



DEPARTMENT OF ECOLOGY

2026 Supplemental Capital Budget

Washington State Department of Ecology
Olympia, Washington

September 11, 2025

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Department of Ecology's Regional Offices

Map of Counties Served



Southwest Region
360-407-6300

Northwest Region
206-594-0000

Central Region
509-575-2490

Eastern Region
509-329-3400

Region	Counties served	Mailing Address	Phone
Southwest	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	P.O. Box 47775 Olympia, WA 98504	360-407-6300
Northwest	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	P.O. Box 330316 Shoreline, WA 98133	206-594-0000
Central	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 West Alder Street Union Gap, WA 98903	509-575-2490
Eastern	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 North Monroe Spokane, WA 99205	509-329-3400
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STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600, Olympia, WA 98504-7600 • 360-407-6000

September 11, 2025

TO: K.D. Chapman-See, Director
Office of Financial Management

FROM: Casey D. Sixkiller, Director 

SUBJECT: Ecology's 2026 Supplemental Capital Budget Request

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:

1. Support and engage our communities, customers, and employees.
2. Reduce and prepare for climate change impacts.
3. Prevent and reduce waste, toxic threats, and pollution.
4. 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.

Attached is Ecology's \$48.5 million 2026 supplemental capital budget request. It recognizes the challenges of the state's current budget situation and continuing uncertainty around federal funding. Our request includes four projects that are exclusively supported by dedicated environmental and/or settlement funds.

These investments will provide economic and health benefits to our state by passing through almost all the funds to our communities and Tribes, with a strong emphasis on those that are overburdened and most impacted by environmental harm. These projects will:

- Reduce air pollution and greenhouse gas emissions in our state.
- Address local environmental and public health priorities.

K.D. Chapman-See, Director

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- Promote local economic development through cleaning up contaminated sites for redevelopment.

Thank you for considering Ecology's 2026 supplemental capital budget request. We will work with our assigned OFM capital budget advisors as they review this request in detail. Please let us know if you have any questions.

Attachment

Distribution to:

Carrie Session, Governmental Affairs Director, Department of Ecology
Dan Jones, Fiscal Analyst, House Appropriations/Natural Resources Committee
Dawn Eychaner, Senior Fiscal Analyst, House Capital Budget Committee
Debbie Driver, Legislative Director, Office of the Governor
Garret Ward, Chief Financial Officer, Department of Ecology
Jed Herman, Senior Fiscal Analyst, Senate Ways & Means Committee
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Wendy Brown, Senior Fiscal Analyst, Senate Ways & Means Committee



**Department of Ecology
2026 Supplemental Capital Budget**

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Ten Year Capital Plan by Project Priority
 2025-27 Biennium *

Version: S1 2026 Supplemental

Report Number: CBS001

Date Run: 9/5/2025 8:28AM

Project by Agency Priority

Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
1	40000757 Improving Air Quality in Overburdened Communities Grant Program									
	26E-1 AirQualHeaDisImpAcc -State	70,000,000				14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
2	40000761 Landfill Methane Emissions Reduction Grant Program									
	26C-1 Climate Commit Accou-State	75,000,000				15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
3	40000756 Air Quality Volkswagen Program Expenditure Authority									
	001-7 General Fund-Private/Local	19,000,000				19,000,000				
4	40000758 Cleanup Settlement Account Projects									
	15H-1 Cleanup Set Acct-State	1,000,000				500,000			500,000	
Total		165,000,000				48,500,000	29,000,000	29,000,000	29,500,000	29,000,000

Total Account Summary

Account-Expenditure Authority Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2025-27	New Approp 2025-27	Estimated 2027-29	Estimated 2029-31	Estimated 2031-33	Estimated 2033-35
001-7 General Fund-Private/Local	19,000,000				19,000,000				
15H-1 Cleanup Set Acct-State	1,000,000				500,000			500,000	
26C-1 Climate Commit Accou-State	75,000,000				15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
26E-1 AirQualHeaDisImpAcc-State	70,000,000				14,000,000	14,000,000	14,000,000	14,000,000	14,000,000
Total	165,000,000				48,500,000	29,000,000	29,000,000	29,500,000	29,000,000

Ten Year Capital Plan by Project Priority

2025-27 Biennium

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Report Number: CBS001
Date Run: 9/5/2025 8:28AM

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2025-27	2025-27
Functional Area	*	All Functional Areas
Agency	461	461
Version	S1-A	S1-A
Project Classification	*	All Project Classifications
Include Enacted	No	No
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

Department of Ecology 2026 Supplemental Capital Budget Requests Supporting the Puget Sound Action Agenda

September 10, 2025

Project Requests	Vital Signs	Strategies	Targets	Desired Outcomes	Actions	Ongoing Program	Orca Task Force Recommendation	Federal Leveraging	Local Leveraging	Puget Sound Dollars	Total Request Dollars
1. 40000757 Improving Air Quality in Overburdened Communities Grant Program	Air Quality	19. GHG Reductions and Carbon Sequestration 20. Climate Adaptation and Resilience 26. Human Health		4.2.1, 5.6.1	136, 137, 140, 199		43			\$ 12,600,000	\$ 14,000,000
2. 40000761 Landfill Methane Emissions Reduction Grant Program	Air Quality	19. GHG Reductions and Carbon Sequestration 20. Climate Adaptation and Resilience 26. Human Health		4.2.1, 5.6.1	136, 137, 140, 199		43			\$ 12,750,000	\$ 15,000,000
3. 40000756 Air Quality Volkswagen Expenditure Authority	Air Quality	19. GHG Reductions and Carbon Sequestration 20. Climate Adaptation and Resilience 26. Human Health		4.2.1, 5.6.1	136, 137, 140, 199		43			\$ 19,000,000	\$ 19,000,000
4. 40000758 Cleanup Settlement Account Projects		8. Prevent Pollution			12					\$ 500,000	\$ 500,000
Total Capital Request in Support of the Puget Sound Action Agenda										\$ 44,850,000	

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2025-27 Biennium

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Version: S1 2026 Supplemental

Report Number: CBS002

Date Run: 9/4/2025 3:17PM

Project Number: 40000757

Project Title: Improving Air Quality in Overburdened Communities Grant Program

Description

Starting Fiscal Year: 2026

Project Class: Grant/Loan

Agency Priority: 1

Project Summary

This \$14 million request will continue a highly successful grant program that provides funding for organizations and Tribes to identify, design, and implement projects that reduce sources of criteria air pollution in communities overburdened and highly impacted by air pollution. The program is a critical tool for Ecology to reduce criteria air pollution emissions as required under Section 3 of the Climate Commitment Act (CCA). In the first round of funding in 2024, Ecology offered grants to 24 organizations for projects in 12 communities and two Tribes. Some of these organizations and Tribes are engaging their communities in identifying and designing air pollution reduction strategies, while others will be implementing already identified projects, like road paving, bike distribution, and replacing diesel equipment. With a new round of grants provided through this funding request, Washington's overburdened communities will continue to reduce health inequities and environmental injustices and protect public health by reducing impacts like lung and heart diseases associated with exposure to air pollution. This request is related to the Puget Sound Action Agenda Implementation. (Air Quality and Health Disparities Improvement Account)

Project Description

What is the proposed project?

Ecology is requesting \$14 million from the Air Quality and Health Disparities Improvement Account to continue the Improving Air Quality in Overburdened Communities Grant Program, which supports community-based organizations, local municipalities, and Tribes to engage people in their communities and identify, design, and implement local projects that reduce criteria air pollution and protect public health.

People don't get to choose the air they breathe, and research has shown that air pollution is one of the biggest environmental risk factors affecting people's health (World Health Organization:

<https://www.who.int/teams/noncommunicable-diseases/integrated-support/environmental-risk-factors-and-ncds>). The work supported by this grant program improves air quality in overburdened communities and gives people across the state an opportunity to live healthier lives. This request aligns with Ecology's mission and will allow us to continue reducing exposure to air pollution in critical areas where people live, work, and play.

Section 3 of the CCA (RCW 70A.65.020) requires Ecology to improve air quality in communities where the impact of criteria air pollution is made worse by historical industrial development, racial segregation, and environmental harms. Across the state, Ecology has identified 16 of these communities as overburdened and highly impacted by air pollution, as well as participating Tribes. Refer to the program's webpage (<https://ecology.wa.gov/air-climate/climate-commitment-act/overburdened-communities>) and Attachment A for additional details and a map of the 16 locations.

In the 2023-25 capital budget, Ecology received \$21.4 million to implement the "Improving Air Quality in Overburdened Communities Initiative" (Sec. 3031 in ESSB 5200, Laws of 2023). \$10 million of this appropriation was intended for purchasing monitoring equipment, which, after multiple discussions with stakeholders, legislative staff, and the Governor's Office was used to complete a one-year, high-resolution, air monitoring study of multiple pollutants, measured concurrently, in overburdened communities across Washington State.

Ecology used the remaining \$11.4 million to develop the Improving Air Quality in Overburdened Communities Grant Program and conducted a competitive funding round in 2024. Ecology then offered grants for \$10 million for 24 projects in 12 communities and two Tribes that included activities like road paving, bike distribution, and replacing diesel equipment (see Attachment B for additional details on the funded projects).

The need for funding exceeded the grant program's 2024 funding. Ecology regularly fields inquiries about future grant opportunities from people and organizations in overburdened communities. During engagement to inform the grant program, the team heard from numerous eligible applicants that they needed funding but were not ready and unable to apply in the short application timeframe.

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Capital Project Request

2025-27 Biennium

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Version: S1 2026 Supplemental

Report Number: CBS002

Date Run: 9/4/2025 3:17PM

Project Number: 40000757

Project Title: Improving Air Quality in Overburdened Communities Grant Program

Description

This request is intended to support a second competitive funding round in 2026. Based on what we learned from the first round of funding and subsequent engagement with the overburdened communities, we expect great demand for the new funds. We anticipate applications from communities and Tribes that did not receive grants or that did not apply in the first round, as well as applications from approximately 20 first-round recipients who will seek funds for the next phase in their project, i.e., from planning to implementing criteria air pollution reduction strategies in their communities.

