

EPA's Mission

The mission of the Environmental Protection Agency (EPA) is to protect human health and to safeguard the natural environment -- air, water, and land -- upon which life depends.

EPA's Goals

EPA has developed a series of ten strategic, long-term Goals in its Strategic Plan. These goals, together with the underlying principles that will be used to achieve them, define the Agency's planning, budgeting, analysis, and accountability process.

- **Clean Air:** The air in every American community will be safe and healthy to breathe. In particular, children, the elderly, and people with respiratory ailments will be protected from health risks of breathing polluted air. Reducing air pollution will also protect the environment, resulting in many benefits, such as restoring life in damaged ecosystems and reducing health risks to those whose subsistence depends directly on those ecosystems.
- **Clean and Safe Water:** All Americans will have drinking water that is clean and safe to drink. Effective protection of America's rivers, lakes, wetlands, aquifers, and coastal and ocean waters will sustain fish, plants, and wildlife, as well as recreational, subsistence, and economic activities. Watersheds and their aquatic ecosystems will be restored and protected to improve public health, enhance water quality, reduce flooding, and provide habitat for wildlife.
- **Safe Food:** The foods Americans eat will be free from unsafe pesticide residues. Particular attention will be given to protecting subpopulations that may be more susceptible to adverse effects of pesticides or have higher dietary exposures to pesticide residues. These include children and people whose diets include large amounts of noncommercial foods.
- **Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems:** Pollution prevention and risk management strategies aimed at eliminating, reducing, or minimizing emissions and contamination will result in cleaner and safer environments in which all Americans can reside, work, and enjoy life. EPA will safeguard ecosystems and promote the health of natural communities that are integral to the quality of life in this nation.
- **Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response:** America's wastes will be stored, treated, and disposed of in ways that prevent harm to people and the natural environment. EPA will work to clean up previously polluted sites, restore them to uses appropriate for surrounding communities, and respond to and prevent waste-related or industrial accidents.

- **Reduction of Global and Cross-Border Environmental Risks:** The United States will lead other nations in successful, multilateral efforts to reduce significant risks to human health and ecosystems from climate change, stratospheric ozone depletion, and other hazards of international concern.
- **Quality Environmental Information:** The public and decision makers at all levels will have access to information about environmental conditions and human health to inform decision making and help assess the general environmental health of communities. The public will also have access to educational services and information services and tools that provide for the reliable and secure exchange of quality environmental information.
- **Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems:** EPA will develop and apply the best available science for addressing current and future environmental hazards as well as new approaches toward improving environmental protection.
- **A Credible Deterrent to Pollution and Greater Compliance with the Law:** EPA will ensure full compliance with laws intended to protect human health and the environment.
- **Effective Management:** EPA will maintain the highest-quality standards for environmental leadership and for effective internal management and fiscal responsibility by managing for results.

Organization of the Annual Performance Plan and Budget

The Agency's Commitment to Link Planning and Budgeting

The Agency's approach to annual planning under the Government Performance and Results Act (GPRA) is based on a full integration of strategic planning, annual planning, budgeting, and accountability. The organization of EPA's FY 2003 Annual Plan and Budget Request reflects the Agency's continuing commitment to link planning and budgeting in a coherent, integrated process. This integrated Annual Plan and Budget promotes fiscal accountability through a direct connection between resources and outcomes.

The Annual Plan and Budget presents the Agency's Goals and Objectives, and identifies the resource levels and activities associated with them. For each Objective, the Budget sets forth a set of annual performance goals and performance measures. These goals and measures represent intermediate, measurable levels of performance needed to achieve the Agency's Objectives contained in the Agency's new five-year Strategic Plan, which was submitted to Congress in September 2000. In 2002, the Agency will begin consultations with partners and stakeholders to plan for revising EPA's Strategic Plan. The Agency will continue to work with partners and stakeholders to take into account our performance over the past years, and lay out new and innovative tools and approaches to advance our progress in environmental protection.

