

EPA R&D Edges Up in Senate Plan

AAAS R&D Funding Update on EPA R&D in FY 2008 Senate Appropriations

Highlights

- **The Senate plan for the Environmental Protection Agency (EPA) budget in FY 2008 would allocate \$566 million for its R&D programs, up a small \$5 million or 0.9 percent from the current year (see Table).** The Senate's plan would contrast with a 10.6 percent increase proposed by the House, but would be well above EPA's requested cut.
- The Senate would not go along with the House's proposal for \$50 million in new money for a proposed climate change commission to prioritize climate change adaptation and mitigation research.
- The total EPA budget would inch up 0.7 percent to \$7.8 billion in the Senate, between the House's larger increase and EPA's requested cut.

EPA R&D in FY 2008 Senate Appropriations

On June 21, the Senate Appropriations Committee approved its version of the FY 2008 Interior-Environment appropriations bill (S 1696) providing funding for the Department of the Interior, the Environmental Protection Agency (EPA), and other natural resources and environment programs, for consideration by the full Senate in July. The House debated and approved its version on June 27. Both the House and Senate bills contain more than \$27 billion in 2008 discretionary spending, \$1 billion more than the current year but nearly \$2 billion more than the President's requested cut in these programs.

The Environmental Protection Agency (EPA), the primary regulatory agency for the U.S. environment, funds a broad portfolio of R&D to meet the science and technology needs of its regulatory and enforcement responsibilities. **The FY 2008 Senate appropriation would barely increase EPA R&D funding by \$5 million or 0.9 percent to \$566 million (see Table).** \$7 million of the increase would be new funding for Senate earmarks, leaving non-earmarked R&D funding down slightly (down \$2 million), though well above EPA's requested cut down to \$512 million.

The House, by contrast, would dramatically increase EPA R&D with a surprising \$50 million in new money for climate change adaptation and mitigation R&D to be distributed in a novel way. The House appropriation proposes an unusually structured multi-agency commission to determine federal climate change adaptation and mitigation research priorities, gives the commission \$50 million in a new EPA account to do its work, and then proposes to allow the commission to distribute funding to multiple federal agencies (including but not limited to EPA) to fund research aligned with its recommendations. The House Interior bill would establish a temporary two-year Commission on Climate Change Mitigation and Adaptation, but the Senate bill is silent on this House proposal. (For details of House appropriations for EPA R&D, see the June 13 AAAS R&D Funding Update; for details of the President's request for EPA R&D, see Chapter 12 of *AAAS Report XXXII: R&D FY 2008* or the March 2 AAAS R&D Funding Update).

Most of EPA's R&D is managed by its Office of Research and Development (ORD), which funds both R&D at EPA laboratories around the country and external R&D, mostly at universities. Nearly all of EPA's R&D comes from the Science and Technology (S&T) budget account, which would total \$773 million in the 2008 Senate appropriation, up 5.3 percent from the 2007 funding level. R&D makes up most but not all of the S&T account. Subtracting non-R&D items such as critical infrastructure protection,

operating overhead costs, and clean air standards and certification activities leaves an R&D portfolio of \$538 million from S&T, up 1.7 percent (see Table). ORD also receives R&D funding from the Superfund program (down \$4 million to \$26 million) for hazardous wastes research, and small amounts of funding from other EPA accounts.

Clean air research would increase in both the House and Senate plans, to \$100 million in the Senate (up 6.3 percent) and \$114 million in the House, due to big increases in climate change research (see Table). Both the House and Senate bills urge EPA to fund research in support of the development of potential greenhouse gas regulations. In other EPA research areas, human health and ecosystems research, the largest part of the ORD portfolio, would fall to \$220 million, while clean water research would increase slightly to \$106 million.

The Senate would create a new \$14 million account within S&T specifically to fund competitively awarded extramural research, primarily for water and air quality issues. These funds would go mostly to universities. The Senate bill would also allocate \$7 million for congressional projects after a moratorium on earmarking in 2007; the earmarked funds would go to four multi-state research consortia. In 2006, EPA R&D earmarks totaled \$33 million.

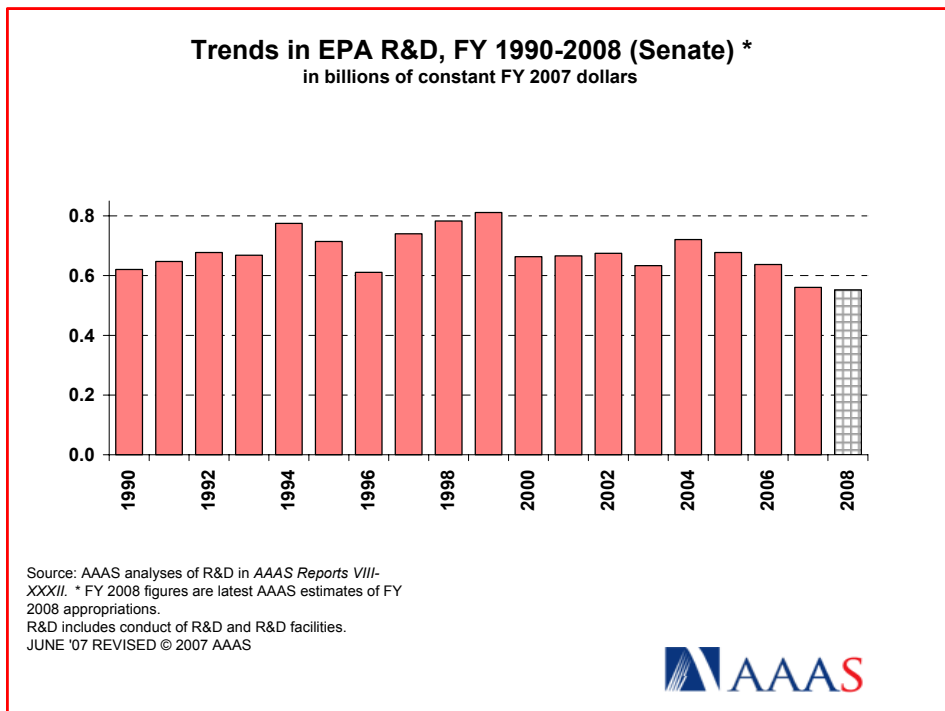


Figure 1. (click on the image for PDF)

