

# **U.S. Environmental Protection Agency FY2026 President's Budget Request: In Brief**

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In May 2025, the U.S. Environmental Protection Agency (EPA) released its initial budget summary for Fiscal Year (FY) 2026—the *FY 2026 EPA Budget in Brief* (BIB).<sup>1</sup> The FY2026 BIB proposes overall funding levels reflecting the President's budget request for EPA for FY2026, which begins on October 1, 2025. In total, the FY2026 budget request for EPA is \$4.16 billion. Congress provides regular annual appropriations to EPA within the Department of the Interior, Environment, and Related Agencies Appropriations Acts, which are sometimes included in a consolidated, or omnibus, appropriations act.

As Congress debates appropriations for EPA for FY2026, Members could consider account and program area funding level requests from the Administration, including changes in funding levels compared to prior fiscal years as well as EPA's proposed elimination of certain programs. This report provides general information on the President's budget request for EPA for FY2026; shows historical EPA appropriations trends; describes proposed funding changes in each of EPA's appropriations accounts compared to FY2025; and provides selected examples of programs with proposed major funding decreases, according to EPA's BIB.

## FY2026 Budget Request

For FY2026, the President requested \$4.16 billion in budget authority for EPA, \$4.97 billion (54.45%) less than EPA FY2025 enacted appropriations of \$9.14 billion.<sup>2</sup> The Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4) generally provided appropriations for FY2025 for EPA (among other agencies) at the same rates and under the same terms and conditions as enacted in Division E, Title II, of the Consolidated Appropriations Act, 2024 (P.L. 118-42), unless otherwise specified.<sup>3</sup> From the beginning of FY2025 to the enactment of P.L. 119-4, EPA operated under the terms and conditions of two other continuing resolutions (CRs), generally at FY2024 regular enacted levels.<sup>4</sup>

Division J, Title VI, of the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58), enacted on November 15, 2021, provided supplemental appropriations to EPA for FY2022 and advance appropriations for FY2023-FY2026, including \$12.01 billion for FY2026. Including IIJA FY2025 advance appropriations, FY2025 total enacted appropriations for EPA were \$21.14 billion.

See **Figure 1** for EPA regular annual requested and enacted appropriations for the past 10 fiscal years. This figure does not include \$41.6 billion in one-time appropriations for EPA for FY2022 provided in P.L. 117-169, the measure commonly referred to as the Inflation Reduction Act (IRA).

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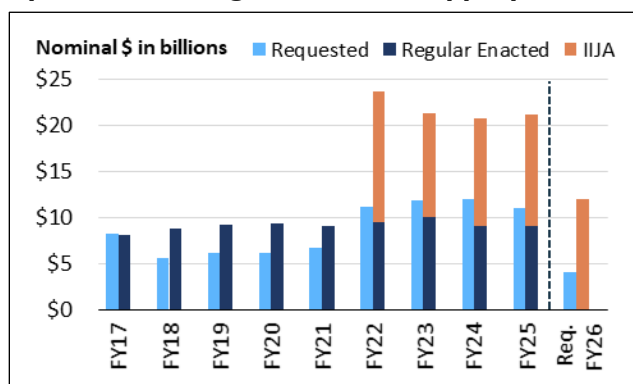
<sup>1</sup> U.S. Environmental Protection Agency (EPA), *FY 2026 EPA Budget in Brief*, May 2025, <http://www.epa.gov/system/files/documents/2025-05/fy-2026-epa-bib.pdf> (hereinafter *FY2026 Budget in Brief*). See also Office of Management and Budget (OMB), *Technical Supplement to the 2026 Budget: Appendix*, pp. 945-964, [https://www.whitehouse.gov/wp-content/uploads/2025/05/appendix\\_fy2026.pdf](https://www.whitehouse.gov/wp-content/uploads/2025/05/appendix_fy2026.pdf).

<sup>2</sup> *FY2026 Budget in Brief*; P.L. 119-4.

<sup>3</sup> For more information, see CRS Report R48517, *Section-by-Section Summary of the Full-Year Continuing Appropriations Act, 2025 (Division A of P.L. 119-4)*, coordinated by Drew C. Aherne.

<sup>4</sup> P.L. 118-83 and P.L. 118-158.

**Figure 1. EPA Requested and Regular Enacted Appropriations, FY2017-FY2026**



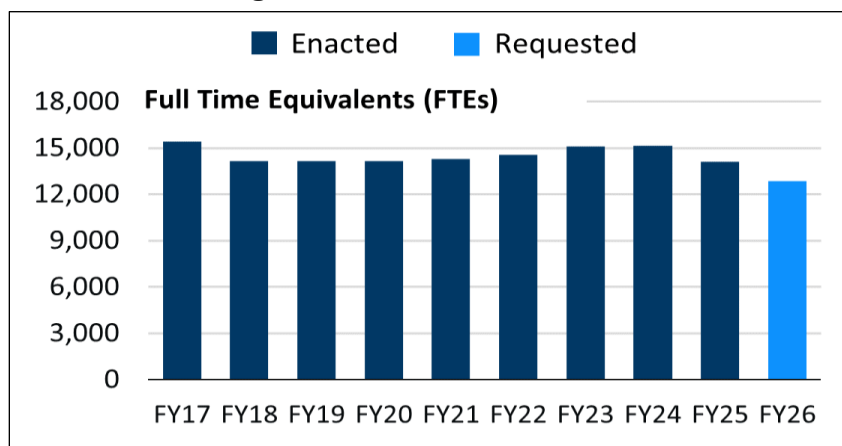
**Source:** CRS using information from the *Congressional Record*; House, Senate, and conference reports; and the Environmental Protection Agency's FY2026 Budget in Brief.

