

## **EPA's Mission and Purpose**

**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 purpose is to ensure that:**

- All Americans are protected from significant risks to human health and the environment where they live, learn, and work.
- National efforts to reduce environmental risk are based on the best available scientific information.
- Federal laws protecting human health and the environment are enforced fairly and effectively.
- Environmental protection is an integral consideration in U.S. policies concerning natural resources, human health, economic growth, energy, transportation, agriculture, industry, and international trade, and these factors are similarly considered in establishing environmental policy.
- All parts of society -- communities, individuals, business, state and local governments, and tribal governments -- have access to accurate information sufficient to effectively participate in managing human health and environmental risks.
- Environmental protection contributes to making our communities and ecosystems diverse, sustainable, and economically productive.
- The United States plays a leadership role in working with other nations to protect the global environment.

## 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. Children especially will be protected from the health threats posed by pesticide residues, because they are among the most vulnerable groups in our society.
- **Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces and Ecosystems:** Pollution prevention and risk management strategies aimed at cost-effectively 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 to the natural environment. EPA will work to clean up previously polluted sites, restoring 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.

- **Expansion of Americans' Right to Know About Their Environment:** Easy access to a wealth of information about the state of their local environment will expand citizen involvement and give people tools to protect their families and their communities as they see fit. Increased information exchange between scientists, public health officials, businesses, citizens, and all levels of government will foster greater knowledge about the environment and what can be done to protect it.
- **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 establish a management infrastructure that will set and implement the highest quality standards for effective internal management and fiscal responsibility.

## **Organization of the Annual Performance Plan and Congressional Justification** *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 2001 Annual Plan and Congressional Justification reflects the Agency's continuing commitment to link planning and budgeting in a coherent, integrated process. The Agency for the third year presents its Budget and Annual Plan as an integrated document.

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 five-year Strategic Plan. As a result, the budget promotes fiscal accountability through a direct connection between resources and outcomes.

### ***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 Congressional Justification Organization:**

#### ***Resource Tables***

The resource tables provide a broad overview of the resources that the Agency is requesting for FY 2001 by Goal, Objective, and Appropriation. (The dollar amounts in these and other tables may not add due to independent rounding.)

#### ***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 2001 by Goal, Objective, and Appropriation.
- **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 2001 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.
- **FY 2001 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 2001 Change from FY 2000 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. This Annual Plan lists performance information for three years: actual results for FY 1999, and Annual Performance Goals for FY 2000 and FY 2001.

The FY 2000 Annual Performance Goals included in the FY 2001 Annual Plan and Budget may have changed from those included in the FY 2000 Annual Plan submitted to Congress in February 1999. These changes are due to:

- Congressional action that has materially affected the FY 2000 President's Budget;
  - comments received by the Agency on the annual performance goals and measures contained in the FY 2000 President's Budget; and
  - the need to show FY 2000 performance estimates as context for new annual performance goals and measures established for FY 2001.
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- **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 three years.
  - **Verification and Validation of Performance Measures:** This section describes how the Performance Measures 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.

### *Special Analyses*

This final section of the Annual Plan and Budget includes:

- **Government-wide Annual Performance Goals for FY 2001:** Selected Annual Performance Goals proposed for inclusion in the Government-wide Performance Plan for FY 2001
- **Annual Performance Plan Components:** This section of the Annual Plan and Budget describes the relationship between the Budget and Annual Plan.

- **Major Management Issues:** This section 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.
- **Summary of Key Programs:** Reports totals for Agency Key Programs, across Goals and Objectives.
- **User Fees:** This section 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.
- **Working Capital Fund:** This section describes 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.
- **Customer Service Standards:** This section 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.
- **Costs and Benefits of Economically Significant Rules:** This section identifies regulatory actions that are likely to result in a rule that may have an annual effect on the economy of \$100 million or more. This analysis is required by executive order and is reported in the Agency's annual "Regulatory Plan."
- **Cost Allocation:** In the FY 2001 Annual Plan/Congressional Justification, FY 2000 Enacted and FY 2001 requested levels reflect a realignment of resources from Agency Management to the agency's other strategic goals where there is a readily identifiable cost that clearly contributes to the achievement of those goals. The Cost Allocation section explains this realignment in detail.
- **State and Tribal Assistance Grants:** Provides tables on STAG components and categorical grants, as well as statutory authorities for the STAG appropriation.

### ***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 1997.

### ***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 2001 in this Annual Performance Plan are based upon the resource levels in the Agency's FY 2001 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 2001 activities will contribute to completion of work in FY 2001 or beyond. Likewise, some FY 2001 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.

***Use of Non-Federal Parties in Preparing this Annual Plan***

The Annual Plan was prepared in conformance with section 220.6(c) of OMB Circular A-11, concerning the role of non-Federal parties in preparing the Annual Plan.



## **Annual Plan and Budget Overview**

The Environmental Protection Agency's FY 2001 Annual Plan and budget request of \$7.257 billion in discretionary budget authority, and 18,050 Full Time Equivalencies (FTE), builds on our commitment to protect the environment and public health with common-sense programs that promote environmental health while sustaining economic growth. This budget request maintains the Administration's dedication to ensure that the air, water, and land are safe and healthy, and that the American public has the health protections they need and deserve.