Annual Plan Components

All of the components of the Annual Plan are contained within the Budget. To fully explain the Agency's resource needs, the Budget contains a set of annual performance goals and performance measures broader than what will be included in the Annual Plan submission to Congress under GPRA. The Agency will submit a stand-alone Annual Plan to Congress to meet the legislative concern expressed in GPRA that "annual plans not be voluminous presentations describing performance for every activity. The annual plan and reports are to inform, not overwhelm the reader." (See the Special Analysis section of this document for the Annual Performance Plan components.)

Annual Performance Plan and Budget Organization:

Resource Tables

The resource tables provide a broad overview of the resources that the Agency is requesting for FY 2003 by Goal, Objective, and Appropriation.

Payroll Growth

EPA's payroll growth in FY 2003, including the Government-wide payroll increase of 2.6% is distributed across the goals and objectives. The explanation of change sections in each objective chapter, however, do not discretely identify goal and objective changes related to this growth. The explanation of change sections do identify any payroll changes associated with workyear changes within or across objectives.

Goal Chapters include:

- **Background and Context:** Sets the broad context for the Goal and briefly explains why the Goal is of National importance.
- **Resource Summary:** Provides a broad overview of the resources for FY 2003 by Goal, Objective, and Appropriation. (The dollar amounts in these and other tables may not add due to independent rounding.)
- **Means and Strategy:** Broadly describes the Agency's approach to achieving the strategic Goal.
- **Highlights:** Provides an overview of major activities and programs that contribute to achieving the Goal.
- **Strategic Objectives and Annual Performance Goals:** Includes all the Objectives under each Goal, and links those Objectives to FY 2003 Annual Performance Goals.
- **External Factors:** Addresses the external-Agency factors, such as participation in environmental programs by State and local governments and other stakeholders, or economic and technological factors that may enhance or impede progress toward achieving environmental goals.

Objective Sections Include:

- **Objective Statement:** Objectives are a critical part of the planning and budgeting process, and they respond to the GPRA requirement to plan achievable Objectives. Each Objective supports the attainment of a specific Goal.
- **Resource Summary:** Reports resources by Appropriation account for the Objective.

- **Key Programs:** Reports resources for Key Programs, which are core Agency programs contributing to the Objective. Resources listed under an Objective may not represent the total Key Program resources, as a Key Program may be involved in more than one Objective. The Agency has developed Key Program data so that the total Agency resources are represented in its Key Program resource tables in each Objective section.
- **FY 2003 Request:** These narratives describe specific Agency functions and the operational processes, as well as the human, capital and technological resources required to meet the performance goals.
- **FY 2003 Change from FY 2002 Enacted:** Describes major changes, by appropriation account, in programmatic funding within the Objective.
- **Annual Performance Goals:** Annual Performance Goals are central to measuring progress toward achieving Objectives. They are quantifiable standards, values, or rates against which actual achievement can be compared. They establish the connection between longer-term objectives and the day-to-day activities in the Agency's programs and will be used by managers to determine how well a program or activity is doing in accomplishing its intended results. In the Objective sections of this Annual Plan and Budget, performance information is provided for three years: FY 2001 - FY 2003. This Annual Plan and Budget contains a new section providing performance information for five years, FY 1999 - FY 2003, to fulfill the requirement to ultimately show six years of performance information.
- **Performance Measures:** Performance Measures provide the means for determining the extent to which annual goals and multi-year objectives are being achieved. As such, they are essential to program evaluations that help to guide the Agency's strategic planning. As with the Annual Performance Goals, this Annual Plan/Budget includes Performance Measure data for four years.
- **Verification and Validation of Performance Measures:** This section describes how Performance Measure data are verified and validated. It includes a description of the source of performance measure data, as well as procedures for quality assurance. It may also include information on the methodology of data collection and review.
- **Coordination with Other Agencies:** This section describes partnerships with other Federal and state agencies which are crucial to the success of EPA's environmental programs.
- **Statutory Authority:** This section cites the public law that gives the Agency legal authority to carry out the Objective.

Annual Performance Goals and Measures

This section, which is new in the FY 2003 Annual Plan and Budget, provides performance information for five years: Actual accomplishments for FY 1999 and FY 2000, the estimated performance based on the FY 2001 enacted budget, and performance estimates based on the budget requests for FY 2002 and FY 2003.

