



AAAS R&D Funding Update October 5, 2004 -

Senate Moderates Requested Cuts to EPA R&D

Highlights

- **The Senate has drafted an Environmental Protection Agency (EPA) budget for FY 2005 that would cut the agency's R&D budget by 2.0 percent or \$12 million to \$604 million**, a more generous allocation than the deeper cuts contained in the agency request and the House's budget plan because of added Senate earmarks (see Table).

- The Senate would be generous with EPA's total budget, providing an increase of \$135 million to \$8.5 billion in contrast to steep cuts in the EPA request and the House plan.

EPA R&D in FY 2005 Senate Appropriations

On September 21, the Senate Appropriations Committee drafted its version of an FY 2005 VA/HUD appropriations bill (S 2825) that would provide a modest increase for the Environmental Protection Agency (EPA) in FY 2005, in contrast to steep requested cuts. The Senate bill would give EPA a total budget of \$8.5 billion in FY 2005, \$135 million or 1.6 percent more than last year (FY 2004) and far more than the \$7.8 billion request and House appropriation. EPA's R&D funding would decline 2.0 percent down to \$604 million, but would compare favorably with R&D appropriations below \$600 million in the request and the House plan. (For details of R&D in FY 2005 House appropriations, see the July 26 AAAS R&D Funding Update. For details of R&D in the FY 2005 request, please see Chapter 13 of *AAAS Report XXIX: R&D FY 2005* or the February 25 AAAS R&D Funding Update.)

The Senate FY 2005 VA-HUD bill would provide \$93 billion for discretionary programs, almost \$1 billion more than the President's request and \$2 billion more than this year's funding level. The bill funds science agencies including the National Science Foundation (NSF), the National Aeronautics and Space Administration (NASA), and EPA, and non-R&D programs for veterans and housing. Although the Senate total appears to be the same as the House, the Senate is able to provide more funds for R&D in NSF, NASA, and EPA than the House because the Senate bill contains an additional \$2 billion in emergency spending for NASA and veterans programs, freeing up resources for other priorities.

EPA's R&D, mostly funded in the **Science and Technology** account, would total \$604 million in the FY 2005 Senate plan, a cut of \$12 million or 2.0 percent (see Table). The FY 2004 omnibus budget bill contained 41 congressional earmarks in the S&T account and another 11 R&D earmarks in normally non-R&D Environmental Programs and Management account, many of them renewed from FY 2003, for a total of \$56 million in R&D earmarks (AAAS estimates). The FY 2005 request would have eliminated these earmarks, for a slight net increase in FY 2005 for EPA's core R&D programs. The Senate would fund 22 R&D earmarks totaling \$23 million and several other non-R&D earmarks in the S&T account, allowing for a modest increase in EPA's core R&D programs.

R&D in the S&T account would increase 0.9 percent to \$566 million in FY 2005. The Senate bill would allow for some modest program increases, such as particulate matter research from \$58 million last year to \$62 million in FY 2005, and flat or slightly increasing funding for most EPA research areas.

The Senate bill does not explicitly address EPA's funding of competitively awarded extramural research, which would decline steeply in the agency request. EPA's Science to Achieve Results (STAR) program of extramural research grants would decline by one third in the agency request, requiring the

elimination of STAR grants in four areas; the House would restore most of the funding, but the Senate bill does not address the STAR program.

EPA's S&T investments are a small part of the overall EPA portfolio, and are designed to support EPA's regulatory and enforcement missions. The Senate would reverse proposed cuts to EPA's total budget, and would instead provide a modest increase of 1.6 percent to \$8.5 billion (see Table). EPA requested only \$3.2 billion for **State and Tribal Assistance Grants (STG)**, perennially a higher priority for Congress than for EPA, but the House followed tradition by adding to the request, bringing funding to \$3.4 billion, and the Senate would go further by boosting spending above last year's level to \$3.9 billion. Most of this money goes to state, local, and tribal governments to fund environmental projects, primarily projects to preserve clean drinking water. For **Environmental Programs and Management**, which funds most of EPA's operating expenses, the Senate would nearly match the request of \$2.3 billion, slightly above last year's funding level. The Senate would match the \$1.4 billion request for the Superfund program, a 9.9 percent increase over FY 2004.

Next Steps

The House VA-HUD bill's proposed cuts to NSF, NASA, and EPA look so steep, especially in an election year, that the bill may never make it to the House floor as a stand-alone bill. With the October 1 start of FY 2005 already past and the October 8 target adjournment date looming with other legislative priorities stacked up, the Senate has also run out of time to approve its version as a stand-alone bill. Thus, EPA programs are operating through November 20 at FY 2004 levels under a continuing resolution (CR; temporary appropriations bill) approved by Congress last week. After the November elections, Congress will try to finish up appropriations; the most likely scenario is that the VA-HUD bill will be rolled into an omnibus appropriations bill along with the other unfinished appropriations bills in a post-election lame duck session.

(This analysis is one of a series of AAAS R&D Funding Updates on the FY 2005 congressional appropriations process. This analysis includes information on R&D in Senate appropriations for the Environmental Protection Agency. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D by agency in FY 2005 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2005 R&D" or the "What's New" sections.)

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Table. EPA R&D in FY 2005 Senate Appropriations

**Table. Environmental Protection Agency
Senate Appropriations Committee Action on R&D in the FY 2005 Budget
(budget authority in millions of dollars)**

	FY 2004 Estimate	FY 2005 Request	FY 2005 House	Action by Senate				
				FY 2005 Senate	Chg. from Request Amount	Percent	Chg. from FY 2004 Amount	Percent
EPA R&D:								
Science and Technology ¹	561	535	552	566	31	5.9%	5	0.9%
Superfund	45	36	36	36	0	0.0%	-9	-19.2%
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%
Other R&D	9	0	0	0	0	--	-9	-100.0%
Total EPA R&D	616	572	589	604	31	5.5%	-12	-2.0%
EPA Budget:								
Science and Technology	782	689	729	758	69	10.0%	-24	-3.0%
Environ. Progs. and Management	2,280	2,317	2,241	2,310	-7	-0.3%	30	1.3%
Superfund	1,258	1,381	1,258	1,381	0	0.0%	124	9.9%
State and Tribal Assistance Grants	3,878	3,232	3,359	3,887	655	20.3%	9	0.2%
Buildings and Facilities	40	43	39	40	-3	-6.8%	0	0.6%
Leaking Underground Storage Tanks	76	73	74	70	-3	-3.5%	-6	-7.3%
Oil Spill Response	16	16	16	16	0	-2.6%	0	-0.7%
Inspector General	37	38	37	38	0	0.0%	1	1.8%
Total EPA Budget	8,366	7,789	7,753	8,500	711	9.1%	135	1.6%

AAAS estimates based on FY 2005 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2004 and FY 2005 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).

October 5, 2004 - AAAS estimates of Senate Appropriations Committee-approved funding levels.