Because this is an existing program, if this request is funded, Ecology can efficiently and effectively roll out a new round of grant applications in the fall of 2026. Ecology can then award the grants and allow recipients about 18 months to spend the new funds and implement their projects. More details about the application and awarding process are included later in this request.

What opportunity or problem is driving this request?

Changes in climate pose serious threats to Washington's economy, public health, natural resources, and environment. In response to these threats, in 2021, the Legislature passed the CCA, which established a comprehensive program to reduce carbon pollution and achieve the greenhouse gas limits set in state law. This law caps and reduces greenhouse gas emissions from the state's largest emitting sources and industries, allowing businesses to find the most efficient path to lower carbon emissions.

The CCA puts environmental justice and equity at the center of climate policy, ensuring that communities that bear the greatest burdens from air pollution benefit from cleaner, healthier air as the state cuts emissions of greenhouse gases and criteria pollutants. To support Section 3 of the CCA, Ecology received funds in the 2023-25 capital budget to implement the "Improving Air Quality in Overburdened Communities Initiative," including developing a new grant program to reduce criteria air pollutants in communities identified as overburdened and highly impacted by air pollution and participating Tribes. Ecology awarded 24 grants to community-based organizations, local municipalities, and Tribes to engage their communities to identify, design, and implement local projects to reduce criteria air pollution and protect public health.

Air pollution is one of the biggest environmental risk factors that impacts people's health. The federal Clean Air Act requires the Environmental Protection Agency to set National Ambient Air Quality Standards for six common criteria air pollutants (<https://www.epa.gov/criteria-air-pollutants>). Ecology monitors these pollutants and takes action if levels become unhealthy. Exposure to criteria air pollution is linked to respiratory impacts, such as asthma and lung function, and cardiovascular impacts, like heart disease. It also leads to increased hospitalizations and increased risk of death.

New grant programs typically receive lower interest than long-standing grant programs because applicants are unaware of the opportunity, requirements, and timeline. Because this was a new program, Ecology spent months cultivating relationships, conducting community outreach, and promoting the grant opportunity. During the community engagement process to design the grant program, Ecology received significant interest and support for the program. We received over 100 comments through listening sessions and a written comment period. Outside the comment period, the grant team received questions and interest from interested parties.

As a result of these efforts, the program received great interest and was oversubscribed. In addition to over \$600,000 in unfunded projects, Ecology heard from many organizations in overburdened communities that they were unable to apply because the short grant application timeframe was not enough time for their project and/or they did not have the capacity or resources to apply.

Following the grant application process in 2024, members of the public and interested organizations continued to inquire about future funding for the program. Ecology's grant team continued to engage with several environmental groups, community-based organizations, local municipalities, and Tribes that reiterated the need for future funding to address the health impacts of criteria air pollution. Ecology learned that to truly reduce air pollution impacts, overburdened communities need sustained funding and support over the course of several years.

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Project Number: 40000757

Project Title: Improving Air Quality in Overburdened Communities Grant Program

Description

What are the specific benefits of this project?

The benefits of continued funding for this successful and oversubscribed grant program are:

- Empower communities by building community capacity and creating relationships with organizations and people in overburdened communities to address air pollution.
- Improve health outcomes for vulnerable populations, including reducing impacts from criteria air pollution like asthma, lung damage, and heart disease.
- Reduce environmental disparities and health inequities caused by climate change, criteria air pollution, and other disproportionate environmental injustices.
- Increase community knowledge and ability to identify and mitigate criteria air pollution: This prepares the community to apply for other sources of funding, leveraging and stretching state dollars as much as possible.
- Build trust with government: The Ecology grant team heard during community engagement that one-time grant funding can break down community trust in state government and can cause more harm than good. Ecology is requesting this funding to mitigate potential negative impacts of one-time funding for communities.
- Boost local economies: Project implementation, equipment purchases, and ongoing operations inject new spending into Washington's communities and create good paying jobs, supporting the state's objectives for economic vitality.

The outcome(s) of this request will be:

- Prevent and reduce PM2.5 and cumulative criteria air pollution.
- Increase community knowledge of impacts of criteria air pollution and community capacity to address sources.
- Elevate community voices to create criteria air pollution reduction strategies by the number of people compensated for their expertise and by metrics from social media, email distribution lists, flyers, and other outreach efforts.

What are the effects of non-funding?

Without this requested funding, Ecology would be unable to fully implement Section 3 of the CCA, leaving public health concerns unaddressed. This grant program is specifically designed for organizations in the 16 communities and Tribes identified as overburdened and highly impacted by air pollution (see Attachment A). Without the ability to continue this grant program focused on these communities and Tribes, Ecology's ability to reduce criterial air pollutants and meet statewide air quality targets, including for these communities, would be limited. This is because current data indicates the major cause of criteria air pollution in many communities comes from mobile and other non-regulated sources (2020 Washington Comprehensive Emissions Inventory Technical Support Document: <https://apps.ecology.wa.gov/publications/SummaryPages/2002012.html>).

Without continuing this grant program, Ecology would be unable to support and partner with community-led projects to reduce criteria air pollution from non-point or non-stationary sources in these communities. People in these communities, especially youth and the elderly, would continue to experience disproportionate health outcomes, including lung and heart diseases and a higher risk of mortality from criterial air pollutants, particularly fine particulate matter (PM2.5).

While conducting community engagement for this program in 2024, Ecology also heard from interested parties that while one-time funding may begin work in overburdened communities, that funding commitment needs to be ongoing to foster the needed long-term impacts. Also, as noted above, we expect great need and demand for the new funds, including applications from communities that did not receive funding in 2024, as well as applications for projects that are ready for the next step (i.e., from planning to implementation).

Why is this the best option or alternative?

This grant program is developed specifically for organizations in communities identified as overburdened and highly impacted by air pollution. This dedicated funding is critical to ensure organizations and Tribes in these communities are not competing with organizations in other communities. This program provides individual technical assistance and staff support that is critical for organizations and Tribes that may not typically work with state or other public grant programs.

Additionally, under Section 3 of the CCA, Ecology is required to pursue regulatory approaches to reducing emissions in the

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Description

identified communities. This request is an important complement to that regulatory work. Grant-funded projects like road paving, bike distribution, and replacing diesel equipment provide incentives to reduce air pollution beyond what is required by regulation.

How will clients be affected, and services change if this project is funded?

This grant program aims to improve the health of people in communities identified as overburdened and highly impacted by air pollution. It was developed with communities' and Tribes' input to reduce health, social, and environmental inequities that have historically disproportionately affected people in these communities and Tribes. If this request is funded, the pool of organizations and Tribes involved and the impact on the health of people in these places will grow.

People living in overburdened communities highly impacted by air pollution have more negative health outcomes, including lung and heart disease, compared to the average for the state. They also live 2.4 years less than people in the rest of the state, on average (Air Quality Environmental Justice Report, 2024:

<https://apps.ecology.wa.gov/publications/SummaryPages/2402011.html>). Continued funding for this grant program will foster relationships and partnerships with critical community organizations and continue to build trust in state government.

Focus on Equity:**Target Populations and Communities**

This request will provide grants to community-based organizations, municipalities, and Tribes to identify, design, and implement projects that address criteria air pollution and related health disparities for Washington communities identified as overburdened and highly impacted by air pollution and Tribes. Overburdened communities, including Tribes, have historically been disproportionately affected by health, social, and environmental inequities. These communities represent more than 1.2 million people, or about 15.5% of Washington's population.

In the first round of grant funding in 2024, Ecology offered grants in 12 communities and two Tribes, impacting over 1.1 million people. The grant program has an outsized impact when applied across all of Washington's 16 overburdened communities and Tribes most impacted by criteria air pollutants. The program helps address cumulative environmental and health disparities and supports air pollution mitigation across the state. This request will benefit and improve health outcomes for the following vulnerable populations who have increased risk from air pollution: people with respiratory or cardiovascular conditions, children, older adults, pregnant people, people of color, Tribal members and Indigenous people, people with low incomes, and outdoor workers. Refer to Attachment A for a map of communities identified as overburdened and highly impacted by air pollution.

Community Outreach and Engagement

As Ecology developed the Improving Air Quality in Overburdened Communities Grant Program, we sought input on various aspects of the program to ensure our work was aligned with accessibility, equity, and the environmental justice and air quality goals of the agency. We reached out to and promoted opportunities for engagement with people in all 16 communities identified as overburdened and highly impacted by air pollution (Improving Air Quality in Overburdened Communities Highly Impacted by Air Pollution Report, 2023: (<https://apps.ecology.wa.gov/publications/SummaryPages/2302115.html>)).

We hosted virtual listening sessions in May and June of 2024 alongside a 28-day online written comment period. To make these more accessible, we translated our presentation and online comment page into Spanish. We also met with 21 organizations that work on environmental justice, public health, and air quality in the identified communities to get their input on the development of the grant program. We received more than 100 comments, reviewed all feedback received, and carefully considered how to incorporate it in the process. To learn more about how community feedback shaped this grant program, read our summary of engagement and response to comments at: (<https://apps.ecology.wa.gov/publications/summarypages/2402034.html>).

Additionally, Ecology sent a letter to all chairpersons and natural resources directors of federally recognized Tribes with land, territories, and usual and accustomed land in Washington. This letter extended an invitation for government-to-government

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Date Run: 9/4/2025 3:17PM

Project Number: 40000757

Project Title: Improving Air Quality in Overburdened Communities Grant Program

Description

consultation about the new grant opportunity and offered a Tribal-only listening session. During our engagement with Tribes, we heard that Ecology should provide technical assistance to help organizations through the application process and help new organizations get involved. We provided technical assistance in the previous grant round, and this requested funding will allow Ecology to continue helping applicants and recipients in subsequent rounds.

