

## U.S. ENVIRONMENTAL PROTECTION AGENCY

Under the President's leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges – including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership – not only for the year ahead, but for decades to come.

The Environmental Protection Agency's (EPA's) mission is to protect human health and the environment. The EPA was formed in 1970 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 the 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. Recent efforts focus on building an even closer collaboration and creating an integrated "environmental protection enterprise" for the country. Targeted joint planning and governance processes will enable us meet the complex environmental challenges of today and the future. In recognition of evolving responsibilities, the EPA has strategically evaluated its workforce, technology, and facility needs and will continue the comprehensive effort to modernize its workforce and business processes begun in 2014. By implementing creative, flexible, cost-effective, and sustainable strategies to protect public health and safeguard the environment, the EPA will target resources to address current challenges and priorities and be better prepared for future challenges and opportunities. The budget request provides operating program funds critical to following through on the Nation's priority actions, effectively operating the agency, and modernizing and finding long-term efficiencies benefiting the agency and states.

The President's FY 2017 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

continuing to support 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 the EPA with the tools necessary to ensure effective use of the public resources entrusted to us.

### **Funding Highlights:**

- The President's FY 2017 Budget provides \$8.267 billion in discretionary funding 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, Community Resource Coordinators and Circuit Riders, advanced monitoring technologies, and technical assistance for climate change resilience and adaptation. The agency will continue to implement new and innovative methods to reduce pollution nationwide, as well as provide continued enforcement of environmental laws and regulations;
- 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 Water Infrastructure and Resilience Finance Center;
- Accelerating investment in our nation's infrastructure by providing supplemental credit assistance to projects of major importance to the water sector through the Water Infrastructure Finance and Innovation Act (WIFIA) program;
- 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
- Addressing unhealthy exhaust levels facing children who spend significant time riding diesel powered vehicles as part of a multi-agency effort to invest in a cleaner, more resilient transportation infrastructure for the 21<sup>st</sup> Century.

### **Reforms:**

- Improves the business enterprise of environmental protection for states, the regulated community and the public through the E-Enterprise business model. The EPA will work with co-regulators through a targeted joint governance and planning process to leverage technology and streamline workflow, while improving data quality, data sharing, and transparency.
- Invests in eDiscovery capabilities to increase capacity to respond faster and more efficiently to information requests from citizens and the courts.
- Consolidates 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 Visible 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 urban and rural communities. The EPA's 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. For example, in FY 2017, the EPA will be conducting resiliency planning exercises and capacity-building efforts in Alaska Native Villages. 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. In 2017, EPA will provide \$90 million in Brownfields Project grants to local communities, helping to return contaminated sites to productive reuse by increasing investment in technical assistance and 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 2017 Budget prioritizes climate action by providing \$235 million to support EPA efforts to address climate change through commonsense standards, guidelines and voluntary programs. The President's Clean Power Plan is a top priority for the agency and a 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 implement their Clean Power Plan strategies. The EPA will work closely with states as they develop strategies to reduce carbon pollution from the U.S. power sector.

As part of the President's Building a 21st Century Infrastructure Initiative, the Budget proposes to establish a Climate Infrastructure Fund at EPA. The existing fleet of cars, trucks, and buses is aging, contributing to climate change and putting our children's health at risk. To protect the health of the most vulnerable populations and reduce childhood exposure to harmful exhaust, EPA will provide a total of \$1.65 billion through the Fund over the course of 10 years to retrofit, replace, or repower diesel equipment, prioritizing school bus upgrades. The proposed mandatory funding, separate from EPA's 8.267 billion discretionary request, will provide up to \$300 million in FY 2017 to renew and increase funding for the Diesel Emissions Reduction Grant Program, which is set to expire in 2016.

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.

### **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 a combined \$2.0 billion for EPA's Clean Water and Drinking Water State Revolving Funds (SRFs) and \$42 million in technical assistance, training, Water Infrastructure Finance and Innovation Act (WIFIA) program funding 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. Implementation of the WIFIA program, the State Revolving Funds, and support from the Environmental Finance Centers will act as catalysts to efficient system-wide planning and on-going management of sustainable water infrastructure. The Water Infrastructure and Resiliency Finance 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.

### **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 2017, EPA is 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 \$3.3 billion in State and Tribal Assistance Grant funding, including increases of over \$77 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.