

**Testimony of the National Association of Clean Air Agencies (NACAA)
Submitted to the House Appropriations Committee
Subcommittee on Interior, Environment, and Related Agencies
Regarding the FY 2027 Budget for the U.S. Environmental Protection Agency
April 15, 2026**

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to provide testimony on the FY 2027 budget for the United States Environmental Protection Agency (EPA), particularly Cooperative Federalism grants to state and local air pollution agencies under Sections 103 and 105 of the Clean Air Act (CAA), which are part of the State and Tribal Assistance Grant (STAG) program. NACAA has four recommendations with respect to FY 2027 appropriations. The association asks Congress to: 1) not cut these grants, and if possible provide increased, rather than reduced, funding for state and local agencies to implement the Clean Air Act¹; 2) provide flexibility to state and local air quality agencies to use this funding to address the highest priority programs in their areas; 3) retain grants for monitoring fine particulate matter (PM_{2.5}) under the authority of Section 103 of the Clean Air Act, rather than shifting it to Section 105; and 4) provide grant increases under authorities of the CAA that do not require matching funds (e.g., Section 103) as much as possible to allow agencies that do not have sufficient matching funds to still obtain the additional grants.

NACAA is the national, nonpartisan, non-profit association of 157 air pollution control agencies in 40 states, including 117 local air agencies, the District of Columbia and four territories. NACAA exists to advance the protection of clean air and public health for all, and to improve the capability and effectiveness of state and local air agencies. These agencies have the “primary responsibility” under the CAA for implementing our nation’s clean air programs.² As such, they conduct an array of critical activities intended to improve and maintain air quality and protect public health.

The Clean Air Act Has Been Very Successful

Since the adoption of the CAA in 1970, federal, state and local air quality agencies have made tremendous strides in reducing air pollution and thereby protecting public health. According to EPA, total emissions of the six criteria air pollutants (for which the national health-based standards are set) have decreased by 79 percent between 1980 and 2024, and between 1990 and 2017, emissions of the toxic air pollutants identified in the CAA declined by 74 percent.³ As state and local air agencies are principally responsible for implementing the federal clean air program, their contributions to the success of the program have been essential.

¹ A 2023 study indicated that the appropriate federal funding role for supporting state and local agencies would require an increase of \$272 million over the FY 2026 appropriation of \$228 million.

² CAA Section 101(a)(3), 42 U.S.C. § 7401(a)(3).

³ <https://www.epa.gov/air-trends/air-quality-national-summary#emissions-trends>

While these impressive air quality improvements took place, our country has continued to experience strong economic growth. Within the same period identified above (1980–2024), during which pollution was reduced markedly, gross domestic product increased 338 percent, vehicle miles traveled went up 195 percent, energy consumption increased 43 percent and the country’s population grew by 66 percent.⁴ Improvements to air quality and a strong economy have gone hand in hand.

Air Pollution Remains a Serious Public Health Problem

Air pollution is improving in America; many of our agencies have used federal funding to transition from non-attainment to attainment status. But despite the gains made in the pursuit of healthy air quality, air pollution remains a serious public health concern. *In fact, very few problems this subcommittee addresses pose greater threats to public health than air pollution.*

Each year in America, air pollution causes tens of thousands of premature deaths and exposes millions to unhealthful levels of air contaminants, resulting in cancer, damage to respiratory, cardiovascular, neurological and reproductive systems and other health problems.⁵ In 2024, about 109 million people in the United States lived in areas that exceeded one or more federal health-based air pollution standards.⁶ Additionally, EPA’s hazardous air pollution data show that “millions of people live in areas where air toxics pose potential health concerns.”⁷ Children and the elderly are particularly at risk. There is also still much to be done to address emissions that result in more and worse wildfires, longer ozone seasons and upward-trending global temperatures. State and local governments have instituted some of the country’s strongest programs, making meaningful progress towards reducing these emissions.

Significant Challenges Remain for State and Local Air Quality Agencies

Under the CAA, state and local agencies have the primary responsibility for implementing the federal clean air program. This massive undertaking calls for conducting ambient air monitoring, issuing permits, developing emission-reduction strategies, enforcing rules, educating the public, hiring and training staff and managing many other complex activities.

Federal, state and local air quality programs have come a long way in cleaning up the air, but there is still much that needs to be accomplished. Unfortunately, there are no longer any “easy fixes” or “low-hanging fruit” to be had. What remain are difficult challenges that yield essential improvements. These challenges include addressing mobile sources, smaller area sources, reaching the people who are most vulnerable to pollution, and other very complex issues. Our success requires investments in increasingly high-tech solutions including monitoring, modeling, data analysis, emerging emission control technologies, information integration and communication across a broadening array of platforms, not to mention investing in and retaining staff who are sufficiently trained in these increasingly complicated subject areas.

