infrastructure programs.

Environmental justice is also prioritized under the proposed budget as an interrelated component of the climate change initiatives. The budget includes more than \$930 million in funding in various programs to launch the Accelerating Environmental and Economic Justice initiative and cement environmental justice as a core feature of EPA's mission. The creation of new environmental justice programs also

gets an increase of \$287 million and the creation of 171 FTE positions. Very importantly, a key aspect of the environmental justice component consists of an increase in enforcement and compliance assurance efforts; this includes \$31.9 million in additional resources within EPA's compliance monitoring program to incorporate environmental justice considerations into all phases of work without displacing other important enforcement and compliance assurance efforts.

Another key component of the budget with significant implications for regulated industry is the substantial increase in funding for state agencies. Recent budgets have allocated less and less federal money to state agencies, which often rely heavily on the federal government for resources; in a reversal of this trend, the FY2022 proposed budget allocates \$1.242 billion to support state EPA partners, \$100 million of which is dedicated to the state and local air quality management programs for air monitoring, permitting, and pollution reduction efforts, specifically to accelerate immediate on-the-ground efforts to reduce greenhouse gases. The budget notes this is a \$142 million increase from the FY2021 enacted spending level. Such an increase in state funding could result in an increase in enforcement and compliance activities by state regulatory agencies to complement those of EPA.

Finally, the budget includes payroll support for the addition of 1,000 FTE positions to raise the total number of FTEs at EPA from 14,297 to 15,324. While many of these positions are correlated with the programs and budget increases discussed above, among others, the measure also is intended to address deeper workforce issues at EPA and pave the way for the future of the agency. As noted by the budget, EPA has one of the oldest workforces in the federal government with 30% eligible to retire presently or in the next year, and 43% of employees eligible to retire in the next five years.

Importantly this proposal sets the stage for the future of EPA as the agency is currently developing its new *FY2022 - FY2026 Strategic Plan* to be issued in February 2022. According to EPA, this will establish a new framework - rooted in a commitment to science, adherence to the law, and environmental justice - to guide the Agency's priorities and progress to guide EPA over the next four years.

As it stands, the budget is still a proposal which will be considered by Congress in its deliberations and ultimately enacted, likely in some altered form, in an appropriations bill. Even so, it seems the initiatives and goals of the Biden Administration EPA will be well-funded, and those in the regulated community would be wise to take climate change response and environmental justice seriously.

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EPA Budget in Brief

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