Testimony of the Association of Air Pollution Control Agencies
Submitted to the
U.S. Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies
Regarding
Fiscal Year 2026 Appropriations for U.S. Environmental Protection Agency
State and Local Air Quality Management Grants

June 13, 2025

The Association of Air Pollution Control Agencies (AAPCA)[1] thanks this Subcommittee for the opportunity to provide input on Fiscal Year (FY) 2026 appropriations for the U.S. Environmental Protection Agency (EPA). AAPCA's state and local air agency members are co-regulators with U.S. EPA, responsible for implementing federal Clean Air Act (CAA) rules in their jurisdictions.[2] As FY 2026 appropriations are developed, AAPCA asks that funding directed to air agencies, including State and Local Air Quality Management Grants under CAA Sections 103 and 105, adequately account for core CAA activities and previously unfunded mandates.

States carry out more than 90 percent of the nation's federal environmental programs, and all fifty states serve as primary implementers and enforcers of most CAA standards.[3] By their longstanding, on-the-ground expertise, state and local agencies show that cleaner air and a healthy economy can be simultaneously achieved. Between 1970 and 2023 in the United States, aggregate emissions of criteria air pollutants decreased 78 percent, while gross domestic product increased 321 percent and energy consumption rose 42 percent.[4] From 1970 to 2019, total private sector jobs increased by 223 percent.[5] AAPCA members deeply understand that melding national environmental regulations with local priorities, economic strategies, and stakeholder needs requires significant resources.

Congress provided a total of $4.38 billion for State and Tribal Assistance Grants (STAG) in the *Full-Year Continuing Appropriations and Extensions Act, 2025* (H.R. 1968), which was signed into law on March 15, 2025.[6] Congress has consistently appropriated funding for State and Local Air Quality Management categorical grants under the STAG program, which provide critical support to air agencies charged with protecting air quality and public health.

Over the last decade, funding levels enacted for State and Local Air Quality Management Grants have been stable. With virtually no change in funding levels enacted from FY 2015 through FY 2020, incremental increases began in FY 2021 for three years but were not sustained. A total of $235.9 million for State and Local Air Quality Management Grants was appropriated by Congress for FY 2024 and FY

[1] AAPCA is a national, non-profit, consensus-driven organization focused on assisting state and local air quality agencies and personnel with implementation and technical issues associated with the federal Clean Air Act. Created in 2012, AAPCA represents 53 state and local air pollution control agencies, and senior officials from 21 state environmental agencies currently sit on the AAPCA Board of Directors. AAPCA is housed in Lexington, Kentucky as an affiliate of The Council of State Governments. More about AAPCA is at: www.cleanairact.org.
[2] AAPCA, *State Air Trends & Successes: The StATS Report*, May 2025.
[3] The Environmental Council of the States (ECOS), "National Environmental Protection: The Role of States," March 24, 2025
[4] U.S. EPA, *Our Nation's Air: Trends Trough 2023*, August 2024
[5] U.S. EPA, "The Clean Air Act and the Economy," last updated June 9, 2025
[6] H.R. 1968 – *Full-Year Continuing Appropriations and Extensions Act, 2025* (P.L. 119-4).

2025, only about three percent higher than enacted levels ten years ago. Table 1 summarizes the enacted State and Local Air Quality Management Grants for FY 2015 – FY 2025.

Table 1. FY 2015 – FY 2025 Enacted State and Local Air Quality Management Grants

Fiscal Year	State and Local Air Quality Management Grants (enacted)
FY 2025	$235.922 million
FY 2024	$235.922 million
FY 2023	$249.038 million
FY 2022	$231.391 million
FY 2021	$229.500 million
FY 2020	$228.219 million
FY 2019	$228.219 million
FY 2018	$228.219 million
FY 2017	$228.219 million
FY 2016	$228.219 million
FY 2015	$228.219 million

State and local air agencies utilize funding from these grants judiciously by strategically deploying resources, creating efficient programing and best practices, and relying on leadership and staff that are dedicated public servants. Through technically complex and resource intensive activities, agencies:

- Review, issue, and enforce air quality permits for a range of sources, from small businesses to industrial and commercial facilities, including new sources like data centers;
- Develop and update state implementation plans (SIPs) to attain/maintain National Ambient Air Quality Standards (NAAQS) and improve visibility under the Regional Haze Program;
- Serve as the nation's primary air quality monitoring entities, develop and update emissions inventories, and perform photochemical and air dispersion modeling;
- Implement federal rules and standards for hazardous air pollutants, including case-by-case maximum achievable control technology (MACT) determinations;
- Ensure facility compliance through inspection and enforcement oversight;
- Hire, train, and retain qualified and dedicated staff; and,
- Lead public outreach and information campaigns, including forecasting air quality, distributing air quality alerts, responding to complaints, and working with stakeholders to protect public health.

State and local air agencies have led these efforts and continued to improve the nation's air quality[7] while administering increasingly complicated and demanding operations that have had to accommodate growing inflation in expenses related to personnel, travel, and equipment. Providing maximum flexibility in air agency grants enables programs to determine the best use for addressing air pollution control needs in their jurisdiction.

[7] U.S. EPA, Air Quality – National Summary, last updated May 6, 2025.