**Notes:** IIJA = Infrastructure Investment and Jobs Act (P.L. 117-58). Enacted amounts reflect supplemental appropriations and rescissions, including IIJA advance appropriations for FY2023-FY2026 totaling \$60.89 billion. FY2022 amounts do not include supplemental Inflation Reduction Act (P.L. 117-169) appropriations of \$41.5 billion. FY2025 amounts are amounts provided by the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4).

## Staffing Levels

The President's FY2026 budget request also proposes to reduce staffing levels at EPA. According to EPA, the requested funding would support 12,856 full-time equivalents (FTEs), which is 1,274 less than 2025 staffing levels.<sup>5</sup> See **Figure 2** for EPA FTE levels since FY2017.

**Figure 2. EPA FTE Ceilings, FY2017-FY2025 Enacted and FY2026 Requested**



**Source:** CRS using information from the Environmental Protection Agency's (EPA's) FY2026 Budget in Brief.

**Note:** Other EPA funding sources, such as fees and taxes, may support additional FTEs.

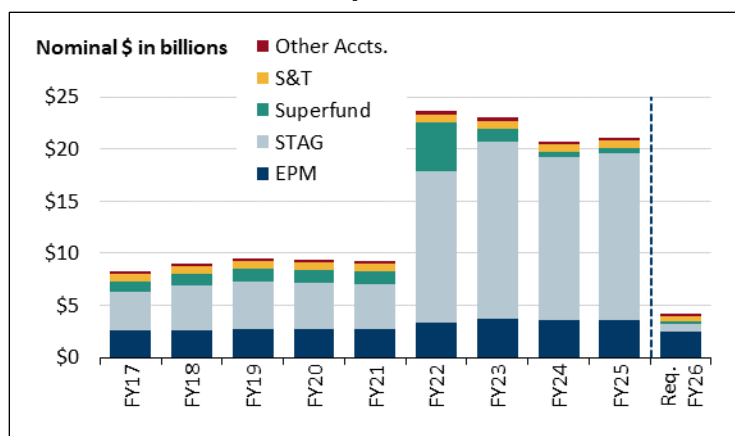
<sup>5</sup> FY2026 Budget in Brief, p. 3.

## FY2026 Requested EPA Appropriations Account Levels

Funding for discretionary spending is annually appropriated to EPA among 10 statutory accounts established by Congress over time. These include State and Tribal Assistance Grants (STAG), Environmental Programs and Management (EPM), Hazardous Substance Superfund (“Superfund”), Science and Technology (S&T), Leaking Underground Storage Tank Trust Fund, Buildings and Facilities, Office of the Inspector General, Inland Oil Spill Program, Hazardous Waste Electronic Manifest System Fund, and Water Infrastructure Finance and Innovation Program accounts.

See **Figure 3** for the distribution of total appropriations (including regular and IIJA supplemental appropriations) among EPA’s accounts for the past 10 fiscal years and for the FY2026 President’s budget request. Note that the figure does not include \$41.5 billion in FY2022 emergency supplemental appropriations for EPA provided in the IRA for FY2022 or \$12.01 billion in IIJA advance appropriations for FY2026 (advance appropriations are not typically included in a President’s budget request).

**Figure 3. EPA Appropriations by Account, FY2017-FY2025 Enacted and FY2026 Requested**



**Source:** CRS using information from the *Congressional Record*; House, Senate, and conference committee reports; and the Environmental Protection Agency’s (EPA’s) *FY2026 Budget in Brief*.

**Notes:** Enacted amounts reflect rescissions and Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) supplemental appropriations. FY2025 amounts are amounts provided in the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4). FY2022 amounts do not include one-time Inflation Reduction Act (P.L. 117-169) supplemental appropriations. FY2026 amounts do not include \$12.01 billion for EPA in IIJA advance appropriations, which are not typically included in a President’s budget request. S&T = Science and Technology; STAG = State and Tribal Assistance Grants; EPM = Environmental Programs and Management; Req. = Request.

The President’s budget request for EPA for FY2026 proposes decreases in eight appropriations accounts and no change for two accounts, compared to FY2025 regular annual appropriations. The request includes no changes for the Office of the Inspector General and the Hazardous Waste Electronic Manifest System Fund accounts.<sup>6</sup> Proposed account decreases range from \$4.3 million for the Inland Oil Spill Program account to \$3.64 billion for the STAG account. Percentage decreases range from a 13.8% decrease in the Buildings and Facilities account to an 88.9%

<sup>6</sup> The Hazardous Waste Electronic Manifest System Fund Account is funded through user fees.

decrease in the Water Infrastructure Finance and Innovation Program account, compared to FY2025 regular annual appropriations.

