Potential Impacts of Federal Funding Cuts to NCDEQ

Based on the President's FY2026 Budget Request

The North Carolina Department of Environmental Quality (NCDEQ) serves all 11 million residents of our state to protect our air, land, water, and health. North Carolina's abundant natural resources and commitment to innovation have helped it rank as a top three state for business for five years running, and federal funding is key to the service and support NCDEQ provides in making our state a great place to live, work, and do business.

Implementation of the President's FY2026 Budget Request would **zero out federal support** for many of NCDEQ's core functions while **drastically cutting** additional programs. Impacts could include:

- **Slower review time** for permits
- **Reduced capacity** for technical assistance & other unfunded regulatory services
- **Delayed responses** to environmental incidents and customer service inquiries
- **Increased uncertainty** for businesses
- **Reduced funding** for local infrastructure or redevelopment projects
- **Jeopardized status** of federally delegated programs

Select FY26 Proposed Changes to Nationwide Environmental Programs (in millions of $)

Fund	Fund Purpose	FY25 Enacted Budget	FY26 President's Budget	% Decrease
Clean Water State Revolving Fund (SRF)	*Fund wastewater infrastructure projects for public wastewater systems*	$1,638,861	$155,000	**91%**
Drinking Water SRF	*Fund drinking water infrastructure projects for public water systems*	$1,126,101	$150,000	**87%**
Brownfields Program	*Return contaminated sites to productive economic use*	$46,250	$0	**100%**
Resource Recovery & Hazardous Waste	*Safeguard public against exposure to hazardous waste*	$101,362	$0	**100%**
Clean Water Act Programs	*Protect water quality through addressing pollution and wastewater discharges*	$399,642	$0	**100%**
Public Water System Supervision	*Ensure safety of drinking water resources and protect public health*	$115,833	$0	**100%**
Clean Air Act Programs	*Preserve air quality through monitoring and management program*	$235,602	$0	**100%**

NCDEQ relies on federal funding for up to **one-half of its operating expenses**, which includes staffing, environmental monitoring, emergency response, technical and compliance assistance, laboratory operations, and other agency work. While impacts to some programs remain unclear, categorical grants such as those listed above account for over **$31 million** in annual funding that the Department depends on to efficiently and effectively serve the needs of the state.

Scan or click for full funding table.

In FY24, key actions supported by these funds included:

Water Infrastructure

Over $188 million awarded to wastewater & drinking water projects across 16 counties

Brownfields

~2,000 acres of contaminated land being revitalized to safe and productive reuse

Site Remediation

38 NPL sites overseen & >700 UST incidents closed yearly rely on at-risk federal funds

Clean Water

>13,000 NPDES permits issued or renewed to protect watersheds statewide

Drinking Water

~1,300 permits processed for public drinking water supply supporting >9 million North Carolinians

Clean Air

~10 years in a row attaining all federal public health air quality standards