Special Analyses

This final section of the Annual Plan and Budget includes:

- **Annual Performance Plan Components:** Indicates the *Annual Plan* components of the Annual Plan and Budget.
- **User Fees:** Describes the Agency's user fee programs. User fees are the Congressionally-authorized collection of fees charged to Agency customers which cover the cost of selected permitting, testing, registration, and approval actions.
- **Customer Service Program:** Describes the Agency's plan to improve its mission of protecting public health and the environment by more efficiently and effectively serving the public, industry, state and local agencies, and other customers.
- **FY 2002 Annual Performance Goal Change Summary:** Describes Annual Performance Goals changes to reflect the Agency's FY 2002 Enacted budget.
- **Homeland Security:** Describes Agency activities related to the Administrations's Homeland Security priorities.
- **Key Programs:** Reports totals for Agency Key Programs, across Goals and Objectives. As note above, Key Program resource data now represents 100% of the Agency's budget.
- **Major Management Issues:** Describes the nature of EPA's most pressing management problems, actions taken, and progress to date in addressing the major management challenges faced by the Agency.
- **Pension and Benefits Accrual:** The President's budget proposes that Agencies pay the full pension and benefits costs for their employees. This section describes EPA's cost estimate for this proposal.
- **State and Tribal Assistance Grants:** Provides tables on STAG components, categorical grants, and statutory authorities for the STAG appropriation.

- **Working Capital Fund:** Provides information on the Working Capital Fund, a revolving fund authorized by law to finance a cycle of operations, where the costs of goods and services provided are charged to the Agency users on a fee-for-service basis.

Relationship between the Annual Plan and the Strategic Plan

The Annual Plan makes no substantive changes (not previously noted) to the Agency's Strategic Plan which was submitted to Congress in September 2000.

Relationship between Budgeted Resources and Annual Performance Goals and Measures

Annual Performance Goals are related to the resource levels contained in each Objective. Annual Performance Goals for FY 2003 in this Annual Performance Plan are based upon the resource levels in the Agency's FY 2003 budget request levels. However, resources may contribute not only to the budget year's Annual Performance Goals but also to the accomplishment of Goals in future years. For example, a performance goal to complete a number of Superfund site cleanups, or develop research methods and models, generally requires a period longer than one year. Thus, FY 2003 activities will contribute to completion of work in FY 2003 or beyond. Likewise, some FY 2003 Annual Performance Goals are achievable only with funding provided in prior years.

Given this multi-year characteristic of some of the resources requested, it is not always possible to establish direct linkages between the budget requested for a particular year and the achievement of all performance goals for that year.

Annual Plan and Budget Overview

The Environmental Protection Agency's FY 2003 Annual Plan and Budget requests \$7.724 billion in discretionary budget authority and supports 17,648 Full Time Equivalent (FTE). Resources support the Agency's efforts to work with its partners toward cleaner air, purer water, and better protected land. The Agency's proposal for FY 2003 supports the Administration's commitment to setting high standards for environmental protection, while focusing on results and performance.

Strong Partnerships and Innovative Approaches

With this Annual Plan and Budget, the Administration demonstrates that strong partnerships and innovative approaches are the way to a healthier, cleaner environment. This budget provides critical environmental and health protections, with the recognition that State, local and Tribal governments often have the best solutions for their environmental challenges. Nearly forty-five percent of our proposed budget – \$3.46 billion — consists of grants for states, tribes, and other EPA partners. This budget supports two innovative state grant programs: one for environmental information networks and another for state enforcement efforts. This budget also provides substantial support for the Nation's critical water infrastructure needs with \$2.062 billion for the Clean Water and Drinking Water State Revolving Funds.

A Commitment to Reform and Results

The Agency is committed to the Administration's government-wide, citizen-centered reform efforts. This Annual Plan and Budget represents a strong commitment to reduce regulatory burdens and streamline Agency operations, so that the Agency's focus is on environmental results, rather than process. EPA implemented a significant management reform by restructuring its budget to match the strategic goals and objective structure of its strategic plan under the Government Performance and Results Act (GPRA). The Agency's own management reform agenda fully supports the President's goals for a government that is citizen-centered, results-oriented, and market-based. EPA is taking steps to ensure that its workforce is efficiently focused on delivering environmental results to its ultimate customer: the American people.

