

<b>Operating</b>		<b>Governor Inslee's Budget Proposal</b>				
		<b>12/13/2023</b>				
<b>12/13/2023 \$ in thousands - Biennialized FTEs</b>		<b>FTE</b>	<b>GF-State</b>	<b>MTCA<sup>1</sup></b>	<b>Other</b>	<b>Total</b>
<b>2023-25 Enacted Base Budget</b>		<b>2,136.5</b>	<b>76,637</b>	<b>360,378</b>	<b>425,556</b>	<b>862,571</b>
<b>Maintenance Level Changes</b>						
1	Compensation Changes for New 2023-25 FTEs <sup>2</sup>		267	841	1,365	<b>2,473</b>
2	Property Insurance Cost Increases		112	442	268	<b>822</b>
3	Fire Protection and Emergency Service		12	52	34	<b>98</b>
4	Lease Adjustments				14	<b>14</b>
5	Other ML Changes <sup>3</sup>		7	54	(32)	<b>29</b>
<b>Policy Level Changes</b>						
<b>Reduce and Prepare for Climate Impacts</b>						
6	Climate Pollution Reduction	10.4	409	42	3,112	<b>3,563</b>
7	Tribal Capacity Grant Expansion	0.3			10,064	<b>10,064</b>
8	Cap and Invest Program Linkage	5.3			3,500	<b>3,500</b>
9	CCA Communications	1.3			1,000	<b>1,000</b>
<b>Prevent and Reduce Toxic Threats and Pollution</b>						
10	Cannabis Laboratory Accreditation	2.3			782	<b>782</b>
11	Certifying Financial Responsibility	1.8			588	<b>588</b>
12	Hanford Dangerous Waste Permit	1.2			380	<b>380</b>
13	Improving Solid Waste Management	2.5		1,598	(564)	<b>1,034</b>
14	Polychlorinated Biphenyls <sup>4</sup>	(0.5)		(745)		<b>(745)</b>
<b>Protect and Manage Our State's Waters</b>						
15	Protecting State Waters	7.6		2,408		<b>2,408</b>
16	NEP Stormwater Strategic Initiative <sup>5</sup>				10,000	<b>10,000</b>
17	Modernize Surface Water Mapping	1.8	557		2,750	<b>3,307</b>
18	Nutrient Credit Trading	0.6		410		<b>410</b>
19	Fix and Modernize WQ Permit Systems	1.8			591	<b>591</b>
20	Offshore Wind Engagement/Planning	1.2			338	<b>338</b>
21	Drinking Water Conservation Study	0.7	298			<b>298</b>
<b>Other</b>						
22	BIL/IRA Grants <sup>5</sup>	12.4			24,503	<b>24,503</b>
23	WCC Service Equity & EJ Initiative			896		<b>896</b>
24	Oil Accountability Transparency	1.2	340			<b>340</b>
25	Other PL Changes <sup>3</sup>		469	1,657	1,009	<b>3,135</b>
<b>Total Changes</b>		<b>51.4</b>	<b>2,471</b>	<b>7,655</b>	<b>59,702</b>	<b>69,828</b>
<b>Total Proposed Operating Budget</b>		<b>2,187.9</b>	<b>79,108</b>	<b>368,033</b>	<b>485,258</b>	<b>932,399</b>

<sup>1</sup> Model Toxics Control Operating Account (23P-1, 23P-7).

<sup>2</sup> Fully funds the general wage increases and targeted job class increases beginning this biennium for the new policy level FTEs that were added in the 2023-25 operating budget.

<sup>3</sup> Reflects nine statewide maintenance level and eight policy level items, including adjustments for archives/records management, legal services, audit services, employee benefits, workers' compensation, pension and PEBB rate adjustments, state employee benefits, and central services (OFM, DES, CTS, GOV).

<sup>4</sup> Adjustment aligns overall funding level for 2023-25 with final fiscal note for implementing SB 5369 from the 2023 legislative session.

<sup>5</sup> General Fund-Federal appropriation to support increased federal funding received by Ecology, including through the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA).

## Protecting the Environment | Ensuring Public Health | Supporting Economic Growth & Jobs

As the state's lead environmental agency, Ecology's mission is to protect and preserve the environment for current and future generations, while valuing and supporting Washington's economic success. We're tackling challenges that are unique to our times and require us to take a broad and holistic approach to our work that focuses on not only *what* we do, but also *how* we do it.