See **Table 1** for a detailed comparison of account levels for EPA FY2025 regular enacted appropriations and the President's FY2026 budget request.

**Table 1. EPA Appropriations Accounts: Comparison of FY2025 Regular Enacted Appropriations and the President's FY2026 Budget Request**

In Millions of Dollars, Before Transfers

Account	FY2025 Regular Appropriations	FY2026 President's Budget	Dollars Change	Percent Change
Science and Technology	756.1	500.8	-255.3	-33.8%
Environmental Programs and Management (EPM) <sup>b</sup>	3,195.0	2,481.7	-713.3	-22.3%
Inspector General	43.3	43.3	0.0	0.0%
Buildings and Facilities	40.7	35.1	-5.6	-13.8%
Hazardous Substance Superfund	537.7	282.8	-255.0	-47.4%
Leaking Underground Storage Tank Trust Fund	89.2	47.9	-41.3	-46.3%
Inland Oil Spill Program	20.7	16.4	-4.3	-20.8%
State and Tribal Assistance Grants (STAG) <sup>a</sup>	4,380.3	744.8	-3,635.4	-83.0%
Water Infrastructure Finance and Innovation Program	72.3	8.00	-64.3	-88.9%
Hazardous Waste Electronic Manifest System Fund <sup>c</sup>	0.0	0.0	0.0	0.0%

**Source:** CRS, using information from the *Congressional Record*; House, Senate, and conference committee reports; and the Environmental Protection Agency's (EPA's) FY2026 *Budget in Brief*.

**Notes:**

- In addition to regular appropriations, the Inflation Reduction Act (IIJA; P.L. 117-169) provided EPA with \$11.62 billion in advance appropriations within the STAG account for each of FY2025 and FY2026.
- In addition to regular appropriations, IIJA provided EPA with \$386.8 million in advance appropriations within the EPM account for each of FY2025 and FY2026.
- The Hazardous Waste Electronic Manifest System Fund is supported through user fees.

## Selected Funding Changes for FY2026

The President's budget request for EPA for FY2026 includes reductions in funding for nearly all program areas. Some programs would receive an increase or no change compared to FY2025 regular enacted appropriations. One program area, Homeland Security within the S&T account, would receive \$36.3 million, a \$1.6 million increase compared to FY2025 enacted amounts. The budget request also proposes \$10.0 million for new Workforce Reshaping program projects within the S&T and EPM accounts. See EPA's FY2026 *Budget in Brief* for more information.<sup>7</sup>

The sections below provide selected examples of areas where the President's budget request proposes decreased funding compared to FY2025 enacted appropriations. The examples include the four largest proposed program project decreases: the Clean Water and Drinking Water State

<sup>7</sup> FY2026 *Budget in Brief*, pp. 57-58.

Revolving Funds, selected Categorical Grants, and Superfund Remedial.<sup>8</sup> Within Categorical Grants, the examples highlight the program project areas with the three largest proposed decreases compared to FY2025 enacted appropriations.

The budget request also proposes eliminating a range of EPA programs and providing no funding for these programs for FY2026.<sup>9</sup> These programs are listed in the **Appendix**.

## EPA Water Infrastructure Funding Programs<sup>10</sup>

The President's FY2026 budget request proposes funding decreases to the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs.

Recent appropriations for these programs have included both regular appropriations and supplemental appropriations, particularly from the IIJA. Recent appropriations acts (FY2020-FY2025) provided annual amounts of \$1.64 billion for the CWSRF and \$1.13 billion for the DWSRF. IIJA provided supplemental appropriations between FY2022 and FY2026 totaling \$12.71 billion for the CWSRF and \$15.71 billion for the DWSRF.<sup>11</sup>

The President's FY2026 budget proposal would provide \$155.0 million for the CWSRF program and \$150.0 million for the DWSRF program.<sup>12</sup> This proposal would reduce the regular CWSRF appropriation by 90.5% and the regular DWSRF appropriation by 86.7% compared with annual appropriations in recent years. The final year of IIJA supplemental appropriations (FY2026) for the SRF programs would compensate for the effect of these reductions (to some degree), as the CWSRF and DWSRF programs are scheduled to receive \$2.83 billion and \$3.40 billion, respectively, in IIJA funding.

The President's budget request states that the proposed level of funding "reflects a return of SRFs to their intended structure of funds revolving at the state level, encouraging states to take responsibility of funding their own water infrastructure projects."<sup>13</sup> This perspective is consistent with some of the arguments presented by policymakers when the CWSRF was established. When the CWSRF program was created in 1987, Congress intended for CWSRF appropriations to be phased out by FY1995, marking a transition to full state and local financing for wastewater infrastructure projects.<sup>14</sup> State CWSRF programs were to be sustained by loan repayments to the state fund after that date.<sup>15</sup>

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<sup>8</sup> FY2026 *Budget in Brief*, pp. 58-59.

<sup>9</sup> FY2026 *Budget in Brief*, p. 56.

<sup>10</sup> This section was authored by Jonathan Ramseur, Specialist in Environmental Policy.

