



HOUSE BUDGET COMMITTEE

Democratic Caucus

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March 23, 2006

Environmental Funding Slashed in the President's 2007 Budget: Budget in Brief #7

The Administration continues to tout its commitment to protect public health and the environment, but reality does not match the rhetoric. The President's 2007 budget rejects vital investments in clean air, safe drinking water, and conservation measures that affect American families every day. For 2007, the President's budget provides \$28.2 billion in discretionary funding for environmental programs, which is \$2.0 billion (6.7 percent) below the 2006 enacted level, excluding supplemental funding, and is \$2.9 billion (9.6 percent) below the level needed to maintain current services. Over the 2007-2011 period, the budget is \$25.0 billion (15.3 percent) below the level needed to maintain current services. These drastic cuts undermine the ability to meet certain environmental priorities, and they jeopardize our nation's most treasured resources.

Environmental Protection Agency (EPA)

EPA Funding Cut Again — For 2007, the President's budget again cuts EPA funding, providing \$7.3 billion, a \$304 million decrease from the 2006 enacted level. As in previous years, the majority of this decrease is attributed to considerably reduced funding for water infrastructure programs that ensure the provision of clean water and protect public health.

Clean Water and Drinking Water Needs

Ignored — The Clean Water State Revolving Fund (SRF) is provided only \$688 million for 2007, a cut of \$199 million, or 22.4 percent, from the 2006 enacted level. More significantly, this represents a \$403 million (36.9 percent) decrease in funding over the last two years and a \$654 million decrease (48.7 percent) since 2004. The Drinking Water SRF is slightly cut from the 2006 level. These low funding levels dramatically

OMB v. CBO: Different Estimates of the President's Budget

On February 9, the Budget Committee Democratic staff issued its detailed "Summary and Analysis of the President's Fiscal Year 2007 Budget." That report analyzed the budget using the estimates submitted by the Office of Management and Budget. The Congressional Budget Office (CBO) has since re-estimated the President's budget, and this report uses CBO's estimates of spending and revenue.

diminish the nation's ability to reduce pollution, establish a sound wastewater treatment infrastructure, provide safe drinking water for millions of Americans, and protect against potentially deadly water contamination. Analyses by EPA, CBO, and other organizations have found that the nation's water systems need significant investments in infrastructure to ensure the provision of safe drinking water and to better protect public health.

Taxpayers Will Pay the Bill for Corporate Polluters — The President's 2007 budget continues to abandon the "polluter pays" principle regarding cleanup of the nation's most toxic sites. Despite a slight funding increase from the 2006 enacted level, all of the funding this year is again supplied from general revenues. As a result, corporate polluters will not be held accountable for their actions and taxpayers will foot the entire bill for corporate hazardous waste cleanup.

Groundwater Contamination Goes Unaddressed — Leaking Underground Storage Tank (LUST) funding is \$73 million for 2007, virtually frozen at the 2006 enacted level. The LUST Trust Fund is estimated to have a balance of over \$2.8 billion at the end of 2007, yet the Administration continues to avoid spending the balance for its intended use. This is critical, especially considering that 50 percent of the nation relies on groundwater for drinking, and over 119,000 underground storage tanks are currently leaking petroleum and methyl tertiary-butyl ether (MTBE) and contaminating groundwater and drinking water supplies.

Environmental Justice Funding Slashed — Funding for environmental justice programs, which protect the health and welfare of low-income and minority communities from environmental toxins related to industrial pollution, is significantly cut. The 2007 budget cuts environmental justice funding by nearly \$2 million, or 27.8 percent, below the 2006 enacted level.

Other Environmental Issues

Continued Push for Drilling in the Arctic National Wildlife Refuge — In spite of the highly controversial nature of this proposal, for the sixth consecutive year the President's budget assumes opening the Arctic Refuge to oil and gas exploration. Attempts to open the Arctic Refuge failed last session. Over the 2007-2011 period, the President's budget includes \$4.0 billion from lease bonuses for the federal treasury and \$4.0 billion collected and distributed to the State of Alaska. (CBO estimates that \$6.0 billion would be distributed equally between the federal government and the State of Alaska.)

Cuts Funding for Army Corps of Engineers — Despite significant emergency supplemental funding for the Army Corps of Engineers in the wake of Hurricane Katrina, in yet another repeat from the previous five years the President's budget significantly cuts appropriations for the Corps. For 2007, the Corps budget is restricted to \$4.7 billion, \$596 million (11.2 percent) below the 2006 enacted level excluding supplemental funding.

Abandons Farmers and Ranchers — The President once again cuts vital Farm Bill programs

that would help farmers and ranchers protect and enhance natural resources by over \$450 million for 2007 alone. This is in addition to the \$249 million in conservation cuts for 2007 that were enacted in the Republican spending reconciliation bill. The President's budget caps the Conservation Security Program (CSP) at \$342 million. It cuts the Environmental Quality Incentives Program (EQIP) by \$270 million (21.3 percent), the Wildlife Habitat Incentives Program (WHIP) by \$30 million (35.3 percent), the Agriculture Management Assistance program by \$14 million (70.0 percent), and Farmland Protection by \$47 million (48.5 percent). The budget also eliminates the remaining Watershed Rehabilitation Program funds (\$65 million).

Broken Promise to Fully Fund the Land and Water Conservation Fund (LWCF) — The President not only once again fails to fully fund the LWCF at the authorized level of \$900 million, but also continues the trend of significant cuts seen in past budgets. For 2007, the budget provides only \$86 million for the intended LWCF purposes of preserving parks, forest, wildlife refuges, and open space. This represents a cut of \$42 million (32.8 percent) from the 2006 enacted level. In addition, the President's budget once again eliminates the stateside LWCF program and only funds the federal acquisition program.

Unmet Fire Prevention Needs — The President again does not fully fund his Healthy Forests Initiative, providing only \$492 million for hazardous fuels reduction, an increase of \$2 million from the 2006 enacted level but \$268 million below the authorized level. The President's budget provides \$244 million for State and Private Forestry, a cut of \$35 million (12.5 percent) from the 2006 enacted level. Forest Health Management is provided \$84 million, a cut of \$16 million (15.9 percent). The budget also provides \$33 million for the State and Local Fire Assistance Program and eliminates the Rural Fire Assistance program, a combined cut of \$16 million (32.6 percent).

Endangered Species Threatened — The Fish and Wildlife Service endangered species recovery program is provided \$66 million, which is 10.4 percent below the 2006 enacted level. More than 200 species currently listed under the Endangered Species Act that are on the verge of extinction will be at greater risk as a result of the funding cut.