Ecology's strategic goals are to:

- Support and engage our communities, customers, and employees.
- Reduce and prepare for climate change impacts.
- Prevent and reduce toxic threats and pollution.
- Protect and manage our state's waters.

Our agency's deep commitment to environmental justice is tied to each of our strategic goals and guides the way we work to accomplish those goals.

Governor Inslee's 2024 supplemental operating budget proposal for Ecology totals \$69.8 million above our enacted budget level for the 2023-25 biennium. This includes significant investments to:

- Respond to a Supreme Court of the United States decision affecting the protection of state wetlands and other waters.
- Continue effectively implementing enacted climate policy legislation aimed at reducing carbon pollution - including the Climate Commitment Act and Clean Fuel Standard - to achieve state greenhouse gas emission limits and reduce air pollution in overburdened communities.
- Implement request legislation to facilitate linking our cap-and-invest program with California and Québec; improve transparency and accountability from the oil industry; and improve solid waste management across the state.
- Pass through and use federal funding available from the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA) to support environmental and public health work and projects across the state.
- Continue to support priorities and actions from the Governor's 2021 salmon strategy update and State/Tribal Riparian Protection & Restoration Workgroup needed to better monitor the health of our riparian buffers and protect salmon.
- Improve Puget Sound water quality by building on recommendations for how the state might establish a nutrient credit trading program and leveraging new federal funding

available to support critical research, monitoring, modeling, and projects to address stormwater pollution.

- Support our communities through expanded access to Washington Conservation Corps services to help meet the state's environmental justice goals, ensuring companies have sufficient financial resources to cover the costs of oil spills to Washington waters, additional grant funding for Tribes to address their climate and energy priorities, and accreditation of cannabis testing laboratories.
- Meet permit obligations related to Hanford cleanup and fund key information technology enhancements needed to improve collection and reporting of data on water quality permits.

### **Ensure Washington families experience the benefits of the Climate Commitment Act**

Washington continues to lead the nation in the fight against climate change, underscored by passage of the Climate Commitment Act (CCA) in 2021. The CCA created a cap-and-invest program that launched in January 2023. In combination with other climate policies, the CCA will help Washington achieve its commitment to reducing greenhouse gas emissions by 95 percent of 1990 levels by 2050.

The Governor's proposed 2024 supplemental budgets invest an additional \$900 million from CCA funds (above the \$2.1 billion already appropriated in the 2023-25 enacted budgets) to speed up and increase benefits to neighborhoods, Tribes, workers, businesses, and the people hit hardest by climate change and pollution. \$353.8 million of these investments focus on advancing environmental justice, while \$182.8 million will help decarbonize the building sector across the state, including \$100 million to increase incentives for affordable multifamily buildings, and enable building owners to comply with the Clean Buildings Act.

These investments will:

- Create jobs in the clean energy sector and attract innovative clean energy businesses to Washington.
- Reduce harmful air pollution in schools, homes and outdoors, especially in the communities that need it most.
- Reduce energy costs, especially for low-income families.
- Expand clean transportation options that reduce dirty smog.

Across these supplemental investments, \$366 million (or 41 percent) will [benefit overburdened communities and Tribes](#). ([More details on the Governor's climate agenda for 2024.](#))

The following summarizes each budget item included in the Governor's operating budget proposal for Ecology. These items are supported primarily by federal grants, dedicated environmental funds, and direct charges to customers for services provided.

The numbers for each item correspond with the numbers in the spreadsheet at the beginning of this section. Funding duration detail included in the descriptions below aligns with WinSum outlook backup provided by the Office of Financial Management for the Governor's 2024 supplemental operating budget proposal.