<sup>11</sup> States are required to use a certain portion of these supplemental funds to address "emerging contaminants." In addition, IIJA provided \$15.00 billion for the Drinking Water State Revolving Fund program for lead service line replacement. For more information, see CRS Report R46892, *Infrastructure Investment and Jobs Act (IIJA): Drinking Water and Wastewater Infrastructure*, by Elena H. Humphreys and Jonathan L. Ramseur.

<sup>12</sup> FY2026 *Budget in Brief*, p. 47. See also Office of Management and Budget, *Technical Supplement to the 2026 Budget: Appendix*, pp. 950-953, [https://www.whitehouse.gov/wp-content/uploads/2025/05/appendix\\_fy2026.pdf](https://www.whitehouse.gov/wp-content/uploads/2025/05/appendix_fy2026.pdf).

<sup>13</sup> FY2026 *Budget in Brief*, p. 47.

<sup>14</sup> See, for example, Rep. Henry J. Nowak, "Providing for Consideration of H.R. 1, Water Quality Act of 1987," House Debate on H.R. 1, *Congressional Record*, daily edition, vol. 133, no. 3 (January 8, 1987), pp. H174-H178.

<sup>15</sup> The Water Quality Act of 1987 (P.L. 100-4) authorized appropriations for the newly created Clean Water State Revolving Fund program through FY1994.



Congress created the DWSRF program in 1996, modeling the program after the CWSRF.<sup>16</sup> When Congress created the program, policymakers authorized appropriations through FY2003, stating this funding would be “sufficient to cover the capital investments in treatment needed to comply with Federal health standards.”<sup>17</sup>

Almost four decades after the creation of the CWSRF (and three decades after the DWSRF), the intended shift of the SRF programs to a full state responsibility has not occurred, and Congress has continued to provide appropriations to support water infrastructure activities.

A number of factors may have played a role in these continued appropriations. A key factor involves pressure to continue—and, some would argue, increase—federal funding due, in part, to the magnitude of the wastewater and drinking water infrastructure needs estimates compared with annual federal funding.

EPA prepares needs estimates using survey data compiled by the states. The most recent needs estimates (2023) for drinking water infrastructure indicate that public water systems need to invest at least \$625.00 billion (in 2021 dollars) in infrastructure improvements over 20 years to ensure the provision of safe drinking water and compliance with federal standards.<sup>18</sup> EPA’s most recent wastewater needs assessment (2024) estimated national wastewater infrastructure needs of \$630.00 billion over 20 years (in 2022 dollars).<sup>19</sup>

If Congress decides to reduce the appropriations for the SRF programs at the FY2026 requested levels, it is uncertain whether state and local governments would be able to increase their spending to make up for this decreased funding.

Another factor may involve varied and changing perspectives regarding the roles the federal government and state and local governments should play in funding local wastewater infrastructure. A 2025 analysis from the Congressional Budget Office (CBO) indicates that these respective roles have changed over time.<sup>20</sup> For example, in the 10 years prior to the creation of the CWSRF (i.e., 1977-1986), the federal government contributed, on average, 32% of total, annual spending on water infrastructure. State and local governments contributed the remaining 68% of spending. The federal contribution decreased after the establishment of the SRF program. Over the past 10 years, the federal contribution of water infrastructure spending was, on average, 8%.

If Congress decides to reduce the appropriations for the SRF programs at the FY2026 requested levels, the federal spending contribution would decrease further. Some policymakers and stakeholders may argue this contribution should remain consistent or increase, particularly in the context of the estimated infrastructure needs. Others may argue that the federal spending contribution to local water infrastructure should decrease further.

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<sup>16</sup> For more information, see CRS Report RL31243, *Safe Drinking Water Act (SDWA): A Summary of the Act and Its Major Requirements*, by Elena H. Humphreys.

<sup>17</sup> U.S. Congress, Senate Environment and Public Works Committee, *Safe Drinking Water Amendments Act*, Report on S. 1316, 104<sup>th</sup> Cong., November 7, 1995, S.Rept. 104-169, p. 11.

<sup>18</sup> EPA, *7<sup>th</sup> Drinking Water Infrastructure Needs Survey and Assessment*, 2023, [https://www.epa.gov/system/files/documents/2023-04/Final\\_FAQ\\_DWINS\\_4.4.23.v1.pdf](https://www.epa.gov/system/files/documents/2023-04/Final_FAQ_DWINS_4.4.23.v1.pdf).

<sup>19</sup> EPA, *2022 Clean Watersheds Needs Survey—Report to Congress*, 2024, <https://www.epa.gov/system/files/documents/2024-05/2022-cwns-report-to-congress.pdf>.

<sup>20</sup> Congressional Budget Office (CBO), *Public Spending on Transportation and Water Infrastructure, 1956 to 2023, 2025*, Supplemental Tables, <https://www.cbo.gov/publication/60874>. For more discussion, see CRS Report R48565, *Wastewater Infrastructure Funding: Background and Affordability Issues*, by Jonathan L. Ramseur.



