

## Congress Boosts EPA Budget and R&D

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2001 congressional appropriations process. This analysis includes information on R&D in final FY 2001 EPA appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D by agency in FY 2001 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/R&D>) in the “FY 2001 R&D” or the “What’s New” sections.)

On October 27, President Clinton signed into law a final FY 2001 VA-HUD appropriations bill (HR 5482) that gives a significant increase to R&D in the Environmental Protection Agency (EPA). In December, as part of the final FY 2001 appropriations bill, he signed into law a provision containing a 0.22 percent across-the-board cut for most domestic programs, including EPA; all figures in this analysis are adjusted to reflect this cut. The final bill **boosts EPA R&D by \$39 million or 6.0 percent to \$686 million**, an amount above the \$673 million EPA request. The **total EPA budget also increases, by \$379 million or 5.1 percent to \$7.8 billion**, in contrast to a requested cut (see Table).

The final VA-HUD bill provides nearly \$83 billion for discretionary programs, well above the FY 2000 total of \$79 billion but slightly below the \$84 billion Administration request. In the EPA budget, however, Congress appropriated more than both the \$7.4 billion FY 2000 funding level and the \$7.2 billion request to reach \$7.8 billion. The bill also funds R&D programs in the National Science Foundation (NSF) and the National Aeronautics and Space Administration (NASA), as well as other programs in the Department of Veterans Affairs and the Department of Housing and Urban Development.

While the President requested increases for most agencies funded in the VA-HUD bill, EPA was an exception. EPA requested \$7.3 billion for its total budget, a decline from \$7.6 billion in FY 2000 because of a requested cut in State and Tribal Assistance Grants from \$3.4 billion to \$2.9 billion. In earlier appropriations action, the Senate would have kept total EPA funding close to the FY 2000 level at \$7.5 billion, while the House would have cut the budget significantly to \$7.1 billion. The final appropriation of \$7.8 billion exceeds the earlier House and Senate-proposed funding levels. This matches the pattern of other conference reports, which have generally provided far more than either the House or Senate bills, and in many cases more than the President’s request. (For details of House appropriations for EPA, please see the June 8 AAAS R&D Funding Update; for details of Senate appropriations, please see the September 20 AAAS R&D Funding Update.)

**EPA’s R&D**, mostly funded in the **Science and Technology** account, totals \$686 million, 6.0 percent or \$39 million more than FY 2000. As with the total EPA budget, this appropriation exceeds the earlier House and Senate proposed funding levels, both of which were below the FY 2000 level. The final R&D total exceeds the request of \$673 million, but the final bill reduces the request for the transportation research program in the **Climate Change Technology Initiative** by \$26 million down to \$39 million, which still leaves funding well above the \$30 million FY 2000 level. Most of the increase in funding over FY 2000 goes to more than 30 congressionally designated research projects, leaving most other EPA R&D programs with level funding.

The final VA-HUD bill mostly sticks to EPA’s priorities for FY 2001, except for a boost in funding for **State and Tribal Assistance Grants**. Although EPA requested a cut in this program from \$3.4 billion to \$2.9 billion, the final bill provides \$3.6 billion, a 5.1 percent boost over FY 2000. Most of this money goes to state and local governments, and is perennially more popular with Congress than EPA. For **Environmental Programs and Management**, which funds most of EPA’s operating expenses, the final bill provides \$2.1 billion, a substantial 9.9 percent more than FY 2000 that nearly matches the request. The final bill adds more

than 100 congressionally designated projects to this part of the budget, while at the same time subtracting \$78 million from the request for programs in the Climate Change Technology Initiative. Combined with CCTI programs in the S&T account, total CCTI funding for FY 2001 is \$123 million, up from \$103 million in FY 2000 but little more than half the \$227 million request.

The **Superfund** program stays even at the \$1.2 billion FY 2001 funding level. Superfund continues to fund \$37 million (down \$1 million from FY 2000) in research on hazardous substances. The final bill contains provisions, originally proposed by the House, that appropriate \$138 million directly to two agencies rather than the traditional pattern of including the funds in the EPA's Superfund budget (see Footnote in Table). The Superfund program traditionally transfers part of its appropriation to the National Institute of Environmental Health Sciences (NIEHS, part of the National Institutes of Health) and the Agency for Toxic Substances and Disease Registry (ATSDR) for their work on hazardous substances. The final bill bypasses Superfund and provides \$63 million to NIEHS and \$75 million to ATSDR directly. (Figures in the Table have been adjusted to exclude these transfers or direct appropriations for all years.)

EPA's basic and applied research support (excluding development and R&D facilities) comprises most of EPA's R&D. The EPA research portfolio is fairly well-balanced between the environmental sciences, the life sciences, and engineering research, as shown in Figure 1. Although EPA is the major environmental regulatory agency in the federal government, many other agencies have environmental responsibilities related to research, resource stewardship, and economic management of the environment, so EPA is a relatively small funding source for R&D related to the environment. In the environmental sciences, EPA accounts for only 7 percent of total federal support, while in the life sciences EPA funds only 1 percent of total federal support and in engineering research only 3 percent.