⁴ <https://www.epa.gov/air-trends/air-quality-national-summary#emissions-trends>

⁵ <https://www.epa.gov/clean-air-act-overview/air-pollution-current-and-future-challenges> and <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3670349/>

⁶ <https://www.epa.gov/air-trends/air-quality-national-summary#emissions-trends>

⁷ https://www.epa.gov/system/files/documents/2023-02/AirToxScreen_2018%20TSD.pdf (page 113)

Data centers represent a new demand for swift and skillful permitting, and understanding and deploying strategies to help assure they can be effectively integrated into society at a pace that matches the needs of developers and communities has meant making investments in our agencies' staff, equipment, and systems.

Wildfires are also placing greater demands on state and local air agencies. They are increasing in number, frequency and size and happen in all parts of the country. Wildfires release a complex array of air pollutants, including particulate matter, carbon monoxide, nitrogen oxides, volatile organic compounds and hazardous air pollutants, and they pose significant public health challenges. Increased resources are needed for response activities such as detecting smoke plumes and determining where they are heading, notifying and communicating with the public and promoting preparedness activities, all of which are essential to protect public health.

Air Agencies Need Significant Resources to Succeed and Help Grow the Economy

State and local air agencies have been underfunded for many years. In real dollars, federal grants to state and local air quality agencies (under Sections 103 and 105 of the CAA) were actually slightly lower in FY 2026 than 20 years ago, representing a substantial decrease in purchasing power when factoring in inflation. During this time, air quality issues have become more complicated and costly. Moreover, while federal grants were originally intended to cover 60 percent of the cost of implementing the CAA, they cover less than a quarter of that amount today, with the remainder coming largely from state and local programs themselves.

Clean air is good for the economy, ultimately helping in the creation of new jobs. For example, well-funded state and local programs speed up permitting and construction, increase needed compliance assistance for businesses, allow for the purchase and operation of monitoring equipment (a strong market for American companies) that ultimately helps tailor strategies to the hardest-hit areas and develop rules and plans to implement those strategies.

Increased grants would be used for many of the basic ongoing and essential responsibilities facing state and local air quality agencies. Cuts to funding would affect Americans profoundly. Federal grants fund 50-98% of staff positions at various agencies. Without that funding, significant layoffs would occur, with some agencies indicating they would cease operations entirely. Specialized expertise would be lost, particularly in monitoring and compliance assistance. Agencies also rely on federal funds to maintain, repair, and update monitoring equipment, and many agencies would be forced to reduce monitoring sites to federally required minimums or eliminate networks entirely.

In addition, new funding would support:

- supporting small business programs and emission reductions from smaller sources, including inspections, compliance assistance and technical support;
- tackling the ever-increasing threats posed by wildfires, including mitigating adverse health impacts and communicating with the public;

- strengthening pollution detection and visualization through monitors, sensors and airborne- and mobile-detection equipment; and
- expanding and adding new programs that protect all Americans, especially older and younger people that continue to be the most vulnerable to pollution.

Funds from Permit Fees and Recent Legislation Do Not Solve the Problem

Permit fees charged by state and local agencies, while extremely valuable, cannot substitute for federal grants. By law, Title V federal grants and permit fees must be used for different purposes – for example, Title V fees apply only to major sources and do not cover the significant costs associated with non-major sources. Additionally, increases in state and local Title V fees face significant industry resistance. Finally, Title V fee revenues are decreasing over time due to reductions in the emissions levels on which they are based. Our success in controlling emissions results in diminished fee revenues.

Conclusion

Federal grants to state and local air quality agencies are a relatively small piece of the national budget. Yet the return on investment is among the highest when considering the benefits of protecting public health and the environment against the serious threats posed by air pollution. Reductions in federal funding could:

- Slow permitting processes, delaying economic development;
- Force agencies to reduce staff by 50% or more, with some ceasing operations entirely;
- Limit monitoring to only federally required sites, leaving rural and suburban communities without air quality data;
- Reduce or eliminate successful emission reduction programs; and
- Reverse air quality gains made over the past decade.

State and local air quality agencies' efforts to protect and improve air quality are critically important both for public health and a sound economy. NACAA recommends that Congress: 1) should not cut federal grants to state and local air quality agencies – we need more money, not less;⁸ 2) provide flexibility to state and local air quality agencies to use federal grants to address the highest priority programs in their areas; 3) retain grants for monitoring PM_{2.5} under the authority of Section 103 of the Clean Air Act, rather than shifting them to Section 105; and 4) provide grant increases under authorities of the CAA that do not require matching funds (e.g., Section 103) as much as possible to allow agencies that do not have sufficient matching funds to still obtain the additional grants.

Thank you very much for this opportunity to provide testimony. If you require additional information, please contact Miles Keogh (mkeogh@4cleanair.org) of NACAA.

⁸ A 2023 NACAA survey of its members found that an increase of \$272 million over the FY 2026 appropriation of \$228 million would be needed to address all the Clean Air Act requirements for our agencies.