

Are State Agency Budgets Rising Enough to Meet New Challenges?

New data indicate that many state environment and natural resources department budgets have declined over the period from FY 2011 to FY 2015. According to Ballotpedia, a nonprofit online encyclopedia, 18 states decreased funding, 23 increased funding, and data were unavailable for nine.

The Environmental Council of the States, a national association of state and territorial environmental leaders, also tracks budget trends for environment agencies (but does not include natural resources agencies). Based on data from 47 states, Puerto Rico, and the District of Columbia, ECOS reported that from FY 2011 to FY 2012 state environment agency budgets decreased in 36 states by an average of \$357,000. Budgets increased in only nine and were constant in two.

Although Ballotpedia and ECOS offer valuable data, additional information is needed to understand more fully environment agencies' funding levels and how states stack up. Alexandra Dunn, executive director of ECOS, says that state

budgets present "a complicated story." She explains, for example, that comparing state budget data is "apples and oranges, because how states structure their programs is highly variable." She cites the nonpoint-source water pollution and drinking water programs, which in some states are included in environment agency budgets but, in others, in agriculture or health department budgets. ECOS's regular budget data collection, which will soon include FY 2013-15, is an effort to develop a "consistent lens" for evaluation over time, according to Dunn.

Comparing state budgets is a challenge not only because the scope of agency responsibilities differ, but because agency size and funding sources

also vary. Ballotpedia notes state FY 2015 environment and natural resources department budgets ranged from \$9.1 billion in California to under \$13 million in Oklahoma. According to ECOS, in FY 2011 and FY 2012, permit fees provided the largest source of state environment agency funding (nearly 60 percent), followed by federal funds (nearly 30 percent) and finally state general funds (around 13 percent).

The mix does vary from state to state. On average, however, ECOS data indicate that state general funds increased a small amount from FY 2011 to FY 2012. Dunn notes that, in comparison, federal categorical grant funding — which supports state operation of delegated federal programs — "for the last 15 years has essentially remained flat." That, she says, is problematic considering inflation and the need to implement new rules and modernize programs.

Finally, a more thorough understanding of the reasons for funding decreases is needed. In some cases budget cuts may be a political statement about a particular program, such as the Clean Power Plan, explains Dunn. But, reductions also may reflect larger trends, such as economic downturns, as ECOS concluded with respect to agency budget decreases from FY 2011 through FY 2012. Decreased funding also could reflect that an agency is doing the same work but applying technology and other approaches to perform more efficiently, says Dunn.

The deleterious effects of inadequate funding, however, are also evident. National Public Radio recently reported that the Oklahoma Department of Environmental Quality is down from 39 to 22 field offices and has reduced the number of inspectors monitoring community water systems from 89 to 58.

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Oklahoma DEQ's Jimmy Givens told NPR that "cuts to state funding disproportionately affect DEQ programs that make sure that local water supplies are safe to drink." Similarly, the *Hartford Courant* reported in July that the Connecticut Department of Energy and Environment's Rob Klee, whose agency has lost 203 full-time employees since 2007-08, told employees that due to state budget cuts "we won't be able to continue doing everything we do now," and "we won't always be able to do everything as quickly and effectively as we want."

Klee's scenario has played out in Pennsylvania, where the Department of Environmental Protection's John Quigley testified that "inadequate staff and technology hamper the agency's ability to handle the volume of permits it receives," noting the agency had over 400 fewer inspection and permitting staff than seven years ago.

According to Dunn, we have reached a "level of stability at most agencies," and states generally "find their legislatures willing to fund, if applicable through direct appropriations, core environmental programs and services." Although this may be the case in some states, it is also important to learn, as ECOS recognizes, which states are underfunded. The information will lay the foundation for tackling the hard policy decisions required to ensure the state environmental programs that are central to our system of environmental protection are effective.