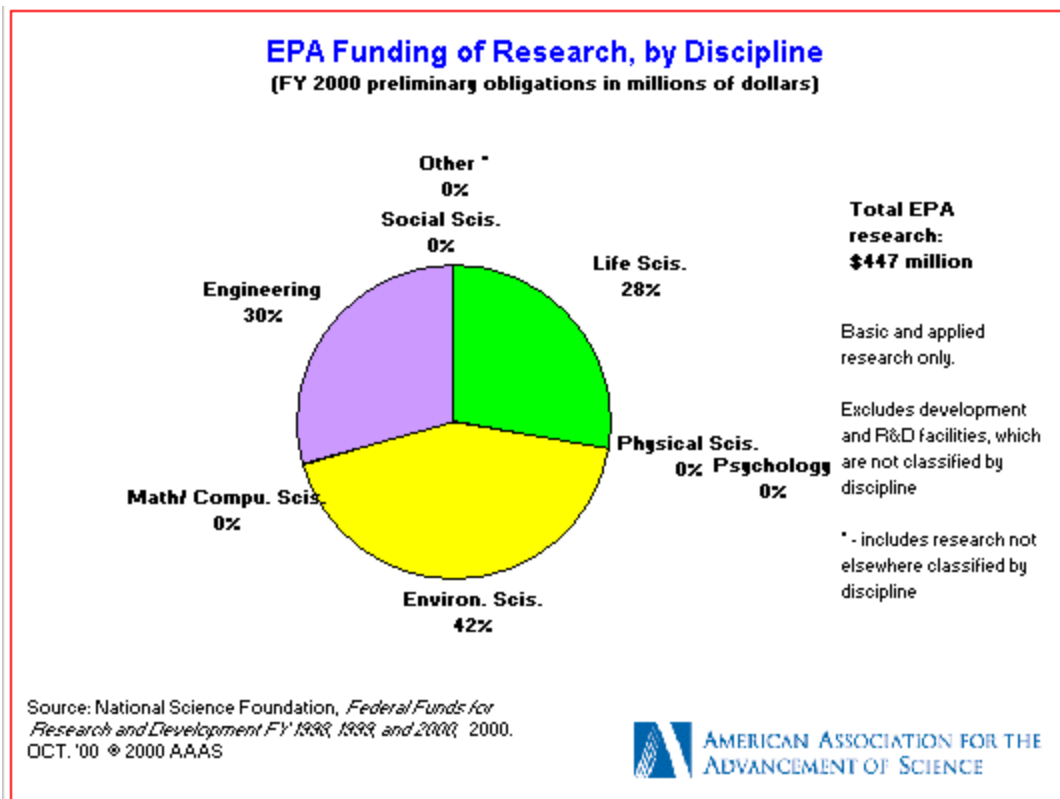


Figure 1.

Nearly half of EPA's R&D is performed in the agency's own laboratories, while about a third is performed in the nation's colleges and universities, a share that has been growing in recent years. The remainder is performed by industrial firms and nonprofit institutions.