During community engagement and the grant negotiation period, Ecology learned that the timeline to implement grant projects was not possible for many community-based organizations, one of the primary audiences for this grant program. Because this was a new grant program and we could not guarantee reappropriation of funding during the application period, many smaller, community-based organizations were unable to apply. These organizations expressed concern with the timeline and the large need that still exists in their communities.

Disproportional Impact Considerations

The requested funds will prevent and reduce criteria air pollution in communities and Tribes most at risk of negative health impacts from air pollution across the state. It will create healthy and safe air for overburdened communities, vulnerable populations, and Tribes who experience disproportionate impacts. The disparities they experience are due to the level of air pollution exposure, the vulnerability of the population to health impacts related to that exposure, the ability of the community to mitigate its effects, or any combination of these factors. Community-based organizations and municipalities serving these communities and Tribes will identify, design, and implement projects to reduce sources of criteria air pollution impacting overburdened communities and increase community capacity to mitigate its effects.

People living in overburdened communities highly impacted by air pollution have more negative health outcomes, including lung and heart disease, compared to the average for the state. They also live 2.4 years less than people in the rest of the state, on average. Airsheds, the geographical areas where the movement of air is defined by local topography and meteorology, are dynamic and variable, and air pollution can impact areas beyond the location of the source, making it a potential interest for Tribes and respective Tribal lands. Reducing sources of air pollution can improve air quality for Tribal members living in communities not in Tribal lands.

HEAL Act Agencies Supplemental Questions

See attached.

Reduction and/or Efficiency Improvement of Carbon Pollution

While the primary purpose of this request is reducing critical air pollutants, many of the eligible proposed projects also reduce greenhouse gases. In the first round of funding in 2024, projects included road paving, bike distribution, replacing diesel equipment, and other pollution reduction strategies.

Transportation is one of the largest sources of planet-warming greenhouse gases. These projects address greenhouse gases from transportation by reducing vehicle miles traveled and reducing diesel and gasoline usage from vehicles and equipment. We expect similar projects to be funded under this request.

What is the agency's proposed funding strategy for the project?

Ecology is requesting funding to continue the Improving Air Quality in Overburdened Communities Grant Program from the Air Quality and Health Disparities Improvement Account (AQHDIA), created under RCW 70A.65.280. Funding from this account is intended to improve air quality through the reduction of criteria pollutants and reduce health disparities in overburdened communities by improving health outcomes through the reduction or elimination of environmental harms and the promotion of environmental benefits.

To support the funding requested from AQHDIA for the continuation of this grant program, and ensure that the account maintains a positive cash and fund balance throughout the 2025-27 biennium, Ecology is requesting that sec. 805 of the 2025-27 operating budget bill (ESSB 5167) be amended in the 2026 supplemental operating budget to direct additional proceeds from the quarterly Cap-and-Invest Program auctions to be deposited/transferred into AQHDIA this biennium.

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2025-27 Biennium

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Version: S1 2026 Supplemental

Report Number: CBS002

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Project Number: 40000757

Project Title: Improving Air Quality in Overburdened Communities Grant Program

Description

Increasing this amount also aligns with RCW 70A.65.280(3), which states that it is the intent of the Legislature that not less than \$20,000,000 per biennium be dedicated to the purposes of this account.

The proposed amendment language to sec. 805, page 467, lines 15-22, is as follows:

From auction proceeds received under RCW
70A.65.100(7)(b): For transfer to the air
quality and health disparities improvement account,
(strike \$2,600,000) \$10,000,000 for fiscal year 2026. (strike \$2,600,000) \$10,000,000

From auction proceeds received under RCW
70A.65.100(7)(b): For transfer to the air
quality and health disparities improvement account,
(strike \$2,600,000) \$10,000,000 for fiscal year 2027. (strike \$2,600,000) \$10,000,000

This program is intended to build capacity and provide financial support for community-based organizations, Tribes, and municipalities in communities that are overburdened and highly impacted by air pollution. For this reason, recipients are not required to provide matching funds. However, the program was developed to allow recipients flexibility to "stack" funding sources. If they have other funds from public or private organizations, they may use them in conjunction with this Ecology grant. We have a process to ensure funds are not being duplicated.

Funding for this project includes \$20,000 to maintain and update the applications in the agency's grant and loan system.

Are FTEs required to support this project?

The administration of this program requires a total of 6.4 FTEs to implement non-regulatory emission reduction mechanisms. This FTE level is slightly higher than the 4.9 FTEs requested in 2023-25. Through the first round of this grant program in 2024, Ecology learned that more extensive hands-on support and technical assistance were needed to support our recipients, many of whom don't traditionally participate in other state grant programs.

A lead Environmental Planner will provide oversight, manage implementation of the program, and supervise staff. Additional staff will build community partnerships, provide technical assistance, and once projects are awarded, will manage the resulting grants.

Please note, these FTEs support both this new appropriation and other related reappropriation projects under this capital program.

How does the project support the agency and statewide results?

This request is essential to achieving the following Governor's Results Washington goals:

Goal 2: Prosperous Economy, because this request will fund projects that will support local economies by creating jobs and purchasing goods and services. This can include buying materials, hiring contractors or other support services, and stipends to community members who provide their expertise or feedback.

Goal 3: Sustainable Energy and a Clean Environment, because projects that reduce criteria air pollution also reduce greenhouse gas emissions, water pollution, and noise. For example, replacing diesel vehicles and equipment with electric versions means no harmful emissions, no fuel or oil leaks, and less noise.

Goal 4: Healthy and Safe Communities, because this request funds community-led projects that reduce the risks to environmental and public health from exposure to criteria air pollution that can lead to lung and heart disease, respiratory issues, and shorter life span.

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Capital Project Request

2025-27 Biennium

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Version: S1 2026 Supplemental

Report Number: CBS002

Date Run: 9/4/2025 3:17PM

Project Number: 40000757

Project Title: Improving Air Quality in Overburdened Communities Grant Program

Description

Goal 5: Efficient, Effective, and Accountable Government, because through community engagement, Ecology learned this grant program helps build trust in state government. Communities also shared that one-time funding could decrease trust. Funding this request will help maintain the trust we have with these communities.

This request is essential to achieving the following Ecology goals and objectives:

Goal 1: Support and engage our communities, customers, and employees and Objective 1.1: Improve the access to, effectiveness, and timeliness of information, engagement, and services because it will provide funds for organizations serving Washington communities exposed to higher levels of air pollution to engage community members in the design and implementation of projects to reduce criteria air pollution.

Goal 2: Reduce and prepare for climate impacts and Objective 2.1: Decrease greenhouse gas emissions rapidly and equitably across the state to meet 2030, 2040, and 2050 statutory emissions limits, and Objective 2.2: Increase the resilience of communities and ecosystems to climate change through planning, response, recovery, and adaptation efforts, because it will fund projects that reduce criteria air pollution and greenhouse emissions. For example, reducing vehicle miles traveled by distributing bikes or bus passes and replacing diesel equipment and vehicles with electric. It also helps communities build resilience and gives them resources to respond to climate change.

Goal 3: Prevent and reduce waste, toxic threats, and pollution, and Objective 3.3: Reduce, prevent, or manage pollution, toxic emissions, and contamination, because it will fund projects that reduce criteria air pollution in Washington communities that have been most affected by health, social, and environmental inequities. These communities are exposed to higher levels of air pollution, like ozone and fine particles (PM2.5), which can lead to lung and heart disease, respiratory issues, and shorter life spans. Reducing exposure to this criteria air pollution will help protect public health.

Puget Sound Recovery

This request supports the implementation of the 2022-2026 Puget Sound Action Agenda implementation through the Air Quality Vital Sign and the following Strategies, Desired Outcomes, Actions, Biennial Science Workplan, and Orca Task Force Recommendation:

Strategies

- 19. GHG Reductions and Carbon Sequestration - Advance and support efforts to reduce greenhouse gas emissions and increase carbon sequestration.
- 20. Climate Adaptation and Resilience - Integrate climate adaptation and resilience into all strategies to protect and restore ecosystem and human wellbeing.
- 26. Human Health - Protect human health, considering disproportionate impacts on sensitive populations, through programs that educate communities and limit harmful exposures from air and water contaminants.

Desired Outcomes and Actions

- 4.2.1 Human-caused greenhouse gas emissions in Washington State reduced 95% below 2005 levels by 2050.
- 5.6.1 Levels and patterns of air pollution do not threaten Puget Sound communities or sensitive populations with adverse health outcomes.
- Action 136. Develop and implement plans, regulations, and incentives to reduce greenhouse gas emissions from all sources, especially primary emitting sources (those that account for more than 16 percent of emissions), including land use and transportation; electricity; residential, commercial, and industrial building; and heating.
- Action 137. Implement multi-benefit projects and programs that synergistically advance Puget Sound recovery goals and reduce greenhouse gas emissions, increase carbon sequestration in Puget Sound ecosystems, increase climate adaptation, and promote climate resilience.
- Action 140. Develop, expand, and improve financial and technical incentive programs that protect, promote, and support carbon sequestration and emissions reduction.

461 - Department of Ecology Capital Project Request

2025-27 Biennium

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Version: S1 2026 Supplemental

Report Number: CBS002

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Project Title: Improving Air Quality in Overburdened Communities Grant Program

Description

- Action 199. Limit people's exposures to harmful air pollution.

Biennial Science Plan

#8. Assess toxic contaminant sources (both historic and ongoing) and prioritize their clean-up or replacement based on environmental and human health impacts.

This request also supports Orca Task Force Recommendation 43. Take aggressive, comprehensive, and sustained action to reduce human-caused greenhouse gas emissions, with the goal of achieving net zero emissions by 2050.

How will the other state programs or units of government be affected if this project is funded?

