

EPA R&D Increases in Final Bill

(This analysis is part of a series of AAAS R&D Funding Updates on the FY 2002 congressional appropriations process. This analysis includes information on R&D in House-Senate conference appropriations for the Environmental Protection Agency (EPA). The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D by agency in FY 2002 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/R&D>) in the "FY 2002 R&D" or the "What's New" sections.)

On November 6, a conference report was filed for the FY 2002 VA-HUD appropriations bill (HR 2620; House Report 107-272), which funds the Environmental Protection Agency (EPA). The FY 2002 EPA budget would increase by 1.2 percent or \$921 million to \$7.9 billion, well above EPA's requested cut to \$7.3 billion. **EPA's R&D would be funded at \$632 million, 3.8 percent or \$23 million above the FY 2001 level** (see Table).

The final FY 2002 VA-HUD bill would provide \$85 billion for discretionary programs, more than the House version of the bill (\$85 billion), Senate version of the bill (\$84 billion) and the request (\$83 billion). The bill funds science agencies including the National Science Foundation (NSF), the National Aeronautics and Space Administration (NASA), EPA, and non-R&D programs for veterans and housing. (For information on House appropriations for EPA, please see the July 27 AAAS R&D Funding Update; for information on Senate appropriations for EPA, please see the July 25 AAAS R&D Funding Update; for details of the FY 2002 request for EPA, please see Chapter 12 of *AAAS Report XXVI: R&D FY 2002*.)

EPA requested \$7.3 billion for its total budget, a cut of \$494 million or 6.3 percent from FY 2001 because of cuts to State and Tribal Assistance Grants, perennially a higher priority for Congress than for EPA, and cuts in funds for congressionally designated projects. The House and Senate added some funds to the requested cuts in Science and Technology, Environmental Programs and Management, and State and Tribal Assistance Grants, mostly in the form of congressionally designated projects. The final bill would go above the earlier versions and provide \$7.9 billion, 1.2 percent more than FY 2001 and \$587 million more than the agency's request (see Table).

EPA's R&D, mostly funded in the **Science and Technology** account, would total \$632 million, well above both the request and the FY 2001 funding level. EPA requested a cut in R&D down to \$569 million (down 6.5 percent), mostly because EPA proposed, as it did in the Clinton Administration, to eliminate dozens of congressionally designated research projects while keeping core research funding flat. The final FY 2002 EPA budget would fund most R&D programs at the requested level, but would add nearly 50 congressionally designated research projects to the Science and Technology account and nearly 20 earmarked projects to the normally non-R&D Environmental Programs and Management account to bring FY 2002 R&D more than \$63 million above the requested level and \$23 million above the earmark-laden FY 2001 level. The R&D earmarks in the final VA-HUD bill total \$62 million, nearly exactly the amount total EPA R&D would exceed the request.

Congress would mostly stick to the EPA's priorities for FY 2002, except for a boost in funding for **State and Tribal Assistance Grants**. Although EPA requested a cut in this program from \$3.6 billion to \$3.3 billion, the final VA-HUD bill would provide \$3.7 billion because of more than 300 congressional add-on projects. Most of this money goes to state and local governments. For **Environmental Programs and Management**, which funds most of EPA's operating expenses, the final bill would provide \$2.1 billion, \$29 million less than FY 2001 but \$82 million more than the request because of congressionally designated projects, including some for R&D projects. The **Superfund** program would stay even at the \$1.2 billion FY 2001 funding level. Superfund would continue to support \$37 million (same as FY 2001) in research on hazardous substances.

Superfund used to transfer funds to the National Institute of Environmental Health Sciences (NIEHS), a part of the National Institutes of Health (NIH), for its research program on environmental health, but beginning in FY 2001 and continuing with the FY 2002 request and FY 2002 VA-HUD bill these funds are appropriated directly to NIEHS, and appear as part of the NIH budget. The NIEHS Superfund appropriation, funded in the final VA-HUD bill separately from the regular NIEHS appropriation, would be \$70 million for FY 2002, the same as the request and up from \$63 million in FY 2001.