The White House recommendations for discretionary funding for FY 2026, known as the President's Budget,[8] include cuts to categorical grant programs of $1.006 billion, claiming:

> *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… These reductions promote federalism by allowing States to achieve primary enforcement authority for these programs, while also encouraging States to innovate and find more efficient ways to meet their responsibilities under delegated authority.*

Per the President's Budget, U.S. EPA's Fiscal Year (FY) 2026 Budget in Brief requests $4.16 billion for U.S. EPA, a 54 percent decrease from the FY 2025 enacted level. A total of $745 million is requested for STAG, an 83 percent decrease from the FY 2025 enacted level. State and Local Air Quality Management categorical grants are proposed for elimination, among other clean air programs, "to refocus Agency resources on core statutory work."[9]

Adequate funding for State and Local Air Quality Management Grants that account for core CAA activities, U.S. EPA's current priorities, and previously unfunded mandates is vital for state and local air agency budgets as well as ensuring the cooperative federalism balance needed for successful environmental outcomes. Eliminating or dramatically reducing this funding would devastate economic development (i.e. reduced capacity of air permitting staff and programs), critical infrastructure (i.e. ambient air monitoring networks), and environmental protections across AACPA's membership. Such cuts could incapacitate state and local air programs to meet basic air quality control activities while creating significant uncertainty for state and local legislatures and businesses across the country.

In the southeastern United States, State and Local Air Quality Management Grants fund between 11.5 and 50 percent of state and local air agencies' total budgets. In one AAPCA state with several local air agencies, State and Local Air Quality Management Grants account for 21.5 to 32.5 percent of those local agencies' total budgets. A local air agency in a growing metropolitan area in the Intermountain West could lose as many as 13 full-time equivalent positions dedicated to air programs such as ambient monitoring and compliance, if the proposed cuts were enacted. For another local air agency in the Cumberland Plateau, State and Local Air Quality Management Grants fund more than 35 percent of the agency's total budget, the elimination of which would require the agency to terminate delegation of its air programs and return program implementation to the state. A loss of state and local regulatory staff and program capacity would have immediate consequences such as creating a permitting backlog, including for permits to construct and major source operating permits. For many state and local air agencies already facing resource constraints, all areas of service would be reduced.

If Congress were to adopt the White House recommendation for discretionary spending, states may be required to terminate primacy, delegation, or authorization agreements and return full program implementation to U.S. EPA.[10] A reduction or elimination of the federal cost share will create implementation issues resulting in legal liabilities that may contribute to a state's decision to return a program to U.S. EPA for implementation within a state. This would overwhelm U.S. EPA and have detrimental impacts to economic development throughout the United States. Specifically, robust

[8] White House Office of Management and Budget, Fiscal Year 2026 Discretionary Budget Request, May 2, 2025.
[9] FY 2026 U.S. EPA Budget in Brief, May 2025.
[10] The Environmental Council of the States (ECOS), "ECOS Letter to U.S. EPA on the FY26 President's Budget Preliminary Request and Discretionary Funding Cuts to Categorical Grants," May 3, 2025

economic development demands timely permitting, which will be lost if permitting programs are returned to U.S. EPA.

Additional considerations that may affect state and local resources include how U.S. EPA alters the regional and state allocation formula for State and Local Air Quality Management Grants, if not eliminated. Historically, appropriations since the beginning of the fine particulate matter ($PM_{2.5}$) monitoring program have maintained funding authority under CAA Section 103. AAPCA reaffirms the importance of sustaining the granting authority for $PM_{2.5}$ monitoring under CAA Section 103, which does not require a 40-percent funding match and allows state and local agencies to best allocate resources for air quality planning and programs while continuing $PM_{2.5}$ monitoring. Distributing funds for $PM_{2.5}$ monitoring under CAA Section 105 would adversely impact state and local air agency budgets.

In March, U.S. EPA Administrator Zeldin announced a slate of 31 deregulatory actions,[11] including many air program actions expected on an expedited timeline. State and local air agency expertise and engagement is critical for the development of successful regulatory/deregulatory programs. In addition to adopting and implementing updated federal regulations, state and local air agencies will be responsible for making associated permitting changes and conducting education and outreach with stakeholders in their jurisdictions. Given the Administration's emphasis on domestic manufacturing and needed increases in electrical generation, the most efficient mechanism to meet the CAA requirements for new manufacturing and energy projects is by working with state and local air agencies. State and local agencies are best equipped to provide timely, close coordination with regulated industry to meet permitting project needs. AAPCA stresses that merging national environmental requirements with state and local economic priorities and strategies for growth will require continued investment from Congress to adequately account for core CAA activities, U.S. EPA's current priorities, and previously unfunded mandates.

Thank you for your attention to this testimony. AAPCA's state and local air agency members appreciate the recognition of your Committee in recent funding legislation and look forward to working with you as Congress develops its priorities for FY 2026 appropriations for U.S. EPA. If you have any questions, please contact Ms. Morgan Dickie, Executive Director, at mdickie@csg.org or (859) 244-8042.

Sincerely,



Morgan Dickie
Executive Director, AAPCA

[11] U.S. EPA, "EPA Launches Biggest Deregulatory Action in U.S. History," March 12, 2025.