Eligible applicants for the Improving Air Quality in Overburdened Communities Grant Program include community-based organizations, local municipalities, and Tribes who may benefit from participating in this competitive program.

This grant program supports Ecology's successful implementation of Section 3 of the CCA. Ecology coordinates across the Air Quality Program on the other aspects of the CCA work, including monitoring, rulemaking, and permitting to ensure alignment in strategies to reduce criteria air pollution. We also closely coordinate with other air quality grant programs and the Climate Pollution Reduction Program to learn from their program experts and identify how our funds can fill gaps in need.

This grant program is also a key element of our state's environmental justice work. There are many grant programs to address different elements of environmental justice. Ecology regularly meets with the Department of Health (DOH) and their environmental justice grants team to coordinate, learn, and build alignment across our grant programs and agencies. We participated in DOH's annual capacity- building recipient meetings to share lessons learned and hear from the communities we intend to serve. Additionally, we provide updates as needed to the Environmental Justice Council and incorporate feedback they provide.

What is the impact on the state operating budget?

To support the funding requested from AQHDIA for the continuation of this grant program and ensure that the account maintains a positive cash and fund balance throughout the 2025-27 biennium, Ecology is requesting that sec. 805 of the 2025-27 operating budget bill (ESSB 5167) be amended in the 2026 supplemental operating budget to direct additional proceeds from the quarterly Cap-and-Invest Program auctions to be deposited/transferred into AQHDIA this biennium. Increasing this amount also aligns with RCW 70A.65.280(3), which states that it is the intent of the Legislature that not less than \$20,000,000 per biennium be dedicated to the purposes of this account.

The proposed language amendment to sec. 805, page 467, lines 15-22, is as follows:

From auction proceeds received under RCW
70A.65.100(7)(b): For transfer to the air
quality and health disparities improvement account,
(strike \$2,600,000) \$10,000,000 for fiscal year 2026. (strike \$2,600,000) \$10,000,000

From auction proceeds received under RCW
70A.65.100(7)(b): For transfer to the air
quality and health disparities improvement account,
(strike \$2,600,000) \$10,000,000 for fiscal year 2027. (strike \$2,600,000) \$10,000,000

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants - Competitive

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Description

Grant Recipient Organization: None identified at this time.

RCW that establishes grant: N/A

Application process used

In 2024, the four-person grant team conducted community engagement and Tribal consultation to inform the development of the Improving Air Quality in Overburdened Communities Grant Program. Following several months of community engagement in 2024, the team developed the grant guidelines and structure (<https://apps.ecology.wa.gov/publications/SummaryPages/2402036.html>). The team also developed an application process with qualitative scoring criteria that focused on the applicant's experience with environmental justice and working with communities to ensure organizations were well-suited to do the proposed work. A panel of grants, air quality, environmental justice, and community engagement experts then evaluated the applications and grant awards were offered to the highest-scoring application in each of the communities identified as overburdened and highly impacted by criteria air pollutants, including participating Tribes. Because funds were remaining after this process, we awarded a grant to the next applicant in each community, beginning with the highest-scoring application. This process continued until all funds were awarded. If this request is funded, Ecology will update the grant guidelines in the fall of 2026, work with Ecology's online application system team to implement a second round of applications, work with the Air Quality Communications team to advertise the grant application and follow the application evaluation process described above to award the funds. Costs include maintenance and updates to the applications in the agency's grant and loan system.

Growth Management impacts

Indeterminate.

Funding

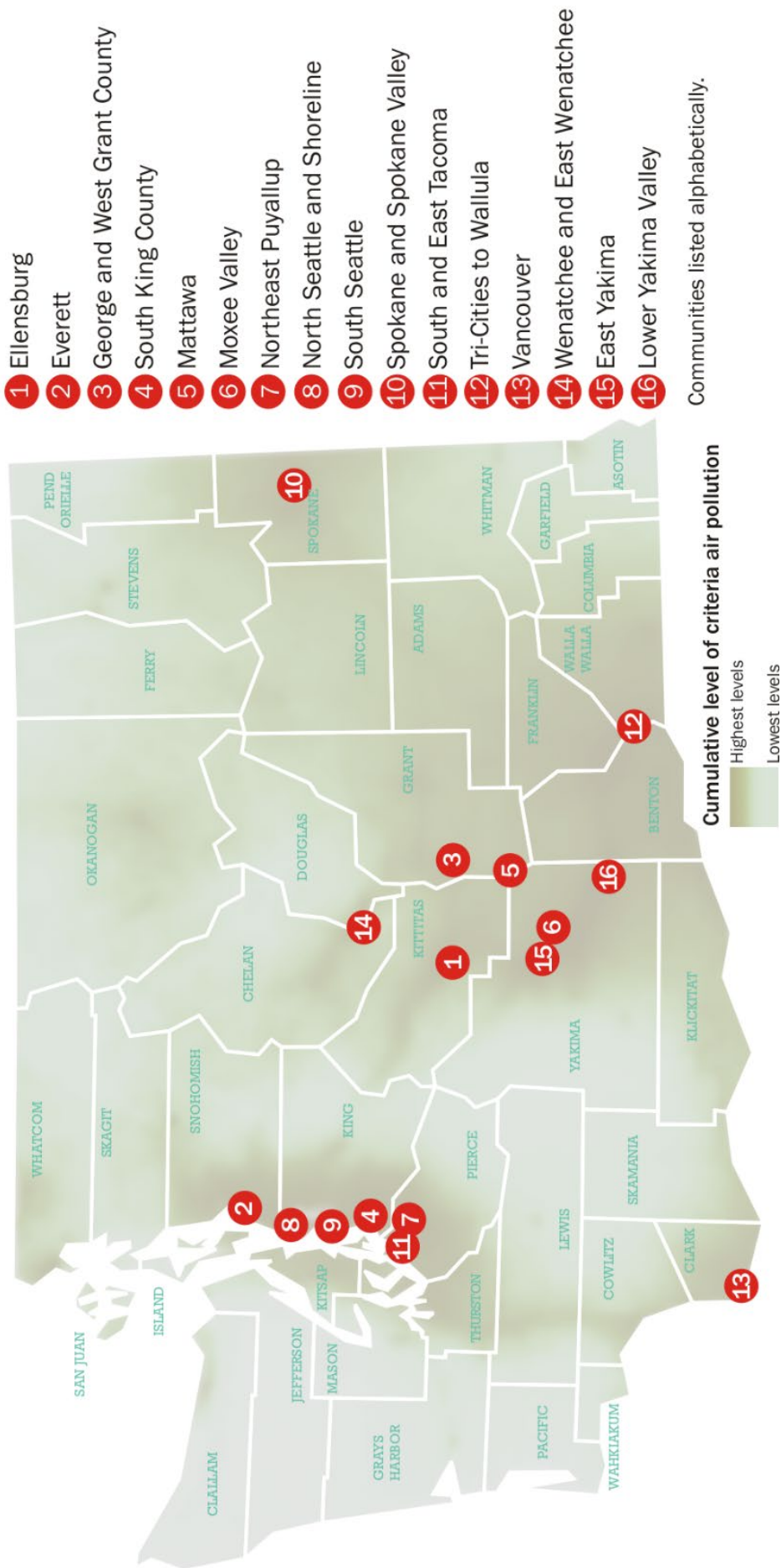
Acct Code	Account Title	Estimated Total	Expenditures		2025-27 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
26E-1	AirQualHeaDisplmpAcc-State	70,000,000				14,000,000
	Total	70,000,000	0	0	0	14,000,000
Future Fiscal Periods						
		2027-29	2029-31	2031-33	2033-35	
26E-1	AirQualHeaDisplmpAcc-State	14,000,000	14,000,000	14,000,000	14,000,000	
	Total	14,000,000	14,000,000	14,000,000	14,000,000	

Operating Impacts

No Operating Impact

Capital Project Request: Improving Air Quality in Overburdened Communities Grant Program

Attachment A - Overburdened Communities Highly Impacted by Air Pollution



Communities listed alphabetically.

Capital Project Request: Improving Air Quality in Overburdened Communities Grant Program

Attachment B - 2024 Grant Applications and Awards

Applicant	Project Activities	City	County	Legislative District	Request	Award
Community Health Worker Coalition for Migrants and Refugees	Community engagement, planning/designing emissions reduction projects	Moxee	Yakima	32	\$241,900	\$219,575
Corporation of Gonzaga University	Portable air cleaner distribution , community engagement, electric equipment	Spokane	Spokane	3	\$674,661	\$674,661
Community System Solutions	Community engagement, planning/designing emissions reduction projects	Ellensburg	Kittitas	21	\$280,000	\$280,000
Community System Solutions	Community engagement, planning/designing emissions reduction projects	Yakima	Kittitas	21	\$280,000	\$280,000
Drivers Union	Community engagement, EV rideshare siting, planning/designing emissions reductions projects	Tukwila	King	11	\$428,000	\$428,000
Duwamish River Community Coalition	Community engagement, portable air cleaner distribution, tree planting	Seattle	King	34	\$250,000	\$193,038
The Family Guide	Community engagement, planning/designing emissions reduction projects	Spokane	Spokane	N/A	\$620,000	\$0
Franklin Conservation District	Planning/designing emissions reduction projects	Pasco	Benton, Franklin	14	\$700,000	\$700,000
Kittitas County - Public Health Department	Community engagement, planning/designing emissions reduction projects	Ellensburg	Kittitas	13	\$104,625	\$104,625
Latino Educational Training Institute	Community engagement, planning/designing emissions reduction projects	Everett	Everett	32	\$191,642	\$189,830
Mother Africa	Portable air cleaner distribution, bike distribution, transportation passes	Kent	King	33	\$313,625	\$262,200
Northeast Public Developmental Authority	Road paving	Spokane	Spokane	6	\$700,000	\$700,000
New World International	Community engagement, planning/designing emissions reduction projects	Vancouver	Clark	49	\$700,000	\$563,736
Seattle, City of	Community engagement, planning/designing emissions reduction projects, portable air cleaner distribution	Seattle	King	43	\$690,746	\$665,746
Shoreline, City of	Community engagement, bike distribution	Shoreline	King	32	\$697,214	\$670,893
Somali Independent Business Alliance	Community engagement, planning/designing emissions reduction projects	Tukwila	King	11	\$170,200	\$170,200
South King Tool Library	Community engagement, electric yard tools, yard waste collection/wood chipping, resources for woodstove removal	Federal Way	King	30	\$100,000	\$100,000
Spokane County Public Works	Road paving	Spokane	Spokane	3	\$437,833	\$404,760
Sustainable NCW	Community engagement, mobile bike repair	Wenatchee	Chelan	7	\$213,800	\$213,800
Tacoma, City of	Portable air cleaners, bikes rebate	Tacoma	Pierce	27	\$700,000	\$667,500
Tacoma Tool Library	Electric tools	Tacoma	Pierce	27	\$53,000	\$53,000
Tulalip Tribes	Community engagement, woodstove replacements	Tulalip	Snohomish	38	\$680,521	\$680,521
Urban League Metro of Seattle	Community engagement, planning/designing emissions reduction projects	Seattle	King	37	\$700,000	\$411,691
Yakama Nation	Woodstove change outs	Toppenish	Yakima	14	\$702,000	\$700,000
Zero Emissions Vehicles Cooperative	EV carshare siting, EV charging construction	Spokane	Spokane	23	\$689,489	\$662,386
TOTALS					\$11,319,256	\$9,996,162

