The Trump administration released its first full fiscal budget for 2018, called the “Taxpayer First” Budget, this week. As expected, the budget delivers a gut-punch to several energy and environment programs within the Department of Energy, or DOE, and the Environmental Protection Agency, or EPA. Furthermore, the steep cuts proposed in the budget could eventually be magnified in a sort of double whammy to state efforts to protect the environment and transition to cleaner sources of energy.

Although there is little chance this budget will pass Congress in its current form, it nonetheless provides key insights into the administration’s energy and environment priorities.

Here is a rundown of what is on the chopping block in the energy and environment arena.

The 2018 budget requests $5.7 billion for the EPA, a steep decline of 31.4 percent from the 2017 annualized CR level. The EPA cuts are broad and deep, and adjusted for inflation, would represent the nation’s lowest funding for environmental protection since the mid-1970s.

The budget calls to completely defund international climate change programs, climate change research and the Clean Power Plan—President Obama’s sweeping regulation forcing coal power plants to reduce carbon emissions. The budget also orders a $330 million cut from the Superfund program, which cleans up severely polluted parcels of land, dropping its budget to $762 million. The Categorical Grants Program, which provides money to states and Native American tribes to develop air quality, climate-focused, or water-cleaning projects, is set for a $482 million reduction. Also on the chopping block are specific regional efforts such as the Great Lakes Restoration Initiative and the Chesapeake Bay program.

The DOE will also be affected by the President’s 2018 budget. Even though DOE will see a relatively minor 5.6 percent decrease, compared to 2016 funding levels, the proposed cuts will disproportionately hit the agency’s clean energy programs.

The agency’s Office of Energy Efficiency and Renewable Energy, which supports research in wind, solar, geothermal, and other clean energy technologies, faces a 69 percent cut. The Office of Fossil Energy, which funds much of DOE’s research on carbon capture and sequestration, would see a cut of more than half. It is not clear how the proposed reduction fits into Trump’s plan to advance clean coal technology and revive the coal industry. The Office of Science, which oversees 10 national laboratories that conduct a wide range of research on renewable energy, will face a 16 percent cut. In addition, the Weatherization Assistance Program, State Energy Program, or SEP, the Advanced Technology Vehicle Manufacturing program and Advanced Research Projects Agency for Energy, or
ARPA-E, would be fully eliminated under the president’s proposal.

In other words, the steep budget cuts to the EPA and the DOE would significantly reduce funding for climate change and clean energy programs, defund a variety of public-health programs, close state environmental programs, and end regional initiatives.

The impact on states will add up as well, hindering state efforts to address local energy and environmental issues. Federal funding has been critical in supporting state energy and environmental programs, from monitoring drinking water, to reducing air pollution, toxic waste cleanup, increasing energy efficiency and developing alternative energy resources. Over the years, as states have been pulling money away from their environmental programs, their reliance on federal dollars has greatly increased. For instance, federal money to Pennsylvania [2] for environmental programs has gone up from $109 million in 2002-03 to $218 million for 2017-18, even as funding from general state coffers has dropped by almost 40 percent during the same period. According to the Center for American Progress [3], more than half of state environmental agencies rely on the federal government for at least a quarter of their budget.

In a similar fashion, the cuts to weatherization and state energy planning programs at DOE would eliminate millions of dollars to states that helps them prepare for natural disasters and electricity or fuel disruptions, increase efficiency for consumers, and deploy clean and alternative energy. The Alliance to Save Energy [4] has estimated that for every $1 of federal government investment into the SEP, $7.23 is saved from reduced energy bills, while every $50 million in SEP funding results in $585 million in economic development.

In short, major funding reductions for the EPA and DOE would significantly reduce federal investment in state energy and environmental activities and weaken states’ ability to lead on energy and environmental issues.

Complete breakdown of the budget can be found here [5].

Tags:
Policy Area [6]› Energy [7]
Content Type [8]› Publications [9]