

U.S. ENVIRONMENTAL PROTECTION AGENCY

The President's 2016 Budget is designed to bring middle class economics into the 21st century. This Budget shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. It lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change. And it makes the critical investments needed to accelerate and sustain economic growth in the long run, including in research, education, training, and infrastructure.

These proposals will help working families feel more secure with paychecks that go further, help American workers upgrade their skills so they can compete for higher-paying jobs, and help create the conditions for our businesses to keep generating good new jobs for our workers to fill, while also fulfilling our most basic responsibility to keep Americans safe. We will make these investments, and end the harmful spending cuts known as sequestration, by cutting inefficient spending and reforming our broken tax code to make sure everyone pays their fair share. We can do all this while also putting our Nation on a more sustainable fiscal path. The Budget achieves about \$1.8 trillion in deficit reduction, primarily from reforms to health programs, our tax code, and immigration.

The Environmental Protection Agency's (EPA's) mission is to protect human health and the environment. EPA was formed in 1970 in order to implement major pollution control programs that were carried out primarily by EPA employees at the Federal level. In the decades that followed, new environmental statutes were enacted that expanded EPA's mandate and workload. Congress designed Federal environmental programs to support strong collaboration with state, tribal, and local partners wherever possible, and most major environmental statutes have since been delegated to, and are largely administered by, states and tribes. Because of the successful efforts of these collaborations, environmental quality has improved substantially during this time. In recognition of evolving responsibilities, EPA has strategically evaluated its workforce and facility needs and will continue the comprehensive effort to modernize its workforce begun in 2014. By implementing creative, flexible, cost-effective, and sustainable strategies to protect public health and safeguard the environment, EPA will target resources toward development of a workforce and structure that can address current challenges and priorities.

The President's FY 2016 Budget for the EPA provides funding to further key work in addressing climate change and improving air quality, protecting our water, safeguarding the health and safety of the public from toxic chemicals, supporting the environmental health of communities, and working toward a sustainable environmental future for all Americans. Central to this work is supporting our state, local, and tribal partners, working with them to deliver on our environmental and health improvements, and doing this while focusing on a strong workforce at EPA with the tools necessary to ensure effective use of the public resources entrusted to us.

Funding Highlights:

- The President's FY 2016 Budget provides \$8.6 billion for the U.S. Environmental Protection Agency to protect people's health and the environment in which we live. This includes:
 - Making differences in communities across the country through on-the-ground efforts in Brownfields, Urban Waters, new Community Resource Coordinators and Circuit Riders, advanced monitoring technologies, and technical assistance for climate change resilience and adaptation.
 - Supporting the President's Climate Action Plan to reduce carbon pollution from power plants, vehicles and other sources by using cleaner energy sources and cutting wastes;
 - Enhancing work in water infrastructure with a focus on sustainability, innovative financing and resiliency along with assistance to small communities through the new Water Infrastructure and Resilience Finance Center;
 - Improving the safety and security of chemical facilities by expanding support to local communities to improve communication, coordination, and capacity, delivering on the White House Executive Order on Improving Chemical Facility Safety and Security; and
- The President's FY 2016 Budget also includes a \$4 billion Clean Power State Incentive Fund to support states that choose to go beyond the Clean Power Plan, which will be finalized in the summer of 2015.

Reforms:

- The President's FY 2016 Budget ensures that the U.S. Environmental Protection Agency maintains its commitment to effective and efficient government. This includes:
 - Improving the business enterprise of environmental protection for states, the regulated community and the public through the E-Enterprise business model, in which EPA will work with co-regulators to leverage technology and streamline workflow, while improving data quality, data sharing, and transparency; and
 - Consolidating EPA's physical and carbon footprint to save taxpayer dollars through laboratory consolidation, co-location, and essential renovations for the important buildings across the country where critical science research is conducted on behalf of the American public.

Makes a Difference in Communities

Recognizing the importance of on-the-ground work, the EPA will focus resources and programs to better support community environmental efforts, including those in distressed and rural communities. The EPA's new community initiatives are designed to build and strengthen the adaptive capacity of underserved communities through tools, training, technical assistance, and increased access to data and information. Using an integrated and multi-faceted approach, EPA

will help communities to address environmental concerns and to take advantage of advances in technology to detect pollution in their air and water. To reach more communities, the EPA will fund “circuit riders,” who will partner with the agency to provide direct community outreach and technical assistance. The EPA also will dedicate staff to function as Community Resource Coordinators, a cross-agency, multi-media team working to enhance access for overburdened and vulnerable communities. By increasing its investment in the development and enhancement of State and Tribal Brownfields programs, the EPA also will continue to support the efforts of non-federal partners to revitalize land. In 2016, EPA will provide \$110 million in Brownfields Project grants to local communities, helping to return contaminated sites to productive reuse by increasing investment in technical assistance, community grants for assessment and cleanup.

Addresses Climate Change

One of the most significant challenges for this and future generations is the threat of a changing climate. The FY 2016 budget prioritizes climate action by providing \$239 million to support EPA efforts to address climate change through commonsense standards, guidelines and voluntary programs. EPA’s Clean Power Plan is a top priority for the Agency and the central element of our climate mitigation agenda. The Clean Power Plan is a flexible, practical approach that builds on the actions states, cities, and businesses across the country are already taking to address the risks of climate change by reducing carbon pollution from existing power plants. The Budget includes \$25 million in grants to help states to develop their Clean Power Plan strategies.