Implementation of the President's Management Reform Agenda is primary to the Agency's FY 2003 budget request. EPA, as well as other Federal agencies, was provided baseline scores on five government-wide initiatives, including: Human Capital, E-Government, Competitive Sourcing, Financial Performance, and Budget and Performance Integration. Although widely considered to have scored far better than other federal agencies, EPA will focus on improvements to the scores, and moving towards "green" lights in all areas. The Agency's plans for progress in these five areas are described throughout this justification.

Homeland Security

The President's FY2003 Budget requests \$124 million in new funding for a total EPA investment of \$133.4 million in homeland security. These investments include: \$13.2 million for continued operation of the West Coast Environmental Response Team and enhancing emergency response capabilities; \$5 million in grants to states to enhance homeland security coordination; \$16.9 million to conduct drinking water system vulnerability assessments on small to mid-sized systems; \$19 million to maintain security contracts and continue upgrades at EPA facilities as initiated by the Emergency Supplemental Appropriation Act; \$75 million to conduct research on better technologies and assessments to clean up buildings contaminated and biological and chemical agents; \$3.8 million for special agents who will provide environmental crimes expertise; and \$0.5 million to enhance outreach on the agencies Homeland Security efforts to the public.

Cleaner Air

Under the Clean Air Act, EPA works to make the air clean and healthy to breathe by setting standards for ambient air quality, toxic air pollutant emissions, new pollution sources, and mobile sources. President Bush has directed EPA in his National Energy Policy to work with the Congress to develop legislation that would establish a flexibility market-based approach to significantly cap and reduce emissions of nitrogen oxides, sulfur dioxide, and mercury from power generation utilities. Also, as part of the implementation of the National Energy Policy, EPA will work with States, Tribes, and Local agencies to put in place new source review programs that are both fairer and more effective in provide more certainty for the regulated communities.

Certify that 2 areas of the remaining 45 nonattainment areas have attained the 1-hour NAAQS for ozone, thus increasing the number of people living in areas with healthy air quality by 1.0 million.

In FY 2003, EPA will assist States, Tribes and local governments in devising additional stationary and mobile source strategies to reduce ozone and particulate matter, and other pollutants.

The Agency also will develop strategies and rules to help States and Tribes reduce emissions and exposure to hazardous air pollutants, particularly in urban areas, and reduce harmful deposition in water bodies. A key to achieving the Clean Air Goal is \$232.6 million included in this budget for air grants which go directly to States and Tribes.

Air toxics emissions nationwide from stationary and mobile sources combined will be reduced by an additional 3% (for a cumulative reduction of 40% from the 1993 level of 6.1 million tons per year.)

Addressing Climate Change

This budget request includes \$129.7 million to meet the Agency's climate change objectives by working with business and other sectors to deliver multiple benefits – from cleaner air to lower energy bills – while improving overall scientific understanding of climate change and its potential consequences. The core of EPA's climate change efforts are government/industry partnership programs designed to capitalize on the tremendous opportunities available to consumers, businesses, and organizations to make sound investments in efficient equipment and practices. These programs remove barriers in the marketplace, resulting in faster deployment of technology into the residential, commercial, transportation, and industrial sectors of the economy.

Greenhouse gas emissions will be reduced from projected levels by approximately 73.5 MMTCE per year through EPA partnerships with businesses, schools, state and local governments, and other organizations thereby offsetting growth in greenhouse gas emissions above 1990 level by about 20%.

Purer Water

Over the past three decades, our Nation has made significant progress in water pollution prevention and cleanup. While we have substantially cleaned up many of our most polluted waterways, and provided safer drinking water for millions of U.S. residents, significant challenges remain. This budget request addresses the challenge to provide clean and safe water in every American community.

- Protection from Drinking Water Contaminants. The FY2003 request strengthens work with the States and Tribes to implement new health based standards to control for microbial contaminants, disinfectants and their byproducts, and other contaminants.