## Selected Categorical Grants<sup>21</sup>

The President's FY2026 budget request proposes to eliminate 19 of the 22 categorical grants included under the STAG Account, for a total reduction of approximately \$1.00 billion.<sup>22</sup> The three grants proposed to be continued are Tribal Air Quality Management, Underground Injection Control, and the Tribal General Assistance Program. Of the 19 categorical grants proposed for elimination, three of them represent about 63% of the total proposed reduction in funding.<sup>23</sup> These include the State and Local Air Quality Management Grants, the Section 106 Water Pollution Control Grants, and the Section 319 Nonpoint Source Grants. Each of these categorical grants provides funding for state programs that implement major requirements of the Clean Air Act (CAA) and Clean Water Act (CWA).

### State and Local Air Quality Management Grants

The largest of the categorical grants proposed for elimination is the State and Local Air Quality Management Grants, which received appropriations of \$235.6 million for FY2025.<sup>24</sup> This program provides grants to state and local air pollution control agencies under CAA Sections 103 and 105.<sup>25</sup> Under the CAA, state and local agencies have the primary responsibility for implementing clean air programs, including air permitting, monitoring, and enforcement.<sup>26</sup>

Federal grants fund 25%-98% of staff positions at various state and local air agencies.<sup>27</sup> These grants provide funding for analysis and planning for attainment and maintenance of the national ambient air quality standards (NAAQS), emission reduction programs, improvement of visibility in U.S. national parks and wilderness areas (Class I areas), and the operation, repair, and maintenance of air monitors.<sup>28</sup>

### Section 106 Water Pollution Control Grants

Title I of the 1972 CWA established the Section 106 Water Pollution Control Grant Program, which received appropriations of \$225.4 million for FY2025.<sup>29</sup> CWA Section 106 authorizes EPA to provide grants to states, territories, and interstate agencies to assist in administering CWA programs for the prevention, reduction, and elimination of pollution.<sup>30</sup>

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<sup>21</sup> This section was authored by Laura Gatz, Specialist in Environmental Policy, and Omar Hammad, Analyst in Environmental Policy.

<sup>22</sup> FY2026 *Budget in Brief*, p. 55.

<sup>23</sup> FY2026 *Budget in Brief*, p. 55.

<sup>24</sup> FY2026 *Budget in Brief*, p. 55.

<sup>25</sup> Section 103 (42 U.S.C. §7403) authorizes the EPA Administrator to “make grants to air pollution control agencies” to conduct “research... relating to the causes, effects... and control of air pollution” and “make training grants to personnel of air pollution control agencies.” Section 105 (42 U.S.C. §7405) authorizes the EPA Administrator to make “grants for support of air pollution planning and control.”

<sup>26</sup> 42 U.S.C. §7401 et seq.

<sup>27</sup> National Association of Clean Air Agencies (NACAA), “Testimony of [NACAA] Submitted to the House Appropriations Committee, Subcommittee on Interior, Environment, and Related Agencies Regarding the FY 2026 Budget for the U.S. Environmental Protection Agency,” April 4, 2025, <https://www.4cleanair.org/wp-content/uploads/House-Testimony-FY-2026-NACAA.pdf> (hereinafter: NACAA, Testimony on EPA FY2026 Budget).

<sup>28</sup> EPA, *Fiscal Year 2025: Justification of Appropriation Estimates for the Committee on Appropriations, Tab 11: State and Tribal Assistance Grants* 2024, <https://www.epa.gov/system/files/documents/2024-04/fy25-cj-11-stag.pdf>.

<sup>29</sup> P.L. 92-500; FY2026 *Budget in Brief*, p. 55.

<sup>30</sup> 33 U.S.C. §1256. In 1987, Congress amended the Clean Water Act (CWA) to include provisions that allow EPA to (continued...)

These grants support state efforts to implement major requirements of the CWA, including efforts to monitor and assess water quality, develop and review water quality standards, list impaired waters and develop total maximum daily loads (i.e., waterbody-specific plans to achieve water quality standards), and administer and enforce CWA permits.<sup>31</sup>

## Section 319 Nonpoint Source Grants

Congress established the Section 319 Nonpoint Source Management Program through the 1987 CWA amendments to explicitly address nonpoint source pollution (i.e., diffuse pollution such as runoff from agricultural or residential areas).<sup>32</sup> Nonpoint source pollution is not regulated under the statute, but EPA and others recognize that it is a major contributor to the nation's surface water pollution.<sup>33</sup>

Section 319 requires states to develop and implement nonpoint source management programs and authorizes EPA to award Section 319 Nonpoint Source Grants to states, territories, and tribes to assist them in implementing these programs (e.g., through funding projects to reduce nonpoint source pollution and restore impaired water bodies).<sup>34</sup> The Section 319 Nonpoint Source Grants program received appropriations of \$174.3 million in FY2025.<sup>35</sup>

## EPA and State Perspectives

In presenting the agency's reasoning for the proposed elimination of 19 categorical grants in the FY2026 Budget Request, EPA argues that, "with many of these statutes having been on the books for several decades, states and local governments are more than capable to fund their own programs in compliance with the law."<sup>36</sup> EPA further states that "these reductions promote cooperative federalism to empower states to achieve primary enforcement authority for these grant programs, while also encouraging states to innovate and find more efficient ways to meet their responsibilities under delegated authority."<sup>37</sup>

In its May 2025 letter to the Senate Appropriations Committee chair, which provided overviews of its discretionary budget request, the Administration also provided its rationale for eliminating

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treat an Indian tribe in a manner similar to a state for the purpose of providing Section 106 funding. (P.L. 100-4; 33 U.S.C. §1377.) Since 1987, a portion of CWA Section 106 funding has been set aside and allocated to EPA regional offices to make allotments to eligible tribes.