Unmet need:

8 projects that received planning grants will likely apply in a second funding round to implement their respective projects.

12 projects that applied for funds to plan and implement may seek additional funding for implementation.

At least 1 project from each of the four communities that did not apply in 2024 will likely apply in a second funding round.

At least 1 project from each of the five eligible Tribes did not apply in 2024 will likely apply in a second funding round.

Additional projects that reduce criteria air pollution in the identified communities that could not apply in 2024 will likely apply in a new funding round.

2025-27 Biennial Budget HEAL Act Template

Background

HEAL Act requirements

The Healthy Environment for All Act (HEAL Act), Chapter 314, Laws of 2021 (RCW [70A.02](#)) requires that “covered and opt in agencies” must implement the requirements of the HEAL Act. This includes the:

- Department of Ecology
- Department of Agriculture
- Department of Commerce
- Department of Health
- Department of Natural Resources
- Department of Transportation
- Puget Sound Partnership
- Office of the Attorney General

HEAL Act agencies that are considering a significant agency action initiated after July 1, 2023, are required to conduct an environmental justice assessment. RCW [70A.02.010](#)(12) specifies that significant agency actions include:

- The development and adoption of significant legislative rules as defined in RCW [34.05.328](#).
- The development and adoption of any new grant or loan program that the agency is explicitly authorized or required by statute to implement.
- A capital project, grant, or loan award costing at least \$12,000,000.
- A transportation project, grant, or loan costing at least \$15,000,000.
- The submission of agency request legislation to the Office of the Governor or OFM.

Under RCW [70A.02.080](#), beginning on or before July 1, 2023, covered and opt in agencies must, where practicable, take specific actions when making expenditure decisions or developing budget requests to OFM and the Legislature for programs that address or may cause environmental harms or provide environmental benefits. This includes:

- Focus applicable expenditures on creating environmental benefits that are experienced by overburdened communities and vulnerable populations, including reducing or eliminating environmental harms, creating community and population resilience, and improving the quality of life of overburdened communities and vulnerable populations.
- Create opportunities for overburdened communities and vulnerable populations to meaningfully participate in agency expenditure decisions.
- Clearly articulate environmental justice goals and performance metrics to communicate the basis for agency expenditures.
- Establish a goal of directing 40% of grants and expenditures that create environmental benefits to vulnerable populations overburdened communities.

To help OFM understand how HEAL Act agency budget requests meet HEAL Act requirements, covered agencies are required to complete additional questions related to the HEAL Act. These questions are shown below and are in addition to the equity related questions required of all agencies. Covered agencies are asked to complete the following questions and submit them through ABS.

HEAL Act questions

If you answer YES to any of these bullet points, please answer the six additional questions and submit them as an attachment through ABS.

- Is this decision package part of an agency request legislation that is required to complete an environmental justice assessment (RCW [70A.02.010\(12\)](#))?

☐ Yes

☒ No

- Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW [70A.02.010\(12\)](#))?

☐ Yes

☒ No

- Is this decision package requesting funding for a program/project/activity that may **provide environmental benefits or reduce, mitigate, or eliminate environmental harms**, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely directed to provide environmental benefits but may have an indirect or unintentional impact.

☒ Yes

☐ No

If you answer YES to any of the above bullet points, please complete these additional questions.

1. Please describe specific likely or probable environmental harms and/or benefits related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Grants funded through this program will identify, design, and implement projects to reduce criteria air pollution in Washington communities that are overburdened with health, social, and environmental inequities and are highly impacted by criteria air pollution, such as ozone and fine particles. Reducing criteria air pollution will improve people's health in these communities and may have particularly positive impacts on sensitive populations (e.g., children, the elderly, pregnant people, people with underlying health conditions, etc.). Many potential projects that may be funded through this proposal have co-benefits like reduced water and noise pollution and indoor air quality. The requested funds will specifically benefit people who live, work, and

play in communities identified as overburdened and highly impacted by air pollution and participating Tribes, as well as organizations serving those communities and areas adjacent to those communities.

2. Please describe the estimated percentage and amount of the requested funds that will go towards creating environmental benefits in overburdened communities and vulnerable populations as defined in OFM's the [OBC map](#) or as determined by the agency. If applicable, please include your methodology for making this estimate, including project/award lists if available.

This request will fund an existing grant program that is exclusively available to communities identified¹ by Ecology as overburdened and highly impacted by air pollution. The 16 communities and Tribes identified are a subset of the overburdened communities and vulnerable populations identified by OFM.

3. Please describe any potential significant impacts to Indian Tribes' rights and interest in their tribal lands, as well as traditional practices.

During Tribal consultation to inform the development of this grant program in 2024, we did not receive input on the potential impacts to federally recognized Tribal rights and interest in their Tribal lands or traditional practices as a result of the grant program. However, based on input received in broader listening sessions that included Tribal members, we believe potential positive impacts of the grant program include improvement to local air quality and protection of public health and funding for Tribal members to participate in the development of grant projects.

Airsheds, the geographical area where the movement of air is defined by local topography and meteorology, are dynamic and variable, and air pollution can impact areas beyond the location of the source, making it a potential interest for Tribes' rights and interests in their Tribal lands. Reducing sources of air pollution can also improve air quality for Tribal members living in communities not in Tribal lands.

4. Describe how your agency engaged with Tribes in developing this proposal, including offers for tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

Ecology sent a letter to the seven Tribes identified as potentially having lands and communities that may be highly impacted by criteria air pollution. This letter invited government-to-government consultation to provide pathways for Tribes to participate in Ecology's Improve Air Quality in Overburdened Communities initiative. Participating in the initiative qualifies each Tribe for expanded air monitoring, input and access to air quality information, and eligibility to apply for funding to reduce criteria air pollution emissions through this grant program.

Additionally, Ecology sent a letter to all chairpersons and natural resources directors of federally recognized Tribes with land, territories, and usual and accustomed land in Washington. This letter extended an invitation for government-to-government consultation about this grant

¹ <https://apps.ecology.wa.gov/publications/SummaryPages/2302115.html>

program. Ecology requested input on the development of the grant programs and offered a joint Tribal-only listening session, as well an invitation to meet and consult on any issues of concern related to the grant program.

During engagement, Tribes noted that Ecology should provide technical assistance to help organizations through the application process and help new organizations get involved.

5. If the decision package is part of agency request legislation or supports another significant agency action that is required to complete an environmental justice assessment under RCW [70A.02.010](#)(12), please submit the assessment as an attachment in ABS.

Not applicable. The program completed an [Environmental Justice Assessment](#) (<https://apps.ecology.wa.gov/publications/documents/2402033.pdf>) in 2024 when this grant program was established.

6. If the decision package is part of agency request legislation or constitutes a significant agency action that is required to complete an environmental justice assessment, please describe how your agency used the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If your agency determined that you were unable to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits, please provide a justification for not doing so.

While designing the Air Quality Community Grant program, Ecology completed an [Environmental Justice Assessment](#) (<https://apps.ecology.wa.gov/publications/documents/2402033.pdf>). Through our community engagement, we identified potential environmental benefits and harms.

To reduce, mitigate, or eliminate the potential of one-time grant funding, Ecology did or will do the following:

- Clearly communicate with applicants that at this time this is one-time funding so applicants can plan accordingly.
- Allow grant funds to be combined with other funding sources to leverage the dollars and create seamless integration into existing programs, while still ensuring the scope of work and distinct use of grant funds is clear.
- Seek ongoing funding through this request for this grant program as possible.

To address barriers to participating in the grant program and equitably distribute the benefits, Ecology did or will do the following:

- Extend the project period for grantees needing additional time by seeking reappropriations of the funds.
- Make costs related to language services and accessibility of outreach and engagement materials eligible under the grant program. The grant program guidelines included requirements for how grantees must work to ensure that the outreach and engagement they conduct is as accessible to a diverse audience as is reasonable.

- Reduce the administrative burden of applying by providing clear instructions, reducing the number of application forms and questions, providing templates, and offering additional staff capacity to provide technical support.
- Host three info sessions to answer questions, share important information from the grant guidelines, and provide an overview of the application process. We also hosted virtual office hours during which organizations interested in applying can ask us questions about the grant or the application. Staff were also available by email and phone during standard working hours.
- In future grant cycles, Ecology will expand our community engagement opportunities, extend their duration, and work to make them more accessible, through offering more translated materials, providing materials in non-electronic forms, and providing interpreters at meetings.

