

4/26/2019

Chairwoman Lisa Murkowski  
Ranking Member Tom Udall  
Senate Appropriations Committee  
Subcommittee on Interior, Environment, and Related Agencies  
United States Senate  
Washington, DC 20515

*Re: US EPA State and Tribal Categorical Grants Funding*

Dear Chairwoman Murkowski and Ranking Member Udall,

The Association of Clean Water Administrators (ACWA) writes to express concern over the Administration's proposed funding levels of the State and Tribal Categorical Grants (STAG) and urge appropriators to reject this proposal and fund the STAG grants at current funding levels or higher. As the national voice of state, interstate, and territorial officials responsible for implementation of programs that protect surface waters across the nation, ACWA is extremely concerned by the suggested elimination of STAG funding in the President's EPA FY20 Budget Proposal. Reducing STAG funding by any amount will severely limit states' ability to implement core water protection programs as required by the Clean Water Act (hereafter "the Act"). Most notably, the budget proposal reduces or eliminates section 106 and section 319 funds, both of which are critical funding sources for water protection efforts. The proposed reduction in FY20 federal funding to states will leave states with fewer resources, while their obligations under the Clean Water Act remain or increase.

As you undoubtedly know, Section 106 of the Clean Water Act is the main authorized funding source provided to the states and interstates to directly assist with preventing, reducing, and eliminating pollution to the nation's waters. States use these funds to help develop standards, set pollution reduction loads, issue permits, confirm compliance, monitor results, and report on successes. Section 106 of the Clean Water Act authorizes funding to the States and Interstate Commissions to assist these agencies in preventing, reducing, and eliminating pollution of the nation's waters. According to The Environmental Council of the States (ECOS), states implemented approximately 96.5% of federal environmental laws through delegated/authorized programs. Additionally, state agencies also conduct 90% of all environmental inspections, enforcement actions, and data collection, and they issue the bulk of the permits needed to build or operate a facility.<sup>1</sup> In 2015, categorical grants to the states were about

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<sup>1</sup> Testimony of Teresa Marks, Director, Arkansas Department of Environmental Quality, and President, Environmental Council of the States, before the House Energy and Commerce Committee, Subcommittee on Environment and the Economy (Feb. 15, 2013) at 3, available at <http://docs.house.gov/meetings/IF/IF18/20130215/100242/HHRG-113-IF18-Wstate-MarksT-20130215.pdf>.

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29% lower in inflation-adjusted dollars than they were in 2004.<sup>2</sup> Therefore, ACWA requests not only to restore section 106 funding, but increase the funding level to at least account for inflation.

Furthermore, eliminating or even reducing section 106 funds would negatively affect economic development across the country. In addition to the effects of less efficiently managed water programs on public health and recreation, the regulated community will suffer as well: when expanding, businesses must consider whether a given state agency will be able to issue permits and provide support in a timely manner, or whether they will slow development due to state agencies being overburdened.

Section 319 funds are used for restoration efforts for waterbodies impaired by nonpoint source (NPS) pollution. NPS pollution is the leading source of water quality impairment in the United States. Most of the waterbodies listed as not meeting their designated uses are impaired by nonpoint source pollution. NPS pollution is also the dominant source of pollutants impairing many of our nation's most significant waterbodies, such as the Gulf of Mexico and the Chesapeake Bay. Eliminating federal section 319 funding will limit states' ability to address nonpoint source pollution, which is already a difficult, cost-intensive problem. For example, states regularly use these funds to work with farmers on implementing best practices to reduce the amount of nutrients entering waters, and with urban communities to build green infrastructure to lessen the impacts of stormwater.

As with section 106 funding, section 319 funding has also suffered from stagnating appropriations. Funding Levels have decreased substantially since 1998 when many states adopted enhanced 319 program to receive the maximum allowed funding. Since 1998 states 319 funding has reduced every year. Funding levels have not increased when considering inflation since 2012. Accordingly, ACWA not only requests the restoration of section 319 funds, but also an increase in funds that is at least level with inflation.

Finally, restoration of the current funding levels would demonstrate a clear commitment to the collaborative relationship between the federal government and the states who are implementing the Act every day for their citizens. As the EPA realigns its priorities and focuses on strengthening the collaborative relationship between the states and EPA, States are taking on more responsibilities for implementing the Act and need a strong federal partner and enough resources to achieve the goals of the Act. Empowering the states to continue innovating by maintaining these important sources of funding would demonstrate to the public and the regulated community that our federal partners understand the importance of cooperative federalism.

In conclusion, ACWA asks that the Subcommittee consider these funding requests. The proposed FY20 EPA budget provides insufficient funding for section 106 and section 319. Funding must be at least consistent with last year's budget to allow states to carry out their duties under the Act. However, if the states are to make strides in reaching the nation's water quality goals, which benefit all Americans, funding for the section 106 and section 319 programs must be increased.

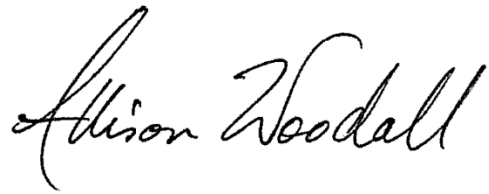
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<sup>2</sup> GAO, Funding for 10 States' Programs Supported by Four Environmental Protection Agency Categorical Grants, 13-504R Information on EPA Categorical Grants (May 6, 2013)

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Sincerely,

A handwritten signature in black ink that reads "Allison Woodall". The signature is written in a cursive, flowing style with a large initial 'A'.

Allison Woodall  
President, Association of Clean Water Administrators