92 percent of the population served by the community water systems will receive drinking water meeting all health based standards in effect as of 1994, up from 83 percent in 1994.
- Drinking Water State Revolving Fund. The Drinking Water State Revolving Fund (DWSRF) request of \$850 million will provide substantial funding to States and Tribes to upgrade and modernize drinking water systems.
- BEACHES Grants. This budget includes \$10 million for grants to states to develop monitoring and notification programs for coastal recreation waters. This funding supports the Agency's implementation of the "Beaches Environmental Assessment and Coastal Health Act of 2000."
- New Watershed Investments. The FY 2003 request includes an initiative designed to support watershed efforts. The \$21 million Targeted Watershed Program recognizes

States' needs for additional support for the range of water quality restoration tools, from adequate monitoring to effective and appropriate standards, TMDL development, and to implementation of those load limits via point source permit requirements and nonpoint source controls. The Program will provide direct grants to watershed stakeholders ready to implement comprehensive restoration actions.

- Helping States Address Run-off and Restore Polluted Waters. The President's FY 2003 Budget provides significant resources to states to build on successes we have achieved in protecting the Nation's waters, by providing States and Tribes with grants to address polluted run-off, protect valuable wetlands, and restore polluted waterways.

- Clean Water State Revolving Fund. This budget request includes \$1.212 billion for States and Tribes for the Clean Water State Revolving Fund (CWSRF). States receive capitalization grants, which enable them to provide low interest loans to communities to construct wastewater treatment infrastructure and fund other projects to enhance water quality. This investment allows EPA to meet the goal for the CWSRF to provide \$2 billion average in annual financial assistance over the long-term even after Federal assistance ends.

700 projects funded by the Clean Water SRF will initiate operations, including 400 projects providing secondary treatment, advanced treatment, combined sewer overflow correction (treatment), and/or storm water treatment. Cumulatively, 8,600 CWSRF-funded projects will have initiated operations since program inception.

- Protecting Human Health along the U.S.-Mexico Border. This budget includes \$75 million for water and wastewater projects along the U.S.-Mexico Border. These resources help the Agency address the serious environmental and human health problems associated with untreated and industrial and municipal sewage on the U.S.-Mexico border.

A cumulative 900 thousand residents of the U.S.-Mexico border area will be protected from health risks because of the construction of adequate water and wastewater sanitation systems since 1994.

Better Protected Land

Cleaning Up Toxic Waste

- Keeping Superfund Working. This budget continues a commitment to clean up toxic waste sites with \$1.3 billion for Superfund cleanups. The Agency will also work to maximize the participation of responsible parties in site cleanups while promoting fairness in the enforcement process. This budget will continue the dramatic progress we have made in cleaning up toxic waste sites, while protecting public health, and returning land to productive use. Through September 2001,

EPA and its partners will complete 40 Superfund cleanups (construction completions).

cleanups have been completed at 804 sites, and over 6,500 removal actions have been taken.

- Revitalizing Local Economies and Creating Jobs Through Brownfields Cleanup and Redevelopment. The FY 2003 budget request includes \$200 million for the Brownfields program, which is an increase of over \$100 million above the FY 2002 request level. The additional resources will support the redevelopment and revitalization of Brownfields communities by providing hazardous waste and petroleum contaminated properties and for state voluntary cleanup programs. The Brownfields program will continue to promote local cleanup and redevelopment of industrial sites, returning abandoned land to productive use and bringing jobs to blighted areas.

EPA will provide additional site assessment funding to 74 new sites, and to 52 existing sites, resulting in a cumulative total of 3,350 properties assessed, the generation of 21,300 jobs, and the leveraging of \$5 billion in cleanup and redevelopment funds since 1995.

Strong Science

The FY 2003 budget supports EPA's efforts to further strengthen the role of science in decision-making by using sound scientific information and analysis to help direct policy and establish priorities. The Agency will achieve maximum environmental and health protections by employing the highest quality scientific methods, models, tools, and approaches. This budget request includes \$602 million to develop and apply sound science to address both current and future environmental challenges. The budget request supports a balanced research and development program designed to address Administration and Agency priorities, and meet the challenges of the Clean Air Act (CAA), the Safe Drinking Water Act (SDWA), the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Food Quality Protection Act (FQPA), and other environmental statutes.

EPA will provide industry, states, and consumers with the information on technology performance they need to make informed decisions by developing 10 testing protocols and completing 40 additional technology verifications for a cumulative Environmental Technology Verification (ETV) program total of 230.