Note: One of the options for addressing the equitable distribution of benefits that Ecology cannot address at this time is prepaying expenses instead of requiring grantees to submit invoices for reimbursement after costs have been incurred. This state fiscal requirement is intended to ensure efficient and effective use of public funds. Ecology understands the burden this may place on some applicants and will strive to make reimbursement requests as quick and easy as possible.

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Capital Project Request

2025-27 Biennium

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Version: S1 2026 Supplemental

Report Number: CBS002

Date Run: 9/4/2025 4:43PM

Project Number: 40000761

Project Title: Landfill Methane Emissions Reduction Grant Program

Description

Starting Fiscal Year: 2026

Project Class: Grant/Loan

Agency Priority: 2

Project Summary

To help achieve the state's goals for greenhouse gas emission reductions by 2050, the 2023 Legislature passed the Landfills - Methane Emissions Law (Chapter 70A.540 RCW), requiring municipal solid waste landfills to reduce methane emissions. To help landfills comply with the new law and reduce their emissions, funding was provided in the 2023-25 capital budget for Ecology to establish a new grant program to help offset the costs for planning, monitoring equipment, gas-collection upgrades, and control-system installation projects. This request supports the continuation of that highly successful grant program and will help ensure that landfills across the state, many of which are disproportionately sited next to overburdened communities in both urban and rural settings, have the means necessary to reduce their methane emissions and protect their communities from harmful air pollution. This request is related to the Puget Sound Action Agenda implementation. (Climate Commitment Account)

Project Description

What is the proposed project?

Ecology is requesting \$15 million from the Climate Commitment Account to continue the highly successful Landfill Methane Emissions Reduction (LMER) Grant Program. This program assists municipal solid waste (MSW) landfills with reducing methane emissions by funding projects focused on the collection, treatment, and conversion of methane into a non-polluting, renewable gas.

Methane is a potent greenhouse gas (GHG) with more than 80 times the warming power of carbon dioxide over the first 20 years after it reaches the atmosphere. Landfills are a significant source of methane emissions. They produce methane when organic material, such as food scraps, cardboard, and yard trimmings, decomposes. When there are no systems in place to capture these methane emissions, the gas escapes into the atmosphere, accelerating the warming that leads to climate change.

To help address this issue, the 2023 Legislature passed the Landfills - Methane Emissions Law (Chapter 70A.540 RCW), requiring MSW landfills to reduce methane emissions. Using funds from the 2023-25 capital budget to support landfill compliance and complement the new law, Ecology launched the LMER Grant Program in 2024 and awarded \$9.6 million to 13 landfills. Project activities included planning, monitoring equipment, gas-collection upgrades, and control-system installation.

There was greater demand than funding available, and several applications remained unfunded while others were only partially funded. Moreover, there are approximately 19 additional landfills that need to meet these new requirements, making this funding request crucial to supporting them in maximizing emission reductions. Refer to Attachment A for a map of the MSW landfill locations and Attachment B for details on the applications received and awarded projects.

With this request, Ecology plans to support:

- Previously unfunded or partially funded projects from the first application round.
- Newly identified projects that emerged after the 2024 application round.
- Projects from landfills that must comply but did not apply in the 2024 round.
- Projects that exceed compliance and seek to maximize methane emission reductions at landfills.

Because this is an already established program, Ecology can efficiently launch another round of funding. We will revise the current grant guidelines and update requirements, eligibility, and scoring criteria based on lessons learned in the first round of funding and stakeholders' feedback. We will leverage existing relationships and communication channels to announce the new grant opportunity and expect to roll out the new funding round in late 2026.

What opportunity or problem is driving this request?

Changes in climate pose serious threats to Washington's economy, public health, natural resources, and environment. Landfills are a significant source of methane emissions, a greenhouse gas 80 times more powerful than carbon dioxide in its first 20 years in the atmosphere (IPCC AR6, WG 1, The Physical Science Basis at 7-125WA:

Capital Project Request

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Project Title: Landfill Methane Emissions Reduction Grant Program

Description

https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_FullReport_small.pdf).

Ecology's most recent greenhouse gas inventory (1990-2021) reported 2.5 million metric tons of carbon dioxide equivalent emissions from solid waste in Washington, predominantly from landfills (<https://ecology.wa.gov/air-climate/reducing-greenhouse-gas-emissions/tracking-greenhouse-gases>). Washington has aggressive goals to address greenhouse gases, including limiting emissions to 45% below 1990 levels by 2030 and achieving net-zero emissions by 2050. To do this, we must address methane.

Approximately 32 MSW landfills in Washington state must comply with the new landfill methane emissions reduction law. In the first round of funding, Ecology awarded grants to only 13 of these landfills. While this is a great accomplishment, some of the recipients only received partial support and over half the eligible landfills did not apply. As landfills gain clarity on requirements, many are identifying new costs for implementation and compliance.

Beyond meeting minimum compliance requirements, there is an opportunity for the state to support landfills aiming to reduce methane emissions even further. These projects—such as upgrading to more efficient systems, improving soil cover, exploring gas reuse, or installing energy recovery systems—can range from \$20,000 to several million dollars, posing financial challenges for many MSW landfills.

The LMER Grant Program efficiently provides the necessary funding to support MSW landfills' compliance with the new law. This request will also fund projects that maximize gas collection and control and address methane emissions through other related methods. This demonstrates Washington's leadership and commitment to climate action and support for local economies, because grant funds will be spent on products and work in communities.

Extensive outreach and input from landfill owners and operators (private and publicly owned), local clean air agencies, health districts, Tribes, Non-Governmental Organizations (NGOs), and utility companies to inform the first round of the LMER Grant Program revealed a shared concern: landfills faced tight deadlines to understand new compliance obligations and participate in the grant program (see Attachment C), and financial support from the state remained critical for MSW landfills to meet the intent of the new law, the grant program, and the needs of the intended audience.

The requested funding will help alleviate financial strain for MSW landfills and their communities, which would otherwise bear the costs of expensive new equipment, typically passed on through higher trash fees. Approximately half of the landfills required to comply with the new law are in communities at or above the 80th percentile for populations living in poverty, based on the Environmental Health Disparities Map, and more than one-third are in areas with unemployment rates in the same quintile (<https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map>). Reducing upfront costs is essential for ensuring the Landfills - Methane Emissions Law (Chapter 70A.540 RCW) is fair and effective for these vulnerable communities.

Furthermore, this funding is especially important to communities near or adjacent to landfills and that already face environmental and health burdens. Methane is a known major climate pollutant that drives extreme weather, worsens health impacts, and disproportionately affects overburdened communities and vulnerable populations (see Attachment D). The requested funding will protect public health in these communities. Reducing methane helps curb ozone and particulates that worsen heart, lung, and neurological conditions. Approximately half of the landfills that must comply with the new law are in communities at or above the 80th percentile in cardiovascular mortality, according to the Environmental Health Disparities Map. These are the overburdened communities and vulnerable populations that have been shown to be disproportionately affected by the impacts of climate change, like increasing frequency and intensity of severe heat waves, flooding, wildfires, and other associated events.

What are the specific benefits of this project?

The benefits of continued funding for the LMER Grant Program include:

- **Reducing a highly potent climate pollutant:** By targeting methane, which is 80 times more powerful than carbon dioxide at trapping heat, the funded projects will help the state achieve statutory greenhouse gas limits, delivering significant near-term

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Project Number: 40000761

Project Title: Landfill Methane Emissions Reduction Grant Program

Description

climate benefits and reducing other critical air pollutants and toxic air pollutants.

- **Lowering compliance costs while curbing emissions statewide:** The LMER program is designed to reduce or eliminate the economic burden of meeting new standards to help communities—and especially smaller jurisdictions—comply. This also reduces or eliminates the economic burden on surrounding communities and ratepayers that would likely feel the impacts of increased costs for the landfills to meet compliance requirements.

- **Boosting local economies:** Construction, equipment purchases, and ongoing operations inject new spending into Washington's communities and create good-paying jobs, supporting economic vitality in the state.

- **Demonstrating Washington's leadership:** Implementing forward-looking methane controls reinforces the state's reputation for climate action while giving businesses a clear, supportive pathway to adopt cleaner technologies.

- **Encouraging swift compliance with the landfill methane law:** Financial and technical incentives accelerate adoption, driving faster, measurable reductions in landfill emissions.

- **Protecting overburdened communities and vulnerable populations:** By lowering greenhouse gas levels, the project helps mitigate climate-driven hazards, such as extreme heat, flooding, and wildfires, that disproportionately harm communities already facing environmental and economic stress. The program also helps reduce environmental disparities and health inequities caused by landfill methane and climate change impacts.

- **Building trust with state government:** We know that one-time grant funding can break down community trust in government and can cause more harm than good. This request mitigates the potential negative impacts of one-time funding for communities.

The outcome(s) of this request will be:

- Approximately 32 MSW landfills will have access to funding to comply with the requirements under Chapter 70A.540 RCW.
- A reduction of methane emissions from MSW landfills to below the current baseline of approximately 2.5 million metric tons emissions annually, as estimated in Ecology's 2021 Greenhouse Gas Inventory (<https://apps.ecology.wa.gov/publications/SummaryPages/2414077.html>).

What are the effects of non-funding?

Costs to Washington from climate change are projected to increase annually and would continue to do so under a no-action scenario. This includes increased costs of healthcare and energy. It also includes expenditures and lost revenue from storm damage, coastal erosion, wildfires, drought, and other natural events. A recent report by the University of Washington predicts Washington residents will be more vulnerable to extreme heat in the future due to the state's aging population, urbanization, and climate change. Climate models project average summer temperatures to increase by four to six degrees Fahrenheit in the Pacific Northwest in the 2050s relative to the last half of the 20th century. The number of extreme heat days is projected to increase on the order of fivefold by the 2050s (<https://digital.lib.washington.edu/researchworks/handle/1773/50051?show=full>).