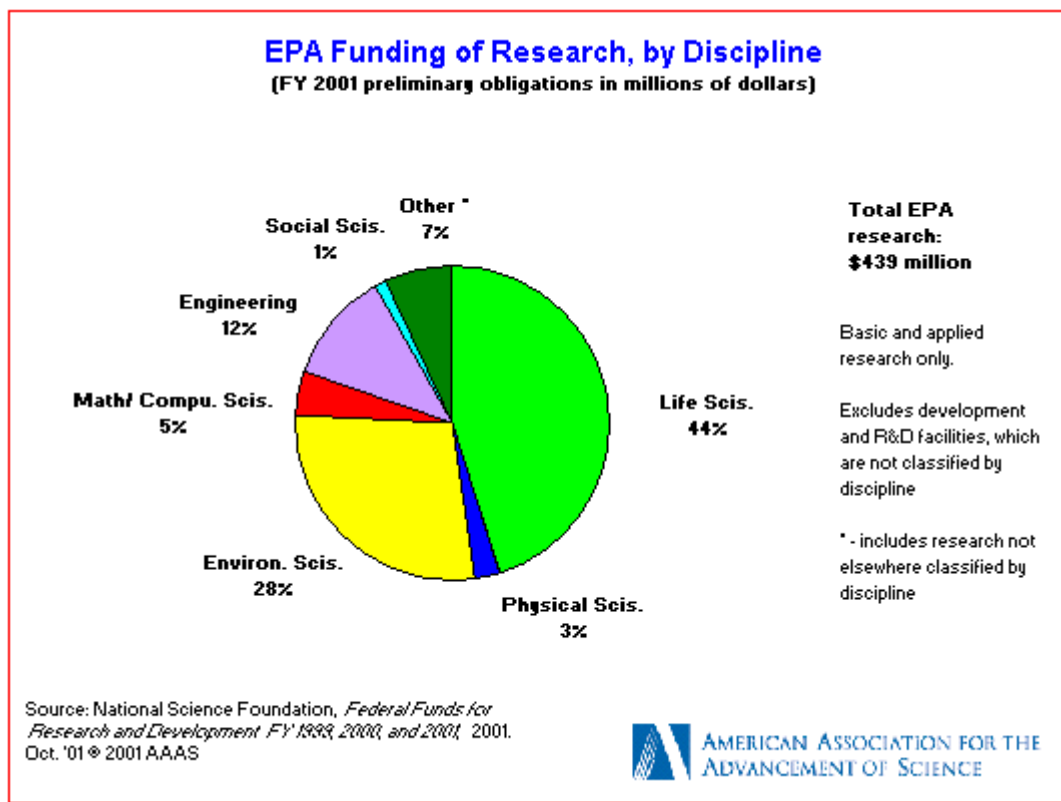


Figure 1. (click on the image to view or download a color full-page PDF version of the chart)

EPA's basic and applied research support (excluding development and R&D facilities) comprises most of EPA's R&D. As shown in Figure 1, most of EPA's research is in the life sciences, with significant amounts support for the environmental sciences and engineering as well. 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 4 percent of total federal support, while in the life sciences EPA funds only 1 percent of total federal support and in engineering research only 1 percent.

Roughly a quarter of EPA's R&D is performed in the agency's own laboratories, while about a third is performed by industrial firms. Nearly a third of EPA's R&D is performed by colleges and universities, a share that has been growing in recent years as EPA has attempted to expand its links with academia. The remainder is performed by nonprofit institutions and state and local governments.

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 2). In subsequent years, EPA's R&D budget has had its ups and downs and is still below the FY 1994 funding level in inflation-adjusted dollars.