## Maintenance Level

1. **Compensation Changes for New 2023-25 FTEs. \$2,473,000.** State agencies received funding in the 2023-25 operating budget for the collective bargaining agreement general wage increases and targeted job class increases. Funding was based on the available Compensation Impact Model projections from staffing data provided by agencies in May 2022. For Ecology, this data did not reflect the significant changes to staffing levels in the 2023-25 operating budget. This maintenance level adjustment fully funds the general wage increases and targeted job class increases for the new Policy Level FTEs included in the 2023-25 operating budget. (Multiple Funds)
2. **Property Insurance Cost Increases. \$822,000.** As required by state law, Ecology maintains property insurance through the Department of Enterprise Services' Alliant Property Insurance Program for all its state-owned buildings, as well as the contents located within both its owned and leased buildings. These insurance costs are adjusted annually and have significantly increased in recent years. Increased maintenance level appropriation authority is provided on an ongoing basis to cover costs of the insurance and ensure that the state's assets are protected. (Multiple Funds)
3. **Fire Protection and Emergency Service. \$98,000.** Ecology's Headquarters building is served by Lacey Fire District #3, which is authorized under state law to charge government agencies within their geographical boundaries for fire protection, fire prevention, rescue, and emergency medical services. Since 2014, Ecology has had an interlocal agreement with the Fire District to provide fire protection and emergency services. Under the agreement, costs are adjusted annually, based on the Thurston County Assessor's Office assessed value for Ecology's Lacey property. This ongoing maintenance level increase provides the appropriation authority necessary to cover the increased costs of this agreement and ensure that Ecology staff and customers can continue to receive emergency medical and fire protection services when needed. (Multiple Funds)
4. **Lease Adjustments. \$14,000.** This funding supports an ongoing maintenance level lease increase for Ecology's Richland Field Office in Benton County. This lease increase was negotiated by Department of Enterprise Services Real Estate Services on behalf of Ecology. The work done at this facility benefits the U.S Department of Energy, public, other state agencies, Tribes, local partners, and helps protect, preserve, and enhance Washington's environment for current and future generations. (Radioactive Mixed Waste Account, General Fund-Federal)

5. **Other ML Changes. \$29,000.** Reflects nine maintenance level items, including adjustments for legal services, audit services, archives/records management, and central services (OFM, DES, CTS). (Multiple Funds).

## Policy Level

### Reduce and Prepare for Climate Impacts

6. **Climate Pollution Reduction. \$3,563,000, 10.4 FTEs.** Since 2019, the Legislature has directed the department to implement laws designed to help transition the state's economy from being based primarily on fossil fuels to having net zero emissions, help slow the causes of climate change, and support communities already impacted by the effects of climate change. Through implementation of these laws, it has become clear that additional resources are needed to ensure long-term success. This item provides a combination of one-time and ongoing funding for the staff and contract resources needed to ensure continued success and meet current workload demands. (Multiple Funds)
7. **Tribal Capacity Grant Expansion. \$10,064,000, 0.3 FTE.** Funding for Tribal capacity and programs supports state goals of decarbonization, pollution reduction, and an equitable and inclusive transition to the clean energy economy. This item increases an existing Tribal grant program and expands its uses to more broadly support the ability of Tribes to engage in climate change resilience projects and clean energy development. (Climate Investment Account)
8. **Cap and Invest Program Linkage. \$3,500,000, 5.3 FTE.** Ecology will seek to enter into linkage agreements with other cap-and-invest markets. This item supports agency request legislation to authorize the department to modify rules necessary for linkage with other jurisdictions, to develop its own greenhouse gas reporting methodologies needed for linkage, and to make other technical changes. (Climate Investment Account)
9. **CCA Communications. \$1,000,000, 1.3 FTEs.** The Climate Commitment Act (CCA) established a comprehensive program to reduce carbon pollution, achieve state greenhouse gas limits, and raise revenue from the sale of carbon allowances from the state's largest polluters. The Legislature has already appropriated more than \$2 billion cap-and-invest auction revenue to more than 30 state agencies to help families, businesses and communities that want affordable fossil fuel-free options for transportation, heating and more. The CCA directs at least 35 percent of investments to communities and Tribes that experience the most harm from climate change. This item provides ongoing funding to communicate with the public on how cap-and-invest funding is being deployed, how Washingtonians are benefitting, and how communities can access newly available grant funding. (Climate Investment Account)