<sup>31</sup> EPA, "Grants for State and Interstate Agencies under Section 106 of the Clean Water Act," <https://www.epa.gov/water-pollution-control-section-106-grants/grants-state-and-interstate-agencies-under-section-106>. Section 106 funds cannot be used for construction, operation, or maintenance of wastewater treatment plants, or for activities financed by other federal grants. The CWA requires states, territories, and interstate agencies to expend at least as much as they spent on their pollution control programs in 1971. This contribution is often referred to as the maintenance of effort (MOE). However, according to EPA, many states, territories and interstates expend amounts well above the MOE.

<sup>32</sup> P.L. 100-4, Title III.

<sup>33</sup> EPA, "Basic Information about Nonpoint Source (NPS) Pollution," <https://www.epa.gov/nps/basic-information-about-nonpoint-source-nps-pollution>.

<sup>34</sup> 33 U.S.C. §1329. CWA Sections 319(h) and (i) provide that grants for nonpoint source management program implementation and for groundwater-protection specific activities have a no less than 40% and 50% nonfederal cost share, respectively. In addition, Section 319(h) limits administrative costs, requires an MOE, and requires a demonstration of progress in the year preceding the grant award.

<sup>35</sup> FY2026 *Budget in Brief*, p. 55.

<sup>36</sup> FY2026 *Budget in Brief*, p. 39.

<sup>37</sup> FY2026 *Budget in Brief*, p. 39.

the categorical grants.<sup>38</sup> In addition to the points included in the FY2026 Budget Request, the Administration also stated that “EPA’s Categorical Grant programs have become a crutch for States at the expense of taxpayers—many of whom receive no benefit from these grants.”<sup>39</sup>

State environmental agency coalitions and associations have issued letters calling on Congress to “provide funding leadership that shares the cost of implementing our programs with states” noting that “federal funding for implementation, referred to as Categorical Grants, has remained static for two decades, despite historic inflation and the rising costs to deliver the cleanest air, water, and land.”<sup>40</sup>

The Association of Air Pollution Control Agencies, in a letter to EPA Administrator Zeldin, noted that “funding directed to air agencies—including State and Local Air Quality Management Grants under CAA Sections 103 and 105—must be adequate to meet historic CAA obligations.”<sup>41</sup> In written testimony submitted to the House Appropriations Committee regarding the FY2026 budget for EPA, the National Association of Clean Air Agencies argued that reductions in federal funding could, among other things, slow the permitting processes, potentially delaying economic development.<sup>42</sup>

The Association of Clean Water Administrators similarly provided written testimony to the House Appropriations Committee urging increases in funding for CWA Sections 106 and 319 grants, as well as for geographic programs, noting that “as the Administration works to reorganize and downsize the federal government, robust appropriations for state programs are even more critical than ever as states consider the most efficient ways to implement the CWA.”<sup>43</sup> They further asserted that a “reduction or elimination of dedicated funding for states to implement the CWA places an undue financial burden on state agencies,” could “lead to decreased staffing, technical expertise, and increased infrastructure needs straining already limited state budgets,” and “threatens the ability of the states to effectively safeguard water resources, protect public health, and meet statutory obligations.”<sup>44</sup>

## **Hazardous Substance Superfund<sup>45</sup>**

Congress enacted the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, to authorize the federal government to clean up contaminated sites in the United States and to make the “potentially responsible parties” (PRPs) connected to

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<sup>38</sup> Letter from Russell T. Vought, OMB Director, to Honorable Susan Collins, Senate Appropriations Committee Chair, May 2, 2025, <https://www.whitehouse.gov/wp-content/uploads/2025/05/Fiscal-Year-2026-Discretionary-Budget-Request.pdf> (hereinafter May 2, 2025 Letter).

<sup>39</sup> May 2, 2025 Letter, p. 15.

<sup>40</sup> The Environmental Council of the States (ECOS), “Coalition Letter to Congressional Leaders on the Importance of Federal Funding to State Environmental Agencies,” [https://www.ecos.org/wp-content/uploads/2025/03/State-Assn-Funding-Letter-3\\_12\\_24-sent.pdf](https://www.ecos.org/wp-content/uploads/2025/03/State-Assn-Funding-Letter-3_12_24-sent.pdf). The letter was also signed on by the National Association of Clean Air Agencies (NACAA), the Association of Air Pollution Control Agencies (AAPCA), the Association of Clean Water Administrators (ACWA), the National Association of Wetland Managers, and the Groundwater Protection Council, among others.

<sup>41</sup> AAPCA, “Letter to Administrator Zeldin,” January 31, 2025, <https://cleanairact.org/wp-content/uploads/2025/01/AAPCA-Letter-to-Administrator-Zeldin-01-31-2025-FINAL.pdf>.

<sup>42</sup> NACAA, Testimony on EPA FY2026 Budget.