Homeland security related R&D, a growth area in previous years, would fall from \$38 million this year down to \$32 million in the Senate. Some of this effort is devoted to protecting drinking water supplies against terrorist attack through vulnerability assessments and a laboratory network for surveillance. This portfolio also funds EPA's National Homeland Security Research Center (NHSRC) to conduct R&D on a wide variety of terrorist threats that may have an impact on the natural environment, such as radiation, drinking water contamination, and the environmental impacts of cleanup technologies after a terrorist attack.

The total EPA budget would be \$8.1 billion in the House plan and \$7.8 billion in the Senate, both increases from the current year and well above the requested cut down to \$7.2 billion.

Environmental research in general and EPA R&D in particular would rebound in the 2008 House appropriation from steady cuts in recent years, but the Senate 2008 plan would fail to keep pace with inflation in 2008 and would bring EPA R&D funding to its lowest level in more than two decades. EPA's R&D support has been declining steadily for the past few years after steady growth in the late 1990s (see Figure 1). EPA R&D fell in FY 2000, and has eroded in inflation-adjusted dollars since then except for a one-time boost in FY 2004 for homeland security-related R&D. The House appropriation would bring EPA R&D back above \$600 million in today's dollars, but most of the \$50 million commission appropriation that puts EPA over the top would end up flowing out of EPA to other federal agencies; the Senate appropriation, without the commission, would keep EPA R&D on a downward trend.

Outlook and Next Steps

The full Senate is expected to debate and approve the Interior-Environment bill in July, following on the full House's approval of its version on June 27. Congress will try to send a final version of the bill to President Bush before the October 1 start of FY 2008. The President has threatened to veto any 2008 appropriations bill that exceeds his request, as both versions do by nearly \$2 billion, so the bill may have a long way to go before its funding levels become final.

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2008 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2008 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2008 R&D" or the "What's New" sections.)

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Table. EPA R&D in FY 2008 Senate Appropriations

**Table. Environmental Protection Agency
Senate Appropriations Committee Action on R&D in the FY 2008 Budget
(budget authority in millions of dollars)**

	FY 2007 Estimate	FY 2008 Request	FY 2008 House	Action by Senate				
				FY 2008 Senate	Chg. from Request Amount	Percent	Chg. from FY 2007 Amount	Percent
EPA R&D:								
Science and Technology 1/	529	512	542	538	26	5.0%	9	1.7%
<i>Congressional Projects</i>	0	0	0	7	7	--	7	--
<i>Clean Air</i>	94	98	114	100	2	2.3%	6	6.3%
<i>Clean Water</i>	105	105	110	106	1	1.1%	1	0.7%
<i>Human Health & Ecosystems</i>	229	218	229	220	2	0.9%	-10	-4.3%
<i>Land Protection</i>	10	11	11	11	0	1.1%	0	4.3%
<i>Sustainability</i>	26	22	22	23	0	1.0%	-3	-12.5%
<i>Pesticides and Toxics</i>	26	25	25	25	0	1.2%	-1	-3.3%
<i>Homeland Security</i>	38	34	31	32	-1	-3.8%	-5	-13.8%
<i>Extramural research 2/</i>	0	0	0	14	14	--	14	--
Commission on Climate Change 3/	0	0	50	0	0	--	0	--
Superfund	30	26	26	26	0	0.1%	-4	-13.4%
Leaking Underground Storage Tanks	1	1	1	1	0	0.0%	0	0.0%
Oil Spill Response	1	1	1	1	0	0.0%	0	0.0%
Total EPA R&D	561	540	620	566	26	4.8%	5	0.9%
EPA Budget (includes non-R&D components):								
Science and Technology 1/	733	755	788	773	18	2.4%	39	5.3%
Commission on Climate Change 3/	0	0	50	0	0	--	0	--
Environ. Progs. and Management	2,358	2,298	2,376	2,384	86	3.7%	26	1.1%
Superfund	1,255	1,245	1,272	1,275	30	2.4%	20	1.6%
State and Tribal Assistance Grants	3,185	2,725	3,392	3,182	457	16.8%	-4	-0.1%
Buildings and Facilities	40	35	35	35	0	0.0%	-5	-12.2%
Leaking Underground Storage Tanks	100	92	118	72	-20	-21.4%	-28	-27.7%
Oil Spill Response	16	17	17	17	0	1.2%	2	11.1%
Inspector General	37	38	44	40	2	5.2%	3	7.6%
Total EPA Budget	7,725	7,204	8,091	7,778	574	8.0%	53	0.7%

AAAS estimates based on FY 2008 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2007 and FY 2008 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.

1/ Does not include transfers from Superfund (see Superfund line).

2/ FY 2008 Senate bill proposes a new funding category for extramural research grants.

3/ FY 2008 House Interior-Environment bill proposes a new climate change commission to prioritize and fund climate change adaptation and mitigation research.

June 28, 2007 - AAAS estimates of Senate Appropriations Committee action.

These figures may be modified or rejected by the full Senate.