

EPA R&D Gains Slightly in House Plan

AAAS R&D Funding Update on R&D in House FY 2006 EPA Appropriations

Highlights

- **The Environmental Protection Agency's (EPA) R&D budget would increase slightly by 0.8 percent or \$4 million to \$577 million in FY 2006 in the latest House plan** (see Table). The House would add \$8 million to the President's request, which called for a slight cut in EPA R&D. The House plan would allow several EPA R&D programs to receive increases.

- The House would agree with the request to make **Homeland security-related R&D a winner in the R&D portfolio**, with large increases for decontamination research and drinking water security research.

- **EPA's overall budget would fall 4.0 percent down to \$7.7 billion** because of steep cuts to State and Tribal Assistance Grants proposed by the Administration and agreed to by the House.

EPA R&D in FY 2006 House Appropriations

On May 19, the House of Representatives approved its version of the FY 2006 Interior and Environment appropriations bill (HR 2361), the second of 12 appropriations bills to win House approval. The bill funds most of the Department of the Interior as well as the Smithsonian Institution, the Forest Service, and for the first time the Environmental Protection Agency (EPA). In previous years, EPA had been funded along with the National Science Foundation, NASA, and the Department of Veterans Affairs in the now-eliminated VA-HUD appropriations bill. **EPA's R&D**, mostly funded in the **Science and Technology** account, would total \$577 million in the House Interior/Environment bill, a modest gain of \$4 million or 0.8 percent (see Table) compared to a small cut in the President's February budget proposal. (For details of the President's request for EPA R&D, please see Chapter 13 of *AAAS Report XXX: R&D FY 2006* or the March 2 EPA R&D Funding Update).

EPA's R&D is mostly funded in the **Science and Technology** (S&T) account. R&D in the S&T account totals \$544 million in the FY 2006 House plan, a 1.8 percent increase, but a larger increase if congressionally designated performer-specific R&D earmarks are not counted. While the House would add \$40 million in earmarks to the request, this would be less than the more than \$60 million in FY 2005 earmarks, leaving more room for core R&D program funding. The House appropriation would allow for some modest program increases, such as clean air research from \$101 million this year to \$108 million next year. Clean air research includes research on global change, particulate matter, and tropospheric ozone. Clean water research would increase from \$94 million to \$102 million. There would be a small increase in the computation toxicology program from \$12 million to \$13 million. Most other EPA research areas would see flat funding, except for sustainability research which would fall from \$40 million to \$29 million as requested.

Homeland security-related R&D would be a winner in the R&D portfolio, nearly doubling from \$33 million in FY 2005 to \$51 million next year in the House plan, though less than the \$94 million request (AAAS estimates based on OMB data). EPA efforts would be focused in two areas. Drinking water security research would be one priority, and would involve EPA efforts to develop better surveillance and laboratory networks for drinking water supplies to counter potential terrorist threats. The other priority would be decontamination research, to develop better technologies and methods for decontaminating terrorist attack sites such as the Senate office buildings that EPA decontaminated from anthrax in 2001. EPA would also continue threat and consequence assessments and testing potential biodefense and other

decontamination technologies. Much of this work would be conducted at EPA's National Homeland Security Research Center (NHSRC) in Cincinnati.

EPA's S&T investments are a small part of the overall EPA portfolio (see Table), and are designed to support EPA's regulatory and enforcement missions. R&D would fare better than the overall FY 2006 budget of \$7.7 billion, a loss of \$318 million or 4.0 percent. The House would provide only \$3.1 billion for **State and Tribal Assistance Grants (STG)**, down from \$3.6 billion. Most of this money goes to state, local, and tribal governments to fund environmental projects, primarily projects to preserve clean drinking water. Most other EPA accounts would receive increases, including the Environmental Programs and Management (EPM) account that funds most of EPA's regulatory work (up 4.2 percent to \$2.4 billion).

Impacts of the EPA R&D Portfolio

EPA's basic and applied research support (excluding development and R&D facilities) comprises the large majority (80 percent) of EPA's R&D. The largest part of EPA's research is in the life sciences (primarily biology and environmental biology), with significant 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 environmental R&D. In the environmental sciences, EPA accounts for only 4 percent of total federal support, while in the life sciences EPA funds less than 1 percent.

