



**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 2027 Appropriations for U.S. Environmental Protection Agency
State and Local Air Quality Management Grants**

May 15, 2026

The Association of Air Pollution Control Agencies (AAPCA)¹ thanks this Subcommittee for the opportunity to provide input on Fiscal Year (FY) 2027 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 2027 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, when the CAA was enacted, and 2024, national aggregate emissions of criteria air pollutants decreased 79 percent, while gross domestic product increased 338 percent and energy consumption rose 43 percent.⁴ 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 \$4.409 billion for State and Tribal Assistance Grants (STAG) in the *Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026* (H.R. 6938), which was signed into law on January 23, 2026.⁵ 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.

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 2026.

³ CAA Section 101(a)(3), 42 U.S.C. § 7401(a)(3).

⁴ U.S. EPA, [Our Nation's Air: Trends Trough 2024](#), February 2026.

⁵ H.R. 6938 – *Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026* ([P.L. 119-74](#)).

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 2016 through FY 2020, incremental increases began in FY 2021 for three years but were not sustained. After a couple of years of stagnant funding levels, Congress appropriated a total of \$236.672 million for State and Local Air Quality Management Grants for FY 2026, a slight increase from the previous year and only about four percent higher than enacted levels ten years ago. Notably, over the same ten-year period, Consumer Price Index (CPI) inflation has increased by about 37 percent.⁶ Table 1 summarizes the enacted State and Local Air Quality Management Grants for FY 2016 to FY 2026 alongside 2016 funding levels adjusted for inflation.

Table 1. FY 2016 – FY 2026 Enacted State and Local Air Quality Management Grants

Fiscal Year	State and Local Air Quality Management Grants (enacted)	CPI Adjustment (2016 = 1.00)	FY 2016 Funding Adjusted for Inflation
FY 2026	\$236.672 million	1.37	\$313.312 million
FY 2025	\$235.922 million	1.34	\$306.010 million
FY 2024	\$235.922 million	1.30	\$297.095 million
FY 2023	\$249.038 million	1.26	\$288.188 million
FY 2022	\$231.391 million	1.19	\$270.827 million
FY 2021	\$229.500 million	1.10	\$251.980 million
FY 2020	\$228.219 million	1.09	\$248.501 million
FY 2019	\$228.219 million	1.06	\$242.472 million
FY 2018	\$228.219 million	1.05	\$238.768 million
FY 2017	\$228.219 million	1.03	\$233.924 million
FY 2016	\$228.219 million	1.00	\$228.219 million

State and Local Air Quality Management Grants cover critical state and local agency program support costs for sustained and effective implementation of longstanding CAA regulatory programs. State and local air agencies utilize funding from these grants judiciously by strategically deploying resources, creating efficient programming 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 sources with new demands like data centers and energy projects;
- Develop and update state implementation plans (SIPs) to attain/maintain National Ambient Air Quality Standards (NAAQS) and improve visibility under the Regional Haze Program;

⁶ According to the U.S. Bureau of Labor Statistics [CPI Inflation Calculator](#), \$1.00 in January 2016 has the same buying power as \$1.37 in January 2026. The CPI inflation calculator uses the [Consumer Price Index](#) for All Urban Consumers (CPI-U) U.S. city average series for all items, not seasonally adjusted.

- 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 information campaigns, including forecasting air quality, distributing air quality alerts, providing emergency response for air quality impacts from wildfires and extreme weather, 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 quality⁷ 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.

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. 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.

The White House recommendations for discretionary funding for FY 2027, known as the President’s Budget,⁸ include \$1.009 billion in cuts to categorical grant programs to states used to implement, manage, and enforce environmental regulations. Per the President’s Budget, U.S. EPA’s FY 2027 Budget in Brief requests \$4.2 billion for U.S. EPA, a 52 percent decrease from the FY 2026 enacted level. A total of \$748 million is requested for STAG, an 84 percent decrease from the FY 2026 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 and empower state and local government after years of federal investment.”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

⁷ U.S. EPA, [Air Quality – National Summary](#), last updated February 19, 2026.

⁸ White House Office of Management and Budget, [Budget of the United States Government, Fiscal Year 2027](#), April 3, 2026.

⁹ [FY 2027 U.S. EPA Budget in Brief](#), April 2026.



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 AAPCA's membership. A loss of state and local regulatory personnel and program capacity would have immediate consequences such as creating a permitting backlog, including 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. 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.

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

In March 2025, U.S. EPA Administrator Zeldin announced a slate of 31 deregulatory actions,¹⁰ 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. Given adequate funding, state and local agencies are best equipped to provide timely, close coordination with regulated industry to meet permitting and energy 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 2027 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

¹⁰ U.S. EPA, "[EPA Launches Biggest Deregulatory Action in U.S. History](#)," March 12, 2025.