In addition to EPA’s discretionary budget, the President also proposes an incentive fund, administered by the EPA, for states choosing to go beyond the Clean Power Plan. The Clean Power State Incentive Fund would provide \$4 billion to support states exceeding the minimum requirements established in the Clean Power Plan for the pace and extent of carbon pollution reductions from the power sector. To be finalized this summer, the Fund would enable states to invest in a range of activities that complement and advance the Clean Power Plan, including efforts to address disproportionate impacts from environmental pollution in low-income communities and support for businesses to expand efforts in energy efficiency, renewable energy, and combined heat and power through, for example, grants and investments in much-needed infrastructure.

Working with the National Highway Transportation Safety Administration, the EPA will continue to address climate change by targeting the transportation sector’s largest contributors to greenhouse gas (GHG) emissions. These efforts will include implementing GHG standards for light-duty and heavy duty vehicles, creating significant savings at the pump, further reducing carbon pollution, and cutting down on businesses’ fuel costs. Recognizing the strength and value of an integrated approach, the EPA will also leverage the efforts of the National Estuary and other water programs, the Resource Conservation and Recovery Act (RCRA) Waste Minimization and Recycling, and Pollution Prevention programs to achieve greenhouse gas (GHG) reductions and climate change mitigation in FY 2016.

Supports Community Water Infrastructure Needs

Aging systems and the increasing impacts of climate change create opportunities for innovation and new approaches for drinking water and wastewater infrastructure. The Budget includes \$2.3 billion for EPA’s Clean Water and Drinking Water State Revolving Funds (SRFs) and \$50 million in technical assistance, training, and other efforts to enhance the capacity of communities and

states to plan and finance drinking water and wastewater infrastructure improvements. EPA will work with states and communities to promote innovative practices that advance water system and community resiliency and sustainability. Dedicated funding through the Clean Water SRF will advance green infrastructure activities such as green roofs, rain gardens, and wetlands which can help cost-effectively meet Clean Water Act requirements and protect and restore the Nation's lakes and rivers. A new water investment center will focus efforts on issues such as financial planning for future public infrastructure investments; expanding work with states to identify financing opportunities for small communities; and enhancing partnership and collaboration with the U.S. Department of Agriculture on training, technical assistance, and funding opportunities in rural areas. The center is part of the President's Build America Investment Initiative – a government-wide effort to increase infrastructure investment and promote economic growth by creating opportunities for state and local governments and the private sector to collaborate on infrastructure development.

Improves the Safety of Chemical Facilities

The EPA is continuing work to improve the safety and security of chemical facilities and reduce the risks of hazardous chemicals to facility workers and operators, communities, and responders. Chemicals and the facilities that manufacture, store, distribute and use them are essential to our economy and livelihood, but the handling and storage of chemicals can present a risk that must be addressed. In support of the White House Executive Order to Improve Chemical Facility Safety and Security, the EPA has been working with other federal partners to bring together federal regulatory representatives and stakeholders with a vested interest in reducing the risks associated with the handling and storage of chemicals. The joint effort has taken into account the shared concerns of all parties with a stake in chemical facility safety and security including: facility owners and operators; Federal, State, local, tribal, and territorial governments; regional entities; nonprofit organizations; facility workers; first responders; environmental justice and local environmental organizations; industry associations; and communities. In FY 2016, we expect to implement actions to incorporate stakeholder feedback and best practices to strengthen community planning and preparedness, enhance federal operational coordination, improve data management, and modernize policies and regulation.

Improves Environmental Protection through Collaborative Priority Setting

Effective environmental protection is a joint effort of the EPA and its state and tribal partners. The complex environmental challenges of today and the future require a true partnership of co-regulators, who share the responsibility of creating an integrated “environmental protection enterprise” for the country. In FY 2016, we are setting a high bar for continuing and expanding our partnership efforts with states and tribes. Recognizing the increasing demands on limited federal, state, and tribal resources, the budget provides \$3.6 billion in State and Tribal Assistance Grant funding, including increases of over \$108 million for state categorical grants, and opportunities for closer collaboration and targeted joint planning and governance processes. One example is the commitment by the governmental co-regulators in the national environmental protection enterprise to work collaboratively to streamline, reform, and integrate our shared business processes and approaches through the E-Enterprise business strategy. Joint governance serves to organize the E-Enterprise partnership to elevate its visibility, boost the capacity to coordinate, and help promote the inclusiveness and effectiveness of shared process and management improvements. This approach will yield the benefits of increased transparency,

efficiency, and burden reduction for communities, businesses, and government agencies when implemented. Concurrently, the Clean Power Plan implementation will reflect the extensive and unprecedented work with states, tribes, and territories to develop necessary infrastructure, provide technical assistance, and build capacity to encourage success in using the significant flexibility they have to tailor their plans using a variety of approaches, such as through energy efficiency and renewable energy measures and through multi-state plans.