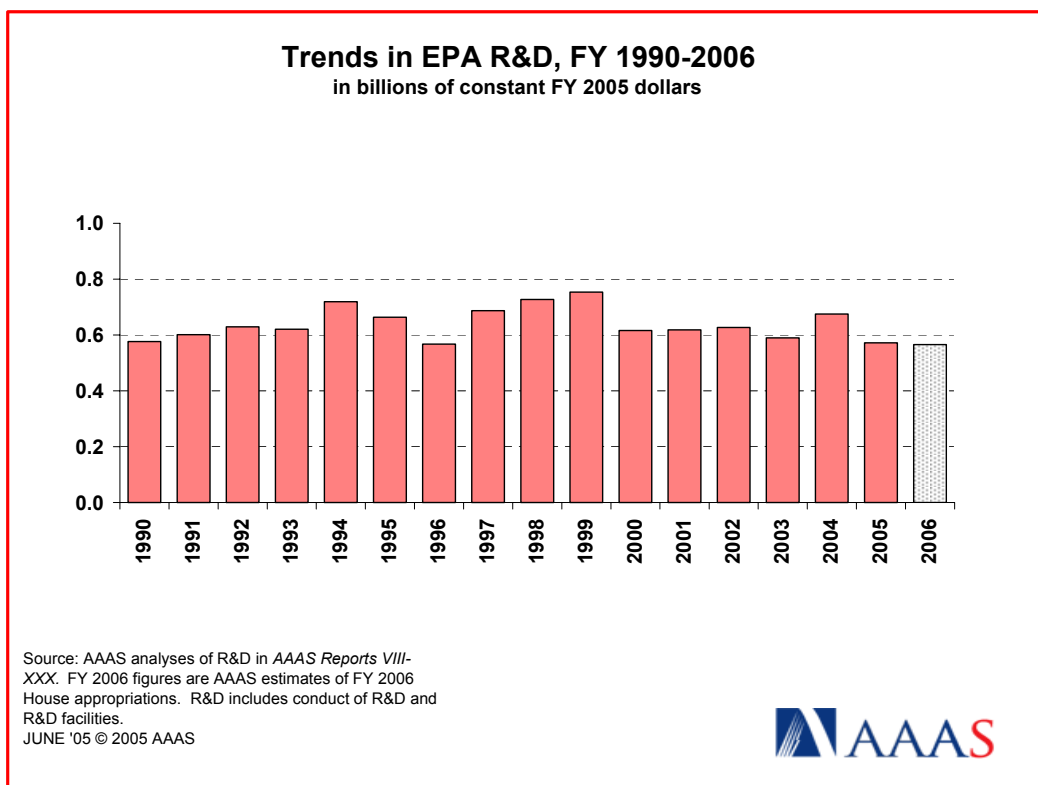


Figure 1. (click on the image for PDF)

Roughly 47 percent of EPA's R&D is performed in the agency's own laboratories, while about 10 percent 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 declining slowly for the past few years after steady growth in the late 1990s. EPA's R&D budget declined sharply after FY 1994 and bottomed out in FY 1996 (see Figure 1). In subsequent years, EPA's R&D grew until FY 1999. EPA R&D declined again in FY 2000, and has eroded slowly in inflation-adjusted dollars since then except for a one-time boost in FY 2004 for homeland security-related R&D. EPA R&D has essentially stayed at \$600 million in today's dollars for more than a decade, a trend that the House appropriation would reinforce.

The Senate Appropriations Committee is expected to draft its version of the Interior and Environment bill in June.

- June 3, 2005

(This analysis is one of a series of AAAS R&D Funding Updates on FY 2006 congressional appropriations. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2006 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2006 R&D" or the "What's New" sections.)

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Table. EPA R&D in FY 2006 House Appropriations

**Table. Environmental Protection Agency
House Action on R&D in the FY 2006 Budget
(budget authority in millions of dollars)**

	FY 2005 Estimate	FY 2006 Request	FY 2006 House	House Action			
				Chg. from Request Amount	Percent	Chg. from FY 2005 Amount	Percent
EPA R&D:							
Science and Technology ¹	535	536	544	9	1.6%	10	1.8%
Superfund	36	31	31	0	-1.3%	-5	-15.0%
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	0	0	0	0	--	0	--
Total EPA R&D	572	568	577	8	1.5%	4	0.8%
EPA Budget:							
Science and Technology ¹	744	761	765	4	0.6%	21	2.9%
Environ. Progs. and Management	2,294	2,404	2,389	-15	-0.6%	95	4.2%
Superfund	1,248	1,279	1,258	-21	-1.6%	10	0.8%
State and Tribal Assistance Grants	3,575	2,961	3,128	167	5.6%	-447	-12.5%
Buildings and Facilities	42	40	40	0	0.5%	-2	-4.2%
Leaking Underground Storage Tanks	69	73	73	0	0.0%	4	5.8%
Oil Spill Response	16	16	16	0	-0.9%	0	-0.9%
Inspector General	38	37	38	1	2.6%	0	-0.1%
Total EPA Budget	8,026	7,571	7,708	137	1.8%	-318	-4.0%

AAAS estimates based on FY 2005 and FY 2006 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2005 and FY 2006 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).

June 3, 2005 - AAAS estimates of House-approved appropriations bill.