
President Biden Releases FY2022 Budget

NMA Press Release

President Biden recently detailed a \$6 trillion [fiscal year 2022 budget](#) that, according to the White House, prioritizes climate change, clean energy and infrastructure investments. The White House described it as a "whole of government" approach for spending a total of \$36 billion in the coming fiscal year to help put the nation on a pathway to achieving net-zero emissions by 2050. Earlier this spring, the administration laid out broad budget goals that would boost discretionary spending to \$1.52 trillion for fiscal 2022, an increase of \$118 billion or 8.8% over current funding.

The budget outlines the White House's plan to begin to cover the President's \$2.2 trillion [American Jobs Plan](#) released in March, which proposes major infrastructure investments; the [American Families Plan](#), which includes nearly \$1.8 trillion in social infrastructure spending for child care, families and workers; and the [Made in America](#) tax plan.

Key Tax Provisions

The budget outlines changes in the tax code that would raise revenue by repealing tax provisions targeting fossil fuel companies, while backing several clean energy tax credit expansions aimed at promoting renewables. For example, the plan calls for repealing percentage depletion allowance for coal production.

The Administration proposes increasing the corporate income tax rate from 21 percent to 28 percent for taxable years beginning on or after Jan. 1, 2022. Unlike the proposal discussed this spring, the increase in rate would occur at once, as opposed to a gradual increase over 15 years. This change would raise \$858 billion over 10 years. The Administration proposes a new 15 percent minimum tax on corporations with worldwide book income greater than \$2 billion. The provision would raise \$148 billion over 10 years.

The tax proposal outlines about \$307 billion in clean and alternative energy tax breaks over the next decade. Among the largest are \$210 million for extending and expanding the energy investment tax credit and \$14 billion for various tax incentives aimed at energy efficiency and expanded electrification.

Department of Interior (DOI)

The Department's fiscal year 2022 budget totals \$17.4 billion—an increase of \$2.5 billion, or 17 percent, from the 2021 enacted level. The 2022 budget proposes appropriations language to establish a new Energy Community Revitalization Program (ECRP), which will fund the reclamation of abandoned mine lands (AML) and orphaned oil and gas wells on both Federal and non-Federal lands. The ECRP fiscal year 2022 budget request is \$169.2 million and will support an estimated 11 FTEs. States and tribes would also be eligible for grants to clean up sites on their own lands.

One item that is noticeably absent from the DOI's budget is the inclusion of a hardrock royalty or dirt tax, which was included in Obama-era budgets, and even included in the first-year Trump Administration budget.

The administration has requested a 21% increase for the Bureau of Land Management (BLM) to \$1.48 billion in fiscal 2022 from \$1.2 billion currently, but it is silent on whether funding would or should be made available in the event BLM headquarters is relocated from Grand Junction, Colo. back to Washington, D.C. And although the budget proposal gives a nod to the "America the Beautiful" 30-by-30 initiative, it offers few specifics about what programs now fall under that umbrella and provides \$15 million for targeted conservation investments.

For the U.S. Geological Survey (USGS), the 2022 budget request is \$1.6 billion, an increase of \$326.9 million above the 2021 enacted level. This includes \$140.0 million for Energy and Mineral Resources programs – \$49.9 million above the 2021 enacted level – to conduct research and assessments on the location, quantity, and quality of the domestic energy and mineral resources and support science to support the safe and environmentally responsible development of these resources.

The 2022 budget request for Office of Surface Mining Reclamation and Enforcement (OSMRE) is \$312 million in current appropriations, \$89.4 million above the 2021 enacted level. OSMRE estimates staffing will equal 416 FTE in 2022, an increase of 18 FTEs from the 2021 level. As part of the Reclamation Jobs initiative, the 2022 budget provides \$165.0 million for Abandoned Mine Land Economic Revitalization (AMLER) grants, an increase of \$50.0 million above the 2021 enacted level. These grants support abandoned coal mine reclamation projects that have a nexus to local economic development. AMLER grants are distributed to six Appalachian States with the highest number of unfunded Priority 1 and Priority 2 AML sites and three Tribes with AML programs for reclamation, in conjunction with economic and community development and reuse goals.

The 2022 budget requests also includes \$332.1 million for the U.S. Fish and Wildlife service to conserve, protect, and enhance listed and at-risk fish, wildlife, plants, and their habitats. This is an increase of \$62.4 million over the 2021 enacted level.