Broad-Based and Multi-Media Approaches

Integrating Environmental Information

In FY2003, EPA will continue its grant program that provides assistance to the States and Tribes to develop and implement the Exchange Network. The grant program builds on work currently underway in several states. It assists

The number of states using the Central Data Exchange will increase to 45 as the means by which they submit data.

States and Tribes in evaluating their readiness to participate in the Exchange Network, enhances their efforts to complete necessary changes to their information management systems to facilitate Exchange Network participation, and supports state information integration efforts. The grant program also proposes providing training and other technical assistance programs to assist States and Tribes in developing and implementing the Exchange Network.

The Central Data Exchange (CDX) is the focal point for securely receiving, translating, and forwarding data to EPA's data systems — the electronic reporting gateway to the Agency's information network. The CDX satisfies the Government Paperwork Elimination Act mandates by providing the infrastructure necessary to implement electronic signature and electronic filing of EPA required reports. In FY2003, the CDX infrastructure, a key component of the Exchange Network, will service 45 states and an assemblage of 25,000 facilities, companies, and laboratories. These facilities will use it to provide data to EPA electronically. By widely implementing an electronic reporting infrastructure, the CDX will reduce reliance on less efficient paper-based processes, thereby improving data quality, reducing reporting burden, and simplifying the reporting process.

Working with States for Effective, Sensible Enforcement

Most of the Nation's environmental laws envision a strong role for state governments in implementing and managing environmental programs. The FY 2003 request includes \$15 million for the Agency to continue support to state agencies implementing authorized, delegated, or approved environmental programs through the new enforcement grant program. These funds will continue to allow states greater responsibility for enforcement of environmental laws and regulations.

EPA will improve capacity of states, localities and Tribes to conduct enforcement and compliance programs. EPA will provide training as well as assistance with state and Tribal inspections to build capacity, including implementation of the inspector credentials program for Tribal law enforcement personnel.

The FY 2003 request will continue to support the regulated community's compliance with environmental requirements through voluntary compliance incentives and assistance programs. The Agency will provide information and technical assistance to the regulated community through the compliance assistance program to increase its understanding of all statutory or regulatory environmental requirements, thereby reducing risk to human health and the environment and gaining measurable improvements in compliance. The program will also continue to develop strategies and compliance assistance tools that will support

EPA will maintain and improve quality and accuracy of EPA's enforcement and compliance data to identify noncompliance and focus on human health and environmental problems.

Increase the regulated community's compliance with environmental requirements through their expanded use of compliance assistance. The Agency will continue to support small business compliance assistance centers and develop compliance assistance tools such as sector notebooks and compliance guides.

initiatives targeted toward improving compliance in specific industrial and commercial sectors or with certain regulatory requirements.

Ensuring Safe Food through the Food Quality Protection Act (FQPA)

The FY 2003 request includes \$142.3 million to help meet the multiple challenges of the implementation of the Food Quality Protection Act (FQPA) of 1996 so that all Americans will continue to enjoy one of the safest, most abundant, and most affordable food supplies in the world. FQPA focuses on the registration of reduced risk pesticides to provide an alternative to the older versions on the market, and on developing and delivering information on alternative pesticides/techniques and best pest control practices to pesticide users. FQPA implements a "whole farm" approach to pollution management and will help farmers transition — without disrupting production — to safer substitutes and alternative farming practices. Expanded support for tolerance reassessments will reduce the risks to public health from older pesticides. Reassessing existing tolerances ensures food safety, especially for infants and children; and ensures that all pesticides registered for use meet the most current health standards. This budget request also supports FQPA-related science through scientific assessments of cumulative risk, including funds for validation of testing components of the Endocrine Disruptor Screening Program.

By the end of 2003, EPA will reassess a cumulative 68% of the 9,721 pesticide tolerances required to be reassessed over ten years. This includes 75% of the 893 tolerances of special concern in protecting the health of children.

SUMMARY

The EPA's FY2003 Annual Plan and Budget provides the resources and vision necessary to reach our Nation's environmental mission to protect the environment and human health. This budget represents this Administration's commitment to work with our environmental partners to develop innovative environmental programs that ensure cleaner air, purer water, and better protected land now and for generations to come.