Last week the President unveiled his $4 trillion budget for Fiscal Year 2016. The budget highlights the President’s continued support on several energy and environmental topics with emphasis on clean energy. He reiterated his support for the Climate Action Plan he released in 2013 and called for an increase in funding support for the plan.

Several agencies made the request for larger budgets. The Environmental Protection Agency requested a total of $8.6 billion, Department of Energy $29.9 billion, and Department of the Interior $13.2 billion—all up from the year before.

While Congress will not adopt all of the initiatives the President proposed, the President’s budget does serve as a guide for the key policy debates in the coming year. Below are some highlights and takeaways states should note in the energy and environment arena:

**Agriculture**

- $1.6 billion annual cut to farmers’ crop insurance, a program that provides funding for insurance companies that cover crops and farmer premiums.
- Consolidation of the USDA’s Food Safety and Inspection Service with the Food and Drug Administration’s food safety oversight. The new agency would fall under the Health and Human Services Department and effectively end a primary function the USDA has had since its founding in 1862.
- $6 billion in direct loans to support clean and renewable energy generation, transmission and distribution activities across rural America.
- Wildland fire suppression is treated as a natural disaster. The agency would fully fund the cost of wildfire suppression through a combination of the Forest Service’s discretionary budget and additional emergency budget resources at the 10-year average level.
- $822 million for on-the-ground restoration work across the National Forest System through the Integrated Resource Restoration (IRR) program. This is a $2 million increase from last year.
- The Budget includes $200 million for Watershed and Flood Prevention Operations to support the Executive Order “Preparing the United States for the Impacts of Climate Change.”

**Department of Energy**

- $5.8 billion dispersed over 10 years for nuclear waste storage for power plants.
- Increase in funding for the Solar Energy program to $336 million, an increase of $103 million over FY 2015.
- $270 million for electricity delivery and energy reliability grid modernization activities.
- Permanently extend renewable electricity production and investment tax credit for wind and solar energy. Budget estimate $31 billion by 2025.
- $145 million for the Wind Energy program, an increase of $38 million over FY 2015.
- $228 million to fund weatherization services for low-income households.
Department of Interior

- Provides $500 million of mandatory funding and $400 million in discretionary funding for the Land Water Conservation Fund, which provides matching grants to states and local governments for the acquisition and development of public outdoor recreation areas.
- $1 billion for communities impacted by abandoned mine lands (AML). The money would come from unappropriated balances in the AML Reclamation Fund and be dispersed over five years.
- $55 million for miner worker aid, retraining and economic diversification – this includes $20 million in Department of Labor funds earmarked for affected coal mine or power plant workers.
- $112 million for Indian water rights settlement – up $22,000 over FY 2015.
- WaterSMART program would receive $58.1 million to support water conservation initiatives that promote water reuse, recycling and conservation.
- $100 million to review and permit renewable energy projects on public lands and offshore waters.
- Extension of the Payments in Lieu of Taxes program for another year at $452 million. The program assists counties that have nontaxable federal lands within their boundaries.
- New funding framework for wildland fire suppression. Base funding would be set at 70 percent of the 10-year average for suppression costs within the discretionary budget and an additional $200 million through a discretionary cap adjustment.

EPA

- Development of the Clean Power State Incentive Fund – $4 billion for states that choose to go beyond the minimum Clean Power Plan requirements. Money can be used to support businesses and low-income communities to expand energy efficiency efforts, renewable energy, and infrastructure.
- Increase of $15.2 million for additional agency capacity to provide technical support to states for the Clean Power Plan.
- $3.6 million to provide legal counsel support for the agency on the Clean Power Plan.
- Cut $50 million from the Great Lakes Restoration Initiative – an initiative focused on clean-up and controlling the spread of invasive species.
- $50 million package to build upon the EPA’s infrastructure investments to enhance system capacity for reliable and safe drinking water.
- Eliminated funding for the State Indoor Radon Grant program ($8.1 million).
- $23 million for states and tribes to build tools that enhances the exchange of data between the agency, states, tribes, and regulated entities.

Army Corps of Engineers

- $411 million for the aquatic ecosystem restoration program. Priority ecosystems are the California Bay-Delta, the Everglades, the Great Lakes, Chesapeake Bay, and the Gulf Coast, helping to promote their ecological sustainability and resilience.
- $34 million for floods, hurricanes, and other natural disasters preparedness and for State and Federal agency collaboration to implement flood risk management solutions.
Pipeline and Hazardous Materials Safety Administration (DOT)

- $289 million for Pipeline Safety – an increase of $44.2 million from FY 2015 levels.
  - $175 million for reducing pipeline failures.
  - $1.7 million for training and outreach for the safe transport of flammable liquids.

Sources:

Department of Agriculture FY 2016 Budget Request [2]
Department of Energy FY 2016 Budget Request [3]
Department of the Interior FY 2016 Budget Request [4]
Environmental Protection Agency FY 2016 Budget Request [5]
Army Corps of Engineers FY 2016 Budget Request [6]

Pipeline and Hazardous Materials Safety Administration (DOT) FY 2016 Budget Request (p. 41) [7]