Department of Energy (DOE)

The President's Budget for fiscal year 2022 requests \$46.2 billion for the Department of Energy, an increase of \$4.3 billion or 10 percent. Unfortunately, noticeably absent from the President's DOE budget request is funding for a National Strategic Uranium Reserve (NSUR). The request does, however, call for the carrying over of \$75 million provided by Congress for the program in this fiscal year rather than outright elimination. The NMA will continue to prioritize establishment and funding of a uranium reserve and will work with congressional allies through the appropriations process to ensure that it is fully funded.

The budget request provides \$890 million for the newly renamed Office of Fossil Energy and Carbon Management (FECM), an increase of \$140 million or 18.7 percent. Showing support for carbon capture utilization and storage (CCUS), funding for CCUS and Power Systems would increase by \$84.7 million or 19 percent for a total of \$531.5 million.

Funding for FECM also supports DOE's Minerals Sustainability Division used to support domestic critical minerals supply chains. An FECM priority is the development of technologies that enable the sustainable recovery of critical minerals, including rare earth elements (REE) from multiple feed stocks, including

coal and other ores, by-products, and AML cleanup activities. The FECM is also focused on the develop technologies that improve REE separation/recovery technologies to manufacture products from coal and utilize existing partnerships developed through Carbon Ore Rare Earth-Critical Mineral Initiative (CORE-CM).

The DOE discretionary request also supports the newly established Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization as well as the POWER+ Initiative. These complement other targeted investments from other federal agencies to help communities targeted by the Administration for energy transitions.

Environmental Protection Agency (EPA)

The proposed fiscal year 2022 budget for the EPA provides \$11.233 billion and 15,324 full time equivalents (FTE), an increase of \$2 billion or 21 percent above fiscal year 2021. This includes more than 1,000 new FTE at the EPA.

The EPA's discretionary request provides \$882 million for the Superfund Remedial program to clean up contaminated lands, reduce emissions of toxic substances and greenhouse gases from existing and abandoned infrastructure, and respond to environmental emergencies. Further, the discretionary request also provides increased funding for EPA's Brownfields program.

Department of Agriculture (USDA)

The department's budget request for fiscal year 2022 was \$27.8 billion for USDA, a \$3.8 billion or 16-percent increase from the 2021 enacted level. Part of this funding includes prioritization of the Biden Administration's 30x30 proposal, also identified under DOI, that would conserve 30 percent of U.S. land and water by 2030.

Department of Commerce (DOC)

The President's 2020 budget request included \$11.4 billion for Commerce, a \$2.5 billion or 28-percent increase from the 2021 enacted level. Of these funds, \$84 million, an increase of \$50 million over the 2021 enacted level, has been requested for the Economic Development Administration's (EDA) Assistance to Coal Communities program, in addition to \$300 million to support locally driven economic development projects.

Department of Labor (DOL)

The Mine Safety and Health Administration requested \$447.2 million and 2,031 FTE, an increase of \$61 million and 324 FTE. The budget justification states, "[B]ased on the President's American Jobs Plan infrastructure investments, MSHA expects an expansion in mining activities that will require an increase in Enforcement and support staff." MSHA will continue to monitor the "One MSHA" initiative to consolidate budget activities in coal and metal/nonmetal (MNM) mine safety and health.

Of these funds, \$100 million has been requested to support DOL's role in the new multi-agency POWER+ Initiative, aimed at reskilling and reemploying displaced workers in Appalachian communities.

Army Corps of Engineers (Corps)

The Budget requests \$6.8 billion for the Corps, a \$1 billion or 12.9 percent decrease from the 2021 enacted level. This funding will continue the Corps mission of facilitating safe, reliable, and environmentally sustainable commercial navigation at the Nation's coastal ports and support the

timeliness and delivery of domestic water resources projects.

National Science Foundation (NSF)

The President's 2022 budget requests \$10.2 billion for the NSF, a \$1.7 billion or 20-percent increase from the 2021 enacted level. This request provides \$9.4 billion – an increase of \$1.6 billion above the 2021 enacted level – to support research across the spectrum of science, engineering, and technology, including biological sciences, computer and information sciences, engineering, geosciences, math and physical sciences, social, behavioral, and economic sciences, and education.

Outlook

Congress is expected to take up work on its fiscal 2022 appropriation bills shortly, including holding hearings with Biden administration officials on its budget proposal. It is already widely expected that Congress will need to pass a stopgap funding resolution to avoid a government shutdown when the new fiscal year begins on Oct. 1, with few of the fiscal 2022 spending bills likely to be enacted by then.

NMA will continue to work with the Biden Administration and Congress in support of our policy priorities. If you have any questions, please don't hesitate to contact Virginia Gum at vgum@nma.org or Justin Prosser at jprosser@nma.org.