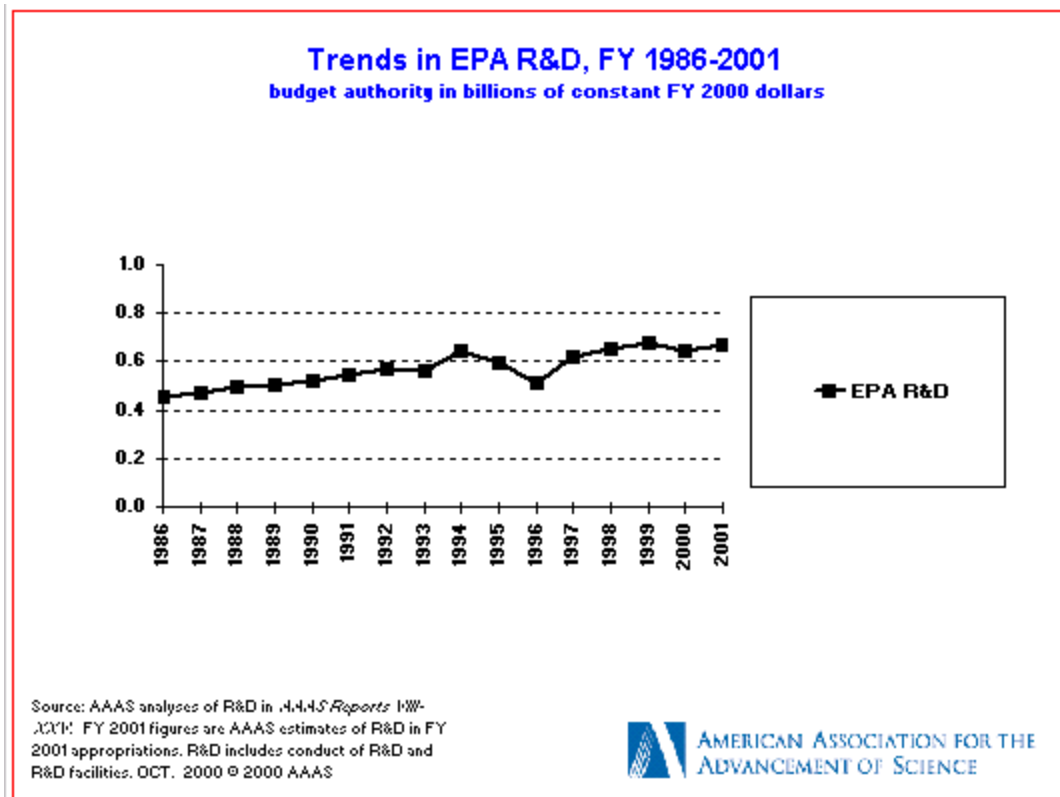


Figure 2.

EPA's R&D support has been relatively stagnant for the last few years after steady growth until FY 1994. After the 1994 elections when the Republican Party gained control of Congress, EPA's R&D budget declined sharply and bottomed out in FY 1996 (see Figure 1). In subsequent years, EPA's R&D budget increased again but is still barely above the FY 1994 funding level in inflation-adjusted dollars.

The final VA-HUD bill emerged from conference in October, and was approved by the House and Senate on October 19. Attached to the bill is a revised version of the Energy-Water bill, which had been vetoed by the President. President Clinton signed the VA-HUD/Energy-Water bill into law on October 27, but the funding levels were modified on December 21 when the President signed the Labor-HHS bill into law. The Labor-HHS bill contains a provision reducing all appropriations in the VA-HUD bill by 0.22 percent.

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**Table. Environmental Protection Agency  
R&D in the FY 2001 Budget (FINAL)  
(budget authority in millions of dollars)**

	FY 2000 Estimate	FY 2001 Request	Final FY 2001 Appropriations				
			<b>FY 2001 FINAL</b>	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2000 Amount	Chg. from FY 2000 Percent
EPA R&D:							
Science and Technology <sup>1</sup>	497	493	<b>537</b>	44	8.9%	41	8.2%
Superfund	38	36	<b>36</b>	1	1.7%	-1	-3.9%
Leaking Underground Storage Tanks	1	1	<b>1</b>	0	-14.3%	0	0.0%
Oil Spill Response	1	1	<b>1</b>	0	-10.0%	0	0.0%
Other R&D Support Costs	111	142	<b>111</b>	-31	-22.0%	0	0.0%
<b>Total EPA R&amp;D</b>	<b>647</b>	<b>673</b>	<b>686</b>	<b>13</b>	<b>2.0%</b>	<b>39</b>	<b>6.0%</b>
EPA Budget:							
Science and Technology <sup>2</sup>	681	710	<b>732</b>	22	3.1%	51	7.5%
Environ. Progs. and Management	1,895	2,099	<b>2,083</b>	-16	-0.7%	188	9.9%
Superfund <sup>2</sup>	1,232	1,302	<b>1,231</b>	-71	-5.4%	-1	-0.1%
State and Tribal Assistance Grants	3,446	2,907	<b>3,621</b>	714	24.6%	175	5.1%
Buildings and Facilities	62	24	<b>24</b>	0	-0.5%	-38	-61.5%
Leaking Underground Storage Tanks	70	72	<b>72</b>	0	-0.1%	2	2.8%
Oil Spill Response	15	16	<b>15</b>	-1	-6.5%	0	-0.2%
Inspector General	32	34	<b>34</b>	0	0.1%	2	6.3%
<b>Total EPA Budget</b>	<b>7,433</b>	<b>7,163</b>	<b>7,812</b>	<b>648</b>	<b>9.0%</b>	<b>379</b>	<b>5.1%</b>

AAAS estimates based on FY 2001 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2000 and FY 2001 request figures based on OMB R&D data and supplemental agency budget data.

Figures are rounded to the nearest million. Changes calculated from unrounded figures.

<sup>1</sup> Does not include transfers from Superfund.

<sup>2</sup> Transfers from Superfund to S&T account recorded under S&T. FY 2001 Final figures exclude \$138 million appropriated directly to NIEHS (in NIH) and Agency for Toxic Substances and Disease Registry. In FY 2000 and FY 2001 request, these programs were funded through Superfund appropriations transferred to the two agencies.

FY 2000 and FY 2001 request figures adjusted for comparability with FY 2001 Final.

FY 2001 FINAL figures adjusted to reflect 0.22 percent across-the-board cut.

**December 20, 2000 - FINAL FY 2001 funding levels.**