### **Cleaning America's Water**

Over the past three decades, our Nation has made significant progress in water pollution prevention and cleanup. While we have substantially cleaned 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.

#### Great Lakes Initiative

The Great Lakes, our Nation's most significant and beautiful water resources, will receive \$50 million in the President's Budget for a new initiative that will continue the progress we have made in their cleanup and restoration. Through this initiative, states and municipalities will be eligible to compete for grants to improve water quality through stormwater pollution control, wetlands restoration and contaminated sediment remediation at identified "areas of concern." State or local governments will be required to provide at least 40 percent of total project costs.

#### Helping States Ensure Clean Water, Address Run-off

For water, the President's FY 2001 Budget bolsters the successes we have achieved by providing \$250 million in grants, a \$50 million increase, to address polluted runoff, which is currently the largest threat to our Nation's water quality.

#### Helping States Restore Polluted Waters

This budget request strengthens our efforts to identify and restore polluted waterways with \$161 million in Pollution Control (Section 106) grants, a \$45 million increase over FY 2000, specifically targeted to help states develop pollution allocation and implementation plans (known as Total Maximum Daily Loads – TMDLs) for some 20,000 waterways across the Nation. States would be required to provide at least 40 percent of TMDL program costs.

### Clean Water State Revolving Fund

This budget request includes \$800 million for the Clean Water State Revolving Fund (CWSRF). This investment keeps EPA on track with our commitment to meet the goal for the CWSRF to provide an average of \$2.0 billion in annual financial assistance. Indeed, the President's Budget calls for cumulative additional capitalization of \$3.2 billion in fiscal years 2002-2005, which will enable the program to exceed the Administration commitment. Over \$17 billion has already been provided to capitalize the CWSRF, more than twice the original Clean Water Act authorized level of \$8.4 billion. Total SRF funds available for loans since 1987, reflecting loan repayments, state match dollars, and other sources of funding, are approximately \$30 billion, of which \$26 billion having been provided to communities as financial assistance (\$4.2 billion was available for loans as of June 1999).

### Drinking Water State Revolving Fund

The Drinking Water State Revolving Fund (DWSRF) request of \$825 million keeps the Administration on track to provide an average of \$500 million a year to states and tribes to modernize drinking water systems.

### U.S/Mexico Border

This request includes \$100 million for water and wastewater projects along the U.S./Mexico Border. With these resources, the Agency provides grant assistance to address the environmental and public health problems associated with untreated industrial and municipal sewage on the border.

### Legislative Proposals

This budget request includes three legislative proposals that would provide states with flexibility in operating their CWSRFs, as well as demonstrating the Administration's longstanding commitment to protect public health and the environment on tribal lands.

- 19% Set-Aside: The Agency proposes to allow states to reserve up to 19% of their CWSRF capitalization grants to address polluted runoff through grants of no more than 60% of the costs of implementing nonpoint source and estuary management projects. This set-aside will provide states with flexibility to help address the leading cause of water pollution -- polluted runoff.
- Tribal Wastewater Grants: To improve public health and water quality in Indian Country, the Agency proposes to increase the percentage of CWSRF funds reserved for wastewater grants to tribes from 0.5 percent to 1.5 percent for FY 2001 and beyond. This will substantially increase the amount of funds available to tribes for wastewater treatment project grants.

- Tribal Nonpoint Source Grants: In this budget request, the Agency is proposing to permanently eliminate the statutory one-third-of-one-percent cap on Clean Water Act Section 319 Nonpoint Source Pollution grants that may be awarded to tribes. Congress eliminated the cap for fiscal year 2000 only. Tribes applying for and receiving Section 319 grants have steadily increased from two in 1991 to eleven in 1999. Twenty-two tribes have met the eligibility requirements to receive Section 319 grants. This proposal recognizes the increasing demand on the limited pool of Section 319 grant funds for Tribal nonpoint source program needs.

## **Cleaning America's Air**

### Clean Air Partnership Fund

One of the Administration's most important public health commitments is to improve the air that Americans breathe. Over one-third of Americans still live in areas where the air does not meet the new air quality standards. The FY 2001 budget request includes \$85 million for the Clean Air Partnership Fund. This initiative will foster public-private partnerships to help communities achieve their own clean air goals in ways that make the best sense for them.

The Clean Air Partnership Fund will:

- be a catalyst for innovative local, state, and private partnerships for air pollution reductions;
- demonstrate locally managed, self-supporting programs that achieve early integrated reductions in soot, smog, air toxics, and greenhouse gases;
- be used to capitalize local revolving funds and other financial mechanisms that leverage the original federal investment and result in greater resources for air pollution reduction; and
- stimulate technology innovation.

The Clean Air Partnership Fund will fund more optimal, multi-pollutant control strategies. Currently, businesses and municipalities often invest in short-term, single-pollutant control approaches. The Partnership will encourage many industries, such as electric utilities and the transportation sector, to pursue comprehensive criteria pollutant reductions while improving energy and operational efficiencies, thereby also reducing greenhouse gas emissions.

