



## ENVIRONMENTAL PROTECTION AGENCY

### Funding Highlights:

- Provides \$3.3 billion total for the Clean Water and Drinking Water State Revolving Funds. This will allow States and Tribes to initiate approximately 800 clean water and 500 drinking water projects nationally, continuing a major Federal commitment to water infrastructure investment.
- Provides new funding to support the Administration's commitment to mitigate climate change.
- Continues support for collaborative, interagency ecosystem restoration efforts in the Great Lakes, Chesapeake Bay and Mississippi River Basin.
- Provides grants for States and Tribes to administer delegated environmental programs at \$1.3 billion, the highest level ever.
- Funds the Agency's operating budget at \$3.8 billion to support regulatory, research, and enforcement activities.
- Supports economic growth and job creation in hard hit regions by bolstering Brownfields cleanup.

The Environmental Protection Agency (EPA) is committed to protecting human health and the environment. To achieve this mission, EPA collaborates with States and Tribes to implement air, water, waste, and chemical programs. The Budget requests \$10 billion for EPA, a substantially higher annual amount than requested under any previous Administration. This total expands the Administration's 2010 increase to the Agency's core operating budget, which provides funds for program implementation, priority research, enhanced regulation, and comprehensive enforcement activities. EPA's budget also provides more funding for State and tribal program implementation grants than any previous budget.

**Invests in Clean Water Infrastructure.** The Budget requests \$3.3 billion for the Clean

Water and Drinking Water State Revolving Funds (SRFs). The Federal SRF funding provides grants to States for low-interest loans to communities through a combination of Federal capitalization, State matches, State leveraging, interest, and loan repayments. Since loan interest and principal payments are returned to the program, the SRFs continue to generate funding for new loans even without continued Federal funding. The Federal contribution to water and waste water infrastructure has been substantially incorporated into SRFs. These Funds, combined, now produce approximately \$5 billion in repayments each year. As the Funds have grown, the need for Federal capitalization will decline over the next decade. Some ongoing contribution will be maintained so the neediest communities are adequately served.

For 2011, EPA proposes a new approach to helping small drinking water systems, as well as reforms to improve the long-term financial, managerial, and environmental sustainability of the SRFs. As part of that strategy, Federal dollars provided through the SRFs will act as a catalyst for efficient system-wide planning, improvements in technical, financial and managerial capacity, and the design, construction and on-going management of sustainable water infrastructure.

**Supports Efforts to Mitigate Climate Change.** The President has called on the Congress to enact forward-looking energy legislation that would spur U.S. development of advanced, clean energy technologies to reduce our dependence on oil, strengthen our energy and national security, create new jobs, and restore America's position as a global leader in efforts to mitigate climate change and address its worst consequences. The Administration supports a comprehensive market-based climate change policy to reduce greenhouse gas emissions in the United States more than 80 percent below 2005 levels by 2050. The President also supports a near-term target in the range of a 17-percent reduction by 2020. The Budget includes \$21 million, an increase of \$4 million from 2010 enacted levels, to implement the Mandatory Greenhouse Gas Reporting Rule and ensure the availability of high quality emissions data that will serve as the basis for effective climate policy.

In order for EPA and States to quickly and effectively address climate change, the Budget requests \$43 million in new funding for regulatory initiatives to control greenhouse gas emissions under existing Clean Air Act authorities. Requested funds include \$25 million to aid States in permitting activities for greenhouse gas (GHG) emissions under the New Source Review, and Title V operating permits programs. The Budget also requests \$7 million to develop New Source Performance Standards to control GHG emissions from a few categories of major stationary sources. The Budget requests an increase of \$6 million to support regulatory programs to reduce GHG emissions from mobile sources. These

initiatives will help the United States meet its target for emissions reductions.

**Advances Restoration of Great Lakes and Other Imperiled Waters.** The 2011 Budget supports ecosystem restoration efforts, including \$300 million for the Great Lakes, the largest freshwater system in the world. This EPA-led interagency effort to restore the Great Lakes focuses on priority environmental issues such as contaminated sediments and toxics, nonpoint source pollution, habitat degradation and loss, and invasive species.

The Budget also provides \$17 million in new funding for the Mississippi River Basin and increases support for the Chesapeake Bay by \$13 million. In the Mississippi River Basin, EPA will work with the Department of Agriculture to target nonpoint source reduction practices on agricultural land to reduce nutrient loadings. Funding for the Chesapeake Bay supports the President's May 2009 Chesapeake Bay Protection and Restoration Executive Order and will enable EPA to conduct robust regulatory, permitting, modeling, and reporting efforts. EPA and Federal partners will continue to coordinate with States, Tribes, municipalities, and industry to restore the integrity of imperiled waters of the United States.

**Assists States and Tribes Clean Air and Water Efforts.** For grants that support eligible States and Tribes that implement environmental programs, the Budget requests \$1.3 billion, a 14-percent increase from 2010 enacted and the highest level ever. In addition to the \$25 million provided for States to conduct GHG permitting activities, the Budget recognizes State fiscal constraints and provides substantial increases for select State and tribal programs, including a \$45 million increase for State water pollution control grants and a \$58 million increase for air quality management grants. The Budget includes \$30 million for a new tribal multimedia grant program targeted at Tribes and tribal consortia that can implement environmental program requirements on tribal lands.

**Promotes Economic Growth with Increased Funding for Brownfields Clean-up.** Brownfields are lightly contaminated sites—many in economically hard-hit regions—that pollution may keep from being used productively.

To stimulate economic growth and job creation in economically distressed areas, the Budget provides a substantial increase for the Brownfields program to integrate area-wide planning and environmental remediation activities.

**Environmental Protection Agency**  
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
<b>Spending</b>			
Discretionary Budget Authority:			
Operating Budget <sup>1</sup> .....	3,281	3,940	3,843
State and Tribal Assistance Grants .....	1,082	1,116	1,276
Clean Water State Revolving Fund .....	689	2,100	2,000
Drinking Water State Revolving Fund .....	829	1,387	1,287
Brownfields Assessment and Cleanup .....	97	100	138
Clean Diesel Grants .....	75	80	60
Targeted Water Infrastructure .....	192	195	20
Requested (non-add) .....	39	30	20
Unrequested (non-add) .....	153	165	—
Superfund .....	1,285	1,307	1,293
Leaking Underground Storage Tanks .....	113	113	113
Cancellation of unobligated balances .....	-10	-40	-10
Total, Discretionary budget authority .....	7,633	10,298	10,020
<i>Memorandum: Budget authority from American Recovery and Reinvestment Act .....</i>	7,220	—	—
Total, Discretionary outlays .....	7,885	8,591	9,351
<i>Memorandum: Outlays from American Recovery and Reinvestment Act .....</i>	302	2,841	2,005
Mandatory Outlays:			
Agency-wide			
Existing law .....	-117	-131	-129
Legislative proposals, Pesticide and PMN user fees .....	—	—	-50
Total, Mandatory outlays .....	-117	-131	-179
Total, Outlays .....	7,768	8,460	9,172

<sup>1</sup> Includes funding for Great Lakes Initiative.