<sup>43</sup> Letter from ACWA to House Appropriations Committee, Subcommittee on Interior, Environment and Other Related Agencies, April 4, 2025, <https://www.acwa-us.org/wp-content/uploads/2025/04/Written-Testimony-FY-2026-Fiscal-Appropriations-v2.pdf> (hereinafter ACWA Testimony on FY2026 Appropriations).

<sup>44</sup> ACWA Testimony on FY2026 Appropriations.

<sup>45</sup> This section was authored by Lance Larson, Analyst in Environmental Policy.

those sites financially liable for the cleanup costs.<sup>46</sup> For eligible sites without financially viable PRPs, CERCLA authorized the Hazardous Substance Superfund Trust Fund to provide funding for cleanup actions. EPA administers and oversees the remediation of sites under the Superfund program, in coordination with the states in which the sites are located.<sup>47</sup>

Prior to the enactment of CERCLA, Congress debated how to fund contaminated sites without viable PRPs and how to assign financial responsibility for remediation in a fair manner. As enacted in 1980, CERCLA authorized Superfund excise taxes on crude oil, imported petroleum products, and domestic chemical feedstocks.<sup>48</sup> These taxes accounted for most of the receipts for the Superfund Trust Fund until the taxing authority expired at the end of 1995.

Since the taxes expired, the Superfund Trust Fund was primarily financed with annual appropriation transfers from the General Fund of the U.S. Treasury, until Congress reauthorized two of the taxes in the 117<sup>th</sup> Congress.<sup>49</sup> In addition to these taxes and annual appropriations, the Hazardous Substance Superfund Trust fund receives revenue from cost recoveries from PRPs, fines and penalties for violations of CERCLA, and interest on the balance of the trust fund. In the past, these revenues have generally represented a smaller contribution compared to annual appropriations and Superfund tax receipts.

The President's FY2026 BIB requests decreased appropriations for the Hazardous Substance Superfund (Superfund) account (**Table 1**). Within the Superfund account, the Superfund Cleanup program area includes line items for four program projects associated with EPA's response authorities, including the Emergency Response and Removal, EPA Emergency Preparedness, Federal Facilities, and Remedial program projects.

For several years leading up to the reauthorization of the Superfund taxes in the 117<sup>th</sup> Congress, annual appropriations to the Superfund account were approximately \$1.0 billion. The Remedial program project has generally been the largest portion, consisting of approximately half of that total appropriation. The revenues collected from the Superfund taxes and the \$3.50 billion supplemental appropriation in the IIJA have provided a relative increase from past funding levels. EPA has reported that the availability of those additional funds has allowed EPA to address new and ongoing construction projects at over 100 eligible sites.<sup>50</sup>

According to EPA's FY2026 BIB, the agency plans to use the projected \$1.60 billion from the Superfund tax receipts, collected in FY2025, to partially or fully fund two program projects in the Superfund Cleanup program area, namely, the Remedial program project and the Emergency

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<sup>46</sup> 42 U.S.C. §§9601 *et seq.*

<sup>47</sup> For more information, see CRS Report R41039, *Comprehensive Environmental Response, Compensation, and Liability Act: A Summary of Superfund Cleanup Authorities and Related Provisions of the Act*, by David M. Bearden.

<sup>48</sup> For more information, see CRS In Focus IF11982, *The Hazardous Substance Superfund Trust Fund*, by Anthony A. Cilluffo and Lance N. Larson.

<sup>49</sup> Enacted November 15, 2021, Section 80201 of Title II of Division H of the Infrastructure Investment and Jobs Act (P.L. 117-58) reauthorized the Superfund chemicals excise tax through December 31, 2031, at double the rates that were in effect in 1995. Additionally, Division J, Title VI provided \$3.5 billion in emergency appropriations from the Superfund Trust Fund through a transfer from the General Fund to increase resources for Superfund remedial actions while the reinstated excise tax ramped up. Section 13601 in Part 6 of Subtitle D of Title I of the Inflation Reduction Act (P.L. 117-169), permanently reauthorized the Superfund petroleum excise tax, increased the rate, and provided for annual inflation adjustments. The effective dates for these tax provisions are July 1, 2022, and January 1, 2023, for P.L. 117-58 and P.L. 117-169, respectively.

<sup>50</sup> EPA, *Superfund Sites with New Construction Projects to Receive Bipartisan Infrastructure Law Funding*, 2025, <https://www.epa.gov/superfund/superfund-sites-new-construction-projects-receive-bipartisan-infrastructure-law-funding>.

Response and Removal program project.<sup>51</sup> For FY2026, EPA did not request annual appropriations for the Remedial program project. EPA anticipates funding this program project entirely with the projected Superfund tax receipts.<sup>52</sup> Additionally, EPA plans to fund the Emergency Response and Removal program project with both annual appropriations and Superfund tax receipts, and requested \$47.3 million, a decrease of \$11.9 million from FY2025.<sup>53</sup> EPA requested \$21.6 million to carry out their Federal Facilities program project and \$7.7 million to carry out their EPA Emergency Preparedness program project.