**Prevent and Reduce Toxic Threats and Pollution**

10. **Cannabis Laboratory Accreditation. \$782,000, 2.3 FTEs.** Ecology is mandated by statute to begin accreditation of cannabis-testing laboratories on July 1, 2024. This item will provide a combination of one-time and ongoing funding to create and sustain a cannabis lab accreditation program, ensuring laboratories generate precise and reliable analytical data. (Dedicated Cannabis Account)
11. **Certifying Financial Responsibility. \$588,000, 1.8 FTEs.** To operate in Washington, vessels and facilities handling large volumes of oil must demonstrate they can pay for the costs of any oil spill for which they are responsible. The department will use this funding to establish a certificate of responsibility program, allowing these vessels and facilities to certify they have met all of the requirements. This new program will provide ongoing compliance and greater assurance that an oil spill would be responded to, contained, and paid for as quickly as possible. (Oil Spill Prevention Account)
12. **Hanford Dangerous Waste Permit. \$380,000, 1.2 FTEs.** Ecology took over the management of the Hanford dangerous waste permit in 2015, and despite increased staffing in the 2017-19 budget and 2020 supplemental budget, the permit's complexity still exceeds current capacity. This item funds two ongoing staff positions to enable the department to meet the September 2026 deadline for the permit's reissuance and to manage new responsibilities in 2024 related to the Perma-Fix Northwest dangerous waste permit and Hanford air operating permit. (General Fund-Federal, Radioactive Mixed Waste Account, Air Operating Permit Account)
13. **Improving Solid Waste Management. \$1,034,000, 2.5 FTEs.** Preventing and reducing waste and increasing recycling and the use of recycled materials are important strategies to conserve energy, reduce greenhouse gas emissions, and reduce the use of landfills. This item funds the implementation of legislation to establish an extended producer responsibility program for certain packaging and paper, and to expand recycling and reuse targets and minimum recycled content standards for items like single-use food containers and cups. (Model Toxics Control Operating Account, Recycled Content Account)
14. **Polychlorinated Biphenyls. (\$745,000), (0.5) FTE.** The 2023-25 biennial budget contains more funding than is necessary for Ecology to implement the provisions of Chapter 399, Laws of 2023, related to reassessing standards for polychlorinated biphenyls (PCBs) in consumer products. This item removes the unnecessary funding. (Model Toxics Control Operating Account)

**Protect and Manage our State's Waters**

15. **Protecting State Waters. \$2,408,000, 7.6 FTEs.** The federal Clean Water Act's scope was narrowed considerably following a recent U.S. Supreme Court decision, reducing federal protection for various water bodies, including most wetlands. Despite this, Washington's Water Pollution Control Act still safeguards all state wetlands and waters. A combination of

- one-time and ongoing funding is provided to manage the increased workload associated with processing the state authorizations required for projects impacting waterways no longer eligible for federal permits. (Model Toxics Control Operating Account)
16. **NEP Stormwater Strategic Initiative. \$10,000,000.** The U.S. Environmental Protection Agency provides funding through the National Estuary Program's (NEP) Stormwater Strategic Initiative for critical research, monitoring, and projects to address stormwater pollution and support recovery efforts in Puget Sound. This item provides the department with the ongoing federal spending authority needed to utilize increases in federal NEP funding for these efforts. (General Fund-Federal)
  17. **Modernize Surface Water Mapping. \$3,307,000, 1.8 FTEs.** Growing and protecting trees in riparian areas along the state's rivers and streams safeguards water quality, supports healthy habitat for fish and wildlife and builds resilience for our communities. Current stream-mapping inaccuracies prohibit a statewide riparian assessment and monitoring program. This item provides a combination of one-time and ongoing funding to complete remapping of the state's surface water over the next five years, prioritized by the location of salmon streams and with input from stakeholder groups. This funding will also provide technical support and development of tools for local governments to use the new data more effectively. (General Fund-State, Natural Climate Solutions Account)
  18. **Nutrient Credit Trading. \$410,000, 0.6 FTE.** The health of Puget Sound is significantly degraded by excess nutrients that cause low dissolved oxygen, disrupt the food chain, and harm our orca and salmon populations. The department received one-time funding in the 2022 supplemental budget to develop recommendations on how to establish a nutrient credit trading program that could lead to quick and efficient nutrient reductions. This item provides funding to implement the near-term actions identified in the report, offering a strategic approach and informed decision-making for development of a nutrient credit trading program. (Model Toxics Control Operating Account)
  19. **Fix and Modernize WQ Permit Systems. \$591,000, 1.8 FTEs.** Ecology has made critical updates to its water quality permitting systems to improve the usability and reporting accuracy with one-time funding received in the 2022 supplemental budget. Work completed to date has resolved a number of identified issues, and those efforts revealed an ongoing effort is required to effectively update and maintain these systems. This item funds ongoing staffing resources to ensure continual updates and maintenance of these systems for safeguarding surface and groundwater health and ensure compliance with federal data reporting requirements. (Water Quality Permit Account)
  20. **Offshore Wind Engagement/Planning. \$338,000, 1.2 FTEs.** Offshore wind development is on the rise in the United States, and more recently on the west coast. The Governor's Office announced a new project to convene Tribes, stakeholders, state agencies, and other governmental entities to develop recommendations on a Washington-specific consultation and public engagement process for offshore wind development. This one-time funding provides two full-time positions for fiscal year 2025 to enhance data evaluation, engage

coastal communities, and facilitate collaboration with federal and Tribal entities on potential offshore wind development. (Climate Commitment Account)

21. **Drinking Water Conservation Study. \$298,000, 0.7 FTE.** Promoting efficient water use and conservation in our public water systems are important steps to managing our state's water supplies and meet the needs of people and the environment. A recent State Auditor performance audit assessed the state's water use efficiency regulations and finds room for improvement. This item provides one-time funding for staff to assess the audit report's recommendations to ensure that regulatory oversight is best structured for successful implementation of comprehensive water resource management. (General Fund-State)

#### **Other**

22. **BIL/IRA Grants. \$24,503,000, 12.4 FTEs.** The recent passage of the federal Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA) has significantly increased federal funding for environmental and public health initiatives. This item provides additional federal spending authority to maximize seven new funding opportunities. This federal funding supports water infrastructure improvements, pollution cleanup, and efforts to address the climate crisis across Washington. (General Fund-Federal)
23. **WCC Service Equity & EJ Initiative. \$896,000.** The Washington Conservation Corps (WCC) collaborates with local organizations to complete environmental stewardship projects statewide. WCC's cost-share agreement requires partners to fund 75 percent of crew costs, while the remaining 25 percent is funded with state appropriations and an AmeriCorps grant. This cost-share works well for most programs, but it presents barriers for organizations in under-resourced areas. Following a successful pilot funded in the 2022 supplemental budget, this item provides ongoing funding to sustain five crews with no partner-provided cost-share, promoting service equity and environmental justice (EJ) in critical areas across the state. (Model Toxics Control Operating Account)
24. **Oil Accountability Transparency. \$340,000, 1.2 FTEs.** As the result of Governor request legislation, funding is provided for Ecology to collaborate with a newly created Division of Petroleum Market Oversight at the Utilities and Transportation Commission to analyze and report on operational pricing information from fuel suppliers, refineries, and other entities in the supply chain for transportation fuels sold in Washington. (General Fund-State)
25. **Other PL Changes. \$3,135,000.** Reflects eight policy level items, including adjustments for legal services, audit services, archives/records management, and central services (OFM, DES, CTS) (Multiple Funds)



Capital 12/13/2023 \$ in thousands		Governor Inslee's Budget Proposal 12/13/2023			
		SBCA	MTCA <sup>1</sup>	Other	Total
<b>Prevent and Reduce Toxic Threats and Pollution</b>					
1	Cleanup Settlement Account Projects			2,200	<b>2,200</b>
2	Eastside Fire and Rescue Pilot PFAS Cleanup		2,000		<b>2,000</b>
3	Electric School Bus Program			31,430	<b>31,430</b>
<b>Total Proposed Capital Budget</b>		-	<b>2,000</b>	<b>33,630</b>	<b>35,630</b>

<sup>1</sup> Model Toxics Control Capital (23N-1) and Stormwater (23R-1) Accounts.

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The Governor's proposed capital budget for Ecology is supported by dedicated environmental funds that support new grants to help school districts transition diesel-run school buses and other student transport vehicles to zero emission vehicles, and the continuation of five cleanup projects. These investments will:

- Improve air quality.
- Promote local economic development through cleaning up contaminated sites for redevelopment.
- Improve water quality and habitat restoration.
- Address local environmental and public health priorities.
- Create jobs.

The following summarizes each budget item for Ecology. The numbers for each item correspond with the numbers in the spreadsheet at the beginning of this section.

## **Prevent and Reduce Toxic Threats and Pollution**

1. **Cleanup Settlement Account Projects. \$2,200,000.** Funding is provided to support ongoing cleanup and habitat restoration work associated with four toxic site cleanup projects across the state. (Cleanup Settlement Account)
2. **Eastside Fire and Rescue Pilot PFAS Cleanup. \$2,000,000.** Funding is provided for per-and polyfluorinated substances (PFAS) cleanup activities at Eastside Fire and Rescue headquarters in Issaquah. (Model Toxics Control Capital Account)
3. **Electric School Bus Program. \$31,430,000.** Funding is provided for grants for school districts to replace diesel buses with zero-emission buses. (Carbon Emissions Reduction Account)

To request an ADA accommodation, contact Ecology by phone at 360-970-2688 or email at [diane.schenk@ecy.wa.gov](mailto:diane.schenk@ecy.wa.gov), or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877-833-6341.