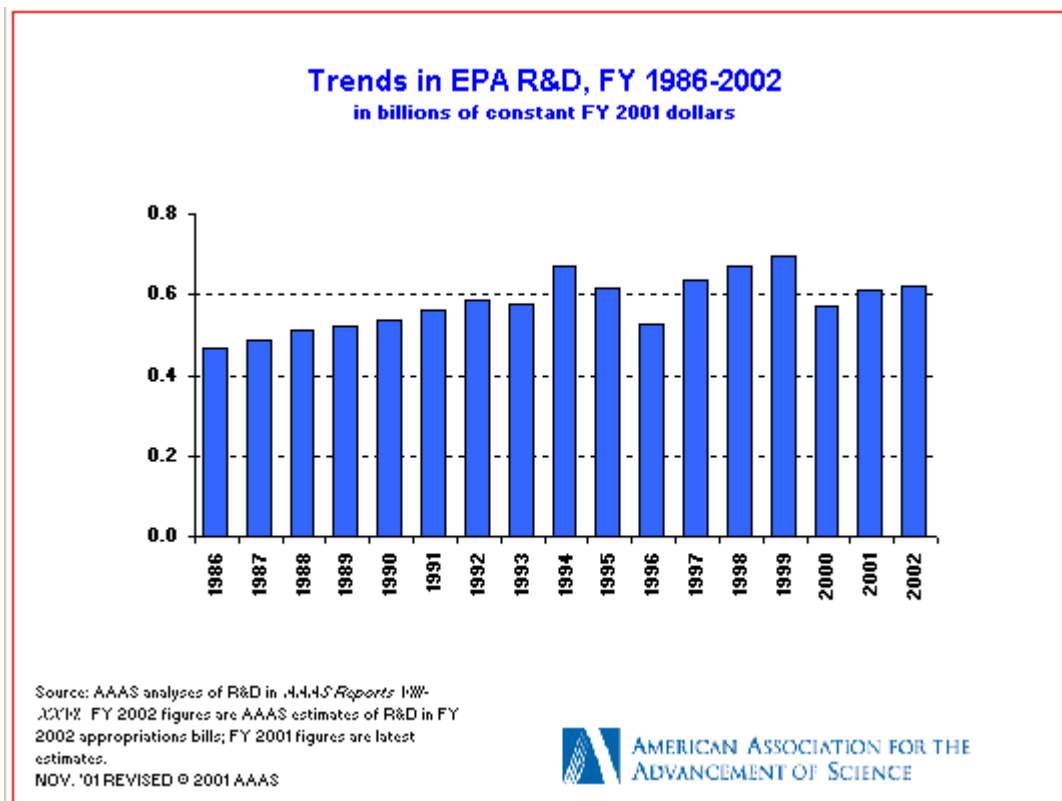


Figure 2. (click on the image to view or download a color full-page PDF version of the chart)

Congress is expected to give final approval to the VA-HUD bill in the next few days, and President Bush is expected to sign it into law before the current continuing resolution (temporary appropriations bill) expires on November 16. The only controversial part of EPA's section of the bill is a legislative provision prohibiting any delays in implementing EPA's final arsenic standard for drinking water. Some lawmakers would like to delay or cancel the regulation's implementation because of concerns that state and local governments would be burdened with expensive implementation costs. This provision is unlikely to impede final passage of the bill.

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**Table. Environmental Protection Agency
House-Senate Conference on R&D in the FY 2002 Budget
(budget authority in millions of dollars)**

	FY 2001 Estimate	FY 2002 Request	Action by House-Senate Conference				
			FY 2002 CONF.	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2001 Amount	Chg. from FY 2001 Percent
EPA R&D:							
Science and Technology ¹	533	497	548	52	10.4%	16	3.0%
Superfund	37	37	37	0	0.0%	0	1.1%
Leaking Underground Storage Tanks	1	1	1	0	0.0%	0	0.0%
Oil Spill Response	1	1	1	0	0.0%	0	0.0%
Other R&D Costs	38	34	46	12	34.1%	7	18.8%
Total EPA R&D	609	569	632	63	11.1%	23	3.8%
EPA Budget:							
Science and Technology ²	732	677	735	58	8.5%	3	0.4%
Environ. Progs. and Management	2,083	1,973	2,055	82	4.1%	-29	-1.4%
Superfund ²	1,231	1,231	1,233	2	0.2%	2	0.2%
State and Tribal Assistance Grants	3,621	3,289	3,733	445	13.5%	113	3.1%
Buildings and Facilities	24	25	25	0	0.0%	1	6.0%
Leaking Underground Storage Tanks	72	72	73	1	1.5%	1	1.5%
Oil Spill Response	15	15	15	0	0.2%	0	0.2%
Inspector General	34	34	34	0	0.0%	0	0.0%
Total EPA Budget	7,812	7,317	7,903	587	8.0%	92	1.2%

AAAS estimates based on FY 2002 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2001 and FY 2002 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.

² Transfers from Superfund to S&T account recorded under S&T.

November 7, 2001 - House-Senate conference funding levels.

These appropriations are final unless the conference report is rejected or vetoed.

Some funding levels may be amended by later appropriations bills.