The projected \$1.60 billion collected during FY2025 from the Superfund tax receipts is approximately 26% less than the \$2.17 billion EPA estimated to be collected.<sup>54</sup> Similarly for the prior year, the FY2025 budget request reported FY2024 collections available from the Superfund taxes as approximately \$1.20 billion, roughly half of the Superfund tax receipts estimated in the FY2024 budget request (estimated as \$2.50 billion).<sup>55</sup> Given that EPA intends to continue to rely upon the Superfund tax receipts to carry out portions of the Superfund program, discrepancies between the actual and estimated Superfund tax receipts collected may present future funding uncertainties for planning and implementing Superfund programs relying upon those receipts.

The extent to which programs within the Superfund account should be funded by Superfund tax receipts and annual appropriations has historically been and remains a topic for congressional consideration. In addition, the duration and costs of environmental cleanup at any particular individual site depend on a number of site-specific factors, so total cleanup costs are approximations.

The adequacy of funding for all sites addressed under the Superfund program depends on a variety of factors, including the total number of sites addressed under the program and the need of funding based on site-specific cleanup decisions.<sup>56</sup> Thus, total funding needs would be dependent on the intended scope and objectives of the program, and the adequacy of Superfund tax receipts and annual appropriations to meet total funding needs presents a policy question for Congress.

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<sup>51</sup> EPA's FY2026 budget request under the Trump Administration to partially or fully fund certain elements of the Superfund program using the Superfund tax receipts reflects a similar EPA policy to rely upon Superfund tax receipts stated in EPA's FY2025 budget request under the Biden Administration. See EPA, *Fiscal Year 2025 Justification of Appropriation Estimates for the Committee on Appropriations, Tab 08: Superfund*, 2024, p. 127, <https://www.epa.gov/system/files/documents/2024-04/fy25-cj-08-superfund.pdf>.

<sup>52</sup> According to EPA's FY2026 *Budget in Brief*, "EPA is fully transitioning the Superfund Remedial Program to Superfund taxes to conduct critical pre-construction projects, continue ongoing construction projects, and initiate new remedial work at National Priority List (NPL) sites to address contaminants including lead and per- and polyfluoroalkyl substances (PFAS)." FY2026 *Budget in Brief*, p. 5.

<sup>53</sup> EPA's FY2026 *Budget in Brief* does not specify the amount of Superfund tax receipts used for this program.

<sup>54</sup> EPA, *Fiscal Year 2025 Justification of Appropriation Estimates for the Committee on Appropriations, Tab 08: Superfund*, 2024, p. 126, <https://www.epa.gov/system/files/documents/2024-04/fy25-cj-08-superfund.pdf>.

EPA, *Fiscal Year 2024 Justification of Appropriation Estimates for the Committee on Appropriations, Tab 08: Superfund*, 2023, p. 118, <https://www.epa.gov/system/files/documents/2023-04/fy24-cj-08-superfund.pdf>.

<sup>56</sup> Government Accountability Office, *Superfund: Many Factors Can Affect Cleanup of Sites Across the U.S.*, GAO-25-108408, April 2025.

## Appendix. Proposed EPA Presidential Budget Request Program Eliminations

**Table A-1. Proposed Elimination of EPA Programs in the President's FY2026 Budget Request**

<b>Program</b>	<b>FY2025 Regular Enacted Budget Authority (In Millions)</b>
<b>Categorical Grants</b>	
Beaches Protection	9.7
Brownfields	46.2
Environmental Information	9.5
Lead	15.0
Nonpoint Source (Sec. 319)	174.3
Pesticides Enforcement	24.2
Pesticides Program	13.0
Pollution Control (Sec. 106)	225.4
Pollution Prevention	4.7
Public Water System Supervision	115.8
Radon	9.1
Toxic Substances Compliance	4.8
Underground Storage Tanks	1.4
Wetlands Program Development	14.1
State and Local Air Quality Management	235.6
Resource Recovery and Hazardous Waste Grants	101.4
<b>Clean Air</b>	
Atmospheric Protection	108.4
Stratospheric Ozone: Multilateral Fund	8.3
<b>Clean and Safe Water Technical Assistance Grants</b>	
Congressional Priorities	48.2
<b>Enforcement</b>	
Environmental Justice	100.0

<b>Program</b>	<b>FY2025 Regular Enacted Budget Authority (In Millions)</b>
<b>Indoor Air and Radiation</b>	
Indoor Air: Radon Program	3.2
<b>Information Exchange/Outreach</b>	
Environmental Education	9.5
Exchange Network	12.4
<b>International Programs</b>	
Trade and Governance	4.6
<b>Legal/Science/Regulatory/Economic Review</b>	
Alternative Dispute Resolution	1.2
Regional Science and Technology	0.3
<b>Pesticides Licensing</b>	
Science Policy and Biotechnology	1.4
<b>State and Tribal Assistance Grants</b>	
Diesel Emissions Reduction Grant program	90.0
Safe Water for Small and Disadvantaged Communities	28.5
<b>Toxic Risk Review and Prevention</b>	
Pollution Prevention Program	11.9
Toxic Substances: Lead Risk Reduction Program	14.1
<b>Underground Storage Tanks (LUST/UST)</b>	
LUST Prevention	24.5
<b>Total: Proposed Eliminated Programs</b>	<b>1,470.6</b>

**Source:** CRS, using the Environmental Protection Agency's FY2026 *Budget in Brief*, pp. 55-56. Numbers may not add due to rounding.



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