### Air Grants to States and Tribes

This budget provides \$222.9 million in state and tribal air grants. Of these resources, \$5 million will be for state, tribal, and regional planning bodies to implement programs to address regional haze and integrate those programs with approaches to reducing ozone and fine particulate matter.

## Meeting the Climate Change Challenge

This budget request of \$227.3 million for EPA's portion of the Climate Change Technology Initiative (CCTI) continues the Administration's commitment, through this multi-Agency program, to address the significant threat that global warming poses to public health and the environment. This investment will reduce greenhouse gas emissions through investments in energy efficient technologies, as well as partnerships with businesses, schools, state and local governments, and other organizations. This initiative promotes voluntary measures and common-sense approaches to reduce energy use and energy bills for consumers and businesses while protecting the global environment for future generations.

## **Protecting our Children**

The Administration remains dedicated to providing children with the health protections they need through for the Children's Health Initiative, which is funded in FY 2001 at over \$67 million. Children are among the most vulnerable members of our society, and prolonged exposure to toxins in our environment increases the risks to their health. Through the Children's Health Initiative, the Agency supports research to develop a better understanding of children's vulnerabilities and improve its ability to assess their health risks. The Agency also focuses on children's exposure to toxins in the environment. The budget continues to support the FY 2000 Children's Asthma Initiative and an interagency FY 2001 Children's Lead Poisoning Initiative.

## **Providing for Communities**

### Promoting Smart Growth through Better America Bonds

To better protect America's communities, the Administration is again proposing Better America Bonds that states, tribes, and local governments can use to preserve open space, protect water quality, and clean up abandoned industrial sites. Through this initiative, the Administration will provide the authority to issue \$2.15 billion in bonds to state, local, and tribal governments in 2001.

### Creating a New Source of Environmental Information: The Information Integration Initiative

This Administration has made a commitment to empower the public with environmental information on toxic releases in their communities. This information is a powerful tool for the public to take action to ensure that their local environment is safe and healthy. This budget request expands on the public's right to know about their environment with the Information Integration Initiative. This Initiative will provide \$30 million for the Agency to work with the states to develop and make public integrated environmental data, providing the public with an unprecedented level of integrated information on local environments across the Nation.

## **Cleaning Up Toxic Waste**

### Keeping Superfund Working -- Fair, Fast, and Cost-Effective

This budget continues a commitment to clean up toxic waste sites with a request of \$1.45 billion for Superfund cleanups. Funding will provide resources to mitigate the effects of uncontrolled releases on local populations and sensitive environments. This budget request keeps us on track with Superfund site cleanups. Currently, 91% of the 1,412 final sites on the Superfund National Priorities List (NPL) are either undergoing cleanup construction (remedial or removal) or are completed. Combined with continuing administrative reforms, these funds will help meet the President's goal of 900 clean up completions by FY 2002.

### Expanding Brownfields to Revitalize Local Economies and Create Jobs

The FY 2001 budget request of nearly \$92 million for the Brownfields initiative will continue to promote local cleanup and redevelopment of industrial sites, returning abandoned land to productive use and bringing jobs to blighted areas. This budget request provides funding for technical assistance and grants to communities for site assessment, redevelopment planning, and job training, as well as revolving loan funds to finance clean up efforts at the local level. Through FY 2001, EPA will have funded Brownfields site assessment pilots in more than 350 communities.

## **Sound Science**

Achieving maximum environmental and health protections requires employing the best methods, models, tools, and approaches to implement a very demanding environmental agenda. This budget request includes \$674 million to develop and apply sound science to address both current and future environmental challenges. The budget request describes a balanced research and development program designed to meet the science challenges of administering environmental legislation such as 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 others, and addressing Administration and Agency priorities.

## **Strengthening Tribal Partnerships**

This budget request includes \$53 million for the Indian Environmental General Assistance Program (GAP) grants to allow virtually every Tribe in the United States to have one or more people working in their community to build a strong, sustainable environment for the future. This request will support vital work by assessing the status of a Tribe's environmental condition and developing the infrastructure for an environmental program tailored to that Tribe's needs. In addition to developing, for example, the environmental education programs and solid waste management plans needed in almost every Tribal community, a key role of these personnel is to alert EPA of serious conditions requiring attention in the near term so that, in addition to assisting in the building of Tribal environmental capacity, EPA can work with the Tribe to respond to immediate public health and ecological threats.

## **Food Quality Protection Act (FQPA)**

The FY 2001 request includes \$74.5 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 enhances FQPA-related science through scientific assessments of cumulative risk, including funds for validation of testing components of the Endocrine Disruptor Screening Program.

## **Summary**

The Environmental Protection Agency's FY 2001 Annual Plan and Budget Request supports innovative, common-sense, cost-effective programs to ensure a healthy environment and healthy communities for the 21<sup>st</sup> Century. To accomplish our mission, we will continue to strengthen our partnerships with States, Tribes, local communities, and other stakeholders. This budget request builds on the environmental progress of the Administration, and provides the American public with the environmental and health protections they need and deserve.