Landfills face many challenges that are exacerbated by the impacts of climate change. With the increased natural disasters and disaster debris volume (such as wildfires and flooding), there will be more dependence on landfills to accept waste, including hazardous waste, to help communities recover. Despite this additional demand, the need to reduce landfill emissions has never been higher.

As noted above, Ecology's most recent greenhouse gas inventory (1990–2021) (<https://ecology.wa.gov/air-climate/reducing-greenhouse-gas-emissions/tracking-greenhouse-gases>) reports 2.5 million metric tons of carbon dioxide equivalent emissions generated from solid waste, predominately from landfills, in 2021. If we continue that trajectory and no additional funding is allocated to reduce landfill methane, emissions could potentially double to approximately five million metric tons of carbon dioxide equivalent over the next two years. That's equivalent to the emissions from every gasoline-powered vehicle driven for one year by the combined populations of Seattle, Spokane, Yakima, Walla

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Project Title: Landfill Methane Emissions Reduction Grant Program

Description

Walla, Terrace Heights, and Puyallup, which is more than 1.16 million people.

Ecology would not be able to provide funding as an important part of a state-level grant program to reduce potent methane emissions from MSW landfills across the state. Reducing emissions from landfills to meet compliance requirements would place a financial strain on local communities surrounding landfills, which are often communities already overburdened by other cumulative social and environmental impacts (NDC Partnership Climate and Economic Justice Screening Tool -originally developed by the Environmental Protection Agency:

<https://ndcpartnership.org/knowledge-portal/climate-toolbox/climate-and-economic-justice-screening-tool-cejst>). These burdens can be identified using tools like the Environmental Health Disparities map and related state and national data sets as indicators of burdens related to climate change, the environment, health, and economic opportunity.

Why is this the best option or alternative?

An alternative to this request would be to require landfills to shoulder the costs of compliance. Ecology learned during engagement and program implementation that landfills would likely pass the costs of compliance on to ratepayers, disproportionately impacting already overburdened communities and vulnerable populations. Furthermore, without the requested state funding, we'd expect that landfills would institute the minimum necessary to meet compliance requirements or fall out of compliance. This request is the best alternative because an incentive program allows landfills to maximize emissions reductions and reduce greenhouse gases consistent with Washington's goals and reduce growing health impacts experienced by overburdened communities and vulnerable populations.

How will clients be affected, and services change if this project is funded?

If this request is funded, both landfills and surrounding communities will experience meaningful improvements. For landfills, improvements and enhancements to gas collection and control systems and increased monitoring will significantly reduce methane emissions while improving infrastructure, landfill efficiency, and lowering environmental compliance risks. Captured methane can also be converted into renewable natural gas, creating new revenue streams and supporting the transition to a low-carbon economy (U.S. Environmental Protection Agency : <https://www.epa.gov/lmop/basic-information-about-landfill-gas>).

Surrounding communities, many disproportionately exposed to pollution and already overburdened by climate change, will benefit from improved air quality, fewer odor and respiratory health concerns, and reduced climate-related risks such as heatwaves and extreme weather events exacerbated by greenhouse gas emissions.

Additionally, funding for these improvements will prevent the additional costs of regulatory compliance from being passed on to consumers, thereby reducing the economic burden on both landfills and the communities they serve. Investments in methane emissions reductions not only mitigate climate impacts but also promote environmental justice, create local jobs, and build lasting resilience and trust in the most affected communities.

Changes in services resulting from this request include improved transparency and accountability. Enhanced emissions monitoring and reporting will help local governments meet climate targets and clearly communicate progress to the public and regulators, ensuring compliance and strengthening community trust.

Focus on Equity

Target Populations and Communities

The requested funding will provide economic, health, and climate benefits to communities across Washington, including overburdened communities, by reducing the burden for MSW landfills and the nearby communities they serve. These communities often bear the cost of expensive new equipment and technology through higher garbage collection fees.

Landfills are disproportionately sited next to overburdened communities in both urban and rural settings (Clare E.B. Cannon article: <https://clarecannon.ucdavis.edu/news/new-article-investigating-all-landfills-across-us-and-their-impacts-rural-areas>). Approximately half of the landfills required to comply with the new law are in communities at or above the 80th percentile for populations living in poverty, and over a third are in areas with similarly high unemployment, based on the Environmental Health

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Description

Disparities map.

Easing compliance costs is key to ensuring the Landfill Methane Emissions Rule (Chapter 173-408 WAC) is effective and equitable. Reducing methane emissions improves cardiovascular, respiratory, and neurological health, especially for overburdened communities near landfills, many of which rank in the 80th percentile statewide for cardiovascular-related deaths. Cutting methane also lowers climate risks, offering critical protection to vulnerable populations disproportionately affected by extreme heat, flooding, wildfire, and other climate impacts.

In the first round of the LMER grant, 30% of the total application score was based on the project's proximity to a community that has experienced a disproportionate share of environmental health risk. To do this, Ecology used the Environmental Health Disparities map and the previously available federal Climate and Economic Justice Screening Tool to identify the MSW landfills located in areas with higher environmental burden and population vulnerabilities. Prioritizing investments in overburdened communities will likely reduce climate-related health inequities and have economic and health benefits. This request will continue to prioritize overburdened communities and vulnerable populations using the best available science and searchable datasets.

Community Outreach and Engagement

Robust outreach and engagement during the LMER program development and implementation in 2024 included input from landfill owners/operators (private and publicly owned), Washington clean air agencies, health districts, Tribes, non-profit/non-governmental organizations, and utility companies. To develop the new program, Ecology sought input to ensure alignment with Washington's equity principles defined in the Healthy Environment for All (HEAL) Act, the needs of potential applicants, and the goals of the agency (<https://ecology.wa.gov/about-us/who-we-are/environmental-justice/heal>).

To this end, Ecology conducted a digital survey of MSW landfills in Washington, met with industry associations, and hosted a listening session with Tribes and a virtual public engagement workshop, as well as a 30-day online written comment period. We also held a Tribal-only listening session to seek input from Tribes that may participate in or be impacted by the LMER Grant Program.

Disproportional Impact Considerations

Incentivizing MSW landfills to curb methane emissions advances equity by reducing environmental, health, and social burdens on nearby communities. This is particularly important for communities already overburdened by disproportionate environmental, health, and social impacts for several reasons:

- Overburdened communities and vulnerable populations are often disproportionately affected by impacts of climate change like upward trending heat zones, flooding, wildfire, and associated events.
- Reducing harmful greenhouse gas emissions has a beneficial effect on those most impacted by climate change. According to ecoAmerica, these climate change impacts can lead to health issues like asthma, respiratory allergies, mental health conditions, and chronic lung disease (https://ecoamerica.org/wp-content/uploads/2017/03/3_letstalk_health_and_climate.pdf).
- Reducing emissions from landfills to meet compliance requirements would place a financial strain on local communities surrounding landfills. Ecology learned during community engagement to inform the development of this program that landfills are likely to pass on the costs of reducing methane emissions to ratepayers. This would have an outsized impact on low-income and other vulnerable populations. Approximately half of the landfills that must comply with the law are in communities at or above the 80th percentile for populations living in poverty according to the Environmental Health Disparities Map, and over a third are at or above the 80th percentile for unemployment (<https://fortress.wa.gov/doh/wtnibl/WTNIBL/>).

During Tribal consultation to inform the development of the LMER Grant Program, Ecology did not receive input on the potential impacts to federally recognized Tribal rights and interest in their Tribal lands or traditional practices because of the grant program. However, based on air quality expertise at Ecology, we believe potential positive impacts of the grant program include improvement to local air quality and protection of public health.

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Project Title: Landfill Methane Emissions Reduction Grant Program

Description

HEAL Act Agencies Supplemental Questions

See attached.

Reduction and/or Efficiency Improvement of Carbon Pollution

Reducing methane emissions at landfills is essential for Washington to comply with greenhouse gas limits set in RCW 70A.45.050. Because methane is a powerful, short-lived climate pollutant that is roughly 80 times more potent than carbon dioxide over 20 years, cutting it will deliver rapid warming benefits. Since landfills are the third-largest human-generated methane source, accounting for about 14–17% of U.S. emissions in recent years (U.S. Environmental Protection Agency : <https://www.epa.gov/lmop/basic-information-about-landfill-gas>), targeting them yields outsized impact. By implementing new regulations under Chapter 173-408 WAC and backing them with grant funding, Washington will ensure swift emissions reductions and accelerate progress toward its legally mandated emissions targets for 2030, 2040, and 2050.

What is the agency's proposed funding strategy for the project?

Ecology requests the funding for this capital grant program from the Climate Commitment Account. The Legislature intended the funding from this account to be used for projects that support Washington's transition to a low-carbon economy, improve air quality, and increase equitable access to clean energy for Washington residents (Cap-and-Invest Auction Revenue: <https://ecology.wa.gov/air-climate/climate-commitment-act/auction-revenue>).

Funding for this project includes \$20,000 to maintain and update the applications in the agency's grant and loan system.

Are FTEs required to support this project?

This program will require a total of 2.25 FTEs to implement the grant program and support recipients throughout the process. Because this is an existing grant program, it can be implemented efficiently and effectively. The grants funded through this request are complex and technical, requiring one full-time grant planner and portions of FTEs for budget oversight and supervisory support.

Please note, these FTEs support both this new appropriation and other related reappropriation projects under this capital program.

Strategic Framework

This request is essential to achieving the following Results Washington goals:

Goal 2: Prosperous Economy, because it will stimulate local economies through expenditures for the projects and jobs created. Based on the first round of grant funding, we expect this request will enable landfills to use grant funding to hire staff and local contractors.

Goal 3: Sustainable Energy and a Clean Environment, because it will reduce methane emissions, a potent greenhouse gas that contributes to climate change. It will also provide funding for landfills to adopt new technologies, such as capturing and reusing methane.

Goal 4: Healthy and Safe Communities, because it will reduce methane emissions exposure to people in impacted communities and lower climate impacts—particularly for people in communities overburdened by environmental and social harms and who may be especially vulnerable to the negative health impacts from climate change. It will also reduce exposure to criteria air pollution and toxic air pollution, improving air quality for nearby communities.

This request is essential to achieving the following Ecology goals and objectives:

Goal 1: Support and Engage our Communities, Customers, and Employees, and Objective 1.1: Improve the access to, effectiveness, and timeliness of information, engagement, and services, because it will reduce or eliminate the economic

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Description

impacts of compliance costs and reduce methane emissions in communities across Washington. These communities would otherwise bear the costs of expensive equipment upgrades and monitoring equipment.

Goal 2: Reduce and prepare for climate impacts, and Objective 2.1: Decrease greenhouse gas emissions rapidly and equitably across the state to meet 2030, 2040, and 2050 statutory emissions limits, because it will reduce methane emissions from landfills across the state that exacerbate the impacts of climate change.

Goal 3: Prevent and reduce waste, toxic threats, and pollution, and Objective 3.3: Reduce, prevent, or manage pollution, toxic emissions, and contamination, because it will reduce methane, criteria air pollution, and toxic air pollution from landfills in communities across Washington.

Puget Sound Recovery

This request supports 2022-2026 Puget Sound Action Agenda implementation through the Air Quality Vital Sign and the following Strategies, Desired Outcomes, Actions, Biennial Science Workplan, and Orca Task Force Recommendation:

Strategies

- 19. GHG Reductions and Carbon Sequestration - Advance and support efforts to reduce greenhouse gas emissions and increase carbon sequestration.
- 20. Climate Adaptation and Resilience - Integrate climate adaptation and resilience into all strategies to protect and restore ecosystem and human wellbeing.
- 26. Human Health - Protect human health, considering disproportionate impacts on sensitive populations, through programs that educate communities and limit harmful exposures from air and water contaminants.

Desired Outcomes and Actions

- 4.2.1 Human-caused greenhouse gas emissions in Washington State reduced 95% below 2005 levels by 2050.
- 5.6.1 Levels and patterns of air pollution do not threaten Puget Sound communities or sensitive populations with adverse health outcomes.
- Action 136. Develop and implement plans, regulations, and incentives to reduce greenhouse gas emissions from all sources, especially primary emitting sources (those that account for more than 16 percent of emissions), including land use and transportation; electricity; residential, commercial, and industrial building; and heating.
- Action 137. Implement multi-benefit projects and programs that synergistically advance Puget Sound recovery goals and reduce greenhouse gas emissions, increase carbon sequestration in Puget Sound ecosystems, increase climate adaptation, and promote climate resilience.
- Action 140. Develop, expand, and improve financial and technical incentive programs that protect, promote, and support carbon sequestration and emissions reduction.
- Action 199. Limit people's exposures to harmful air pollution.

Biennial Science Plan

- 8. Assess toxic contaminant sources (both historic and ongoing) and prioritize their clean-up or replacement based on environmental and human health impacts.

This request also supports Orca Task Force Recommendation 43. Take aggressive, comprehensive, and sustained action to reduce human-caused greenhouse gas emissions, with the goal of achieving net zero emissions by 2050.

How will the other state programs or units of government be affected if this project is funded?

The requested funds will provide grants to MSW landfills to comply with the landfill methane law and rule and to pursue actions that reduce methane emissions beyond minimum compliance with the law. Ecology does not anticipate direct impacts to other state programs, but this request will support state clean energy and climate change programs.

This request was developed through successful collaboration across multiple Ecology programs. LMER supports the core work of Ecology's Air Quality and Climate Pollution Reduction programs in reducing greenhouse gas emissions in Washington.

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Additionally, as a member of the United States Climate Alliance, Ecology participates in the Methane Working Group, collaborating and sharing information with other states. This collaboration has allowed for consistency across similar programs and valuable insight to inform the development and management of the LMER program. This request will continue to affect internal and external programs that are critical collaborators in creating an efficient and effective program.

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants - Competitive

Application process used

In 2024, Ecology conducted community engagement and Tribal consultation to inform the development of the new LMER Grant Program. Following several months of community engagement, Ecology developed the grant guidelines and structure, application process, and qualitative scoring criteria. A panel of grants managers and technical experts evaluated applications. Awards were offered in four project categories. Awards were first offered to the highest-scoring application to the lowest in the first project category. This process continued in each of the project categories until all funds were awarded. Throughout and after the application process, Ecology solicited feedback to inform future rounds of the program. Because this is an existing program with clear successes and strong relationships, another grant round can be implemented efficiently and effectively. If this request is funded, Ecology will update the grant guidelines, work with Ecology's online application system team to implement a second round of applications, work with the Air Quality Communications team to advertise the grant application and follow the application evaluation process described above to award the funds. Costs include maintenance and updates to the applications in the agency's grant and loan system.

Growth Management impacts

Indeterminate

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2025-27 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
26C-1	Climate Commit Accou-State	75,000,000				15,000,000
	Total	75,000,000	0	0	0	15,000,000
Future Fiscal Periods						
		2027-29	2029-31	2031-33	2033-35	
26C-1	Climate Commit Accou-State	15,000,000	15,000,000	15,000,000	15,000,000	
	Total	15,000,000	15,000,000	15,000,000	15,000,000	

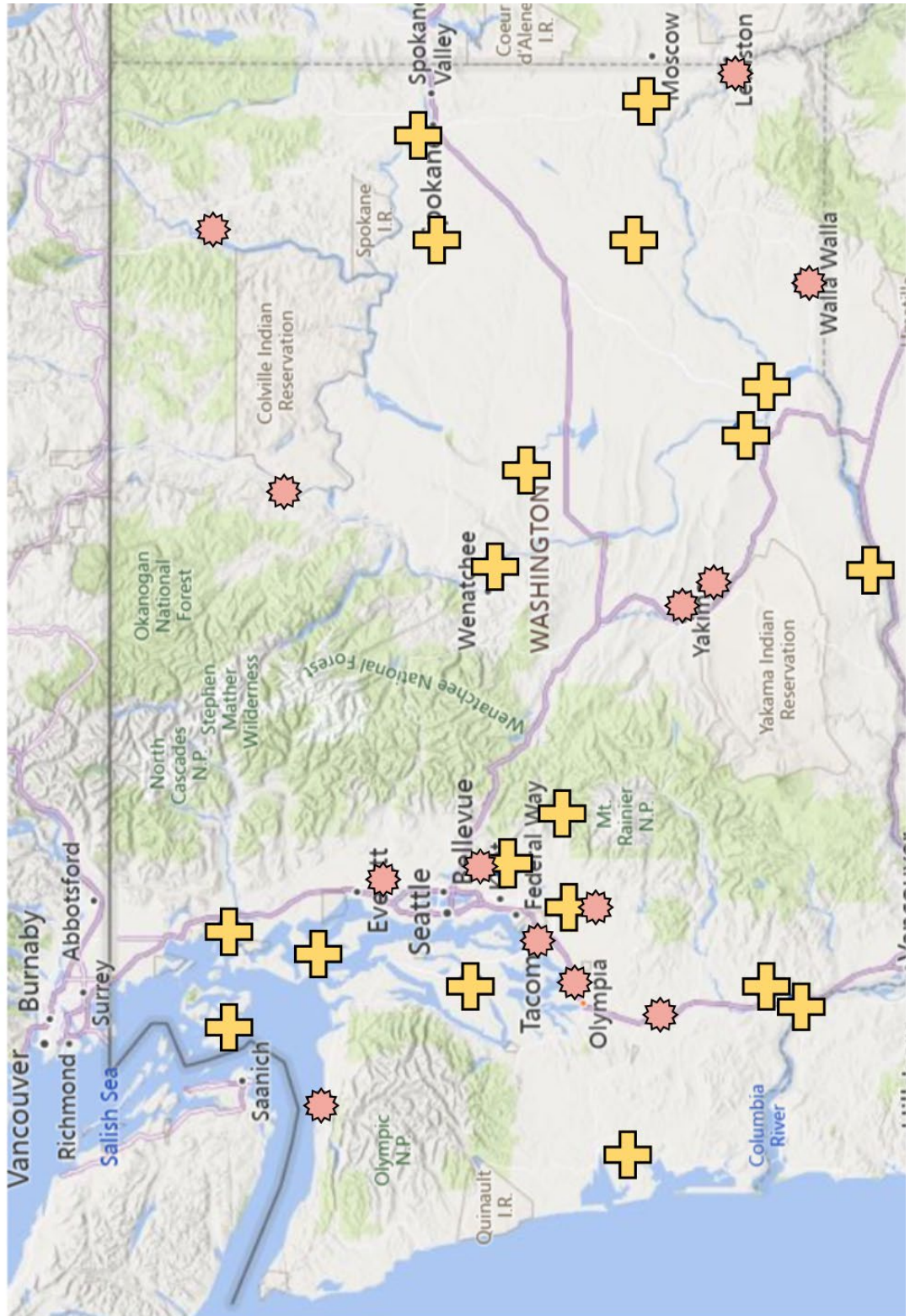
Operating Impacts

No Operating Impact

Capital Project Request: Landfill Methane Emissions Reduction Grant Program

Attachment A - Municipal Solid Waste Landfill Locations

Received Grant: + No * Yes



Capital Project Request: Landfill Methane Emissions Reduction Grant Program
Attachment B - 2024 Grant Applications and Awards

Applicant	Project Activities	City	County	Legislative District	Request	Award
Asotin County - Regional Landfill	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance.	Clarkston	Asotin	9	\$267,500	\$267,500
King County - Solid Waste Division (Cedar Hills landfill)	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance; implement projects that maximize landfill gas collection and control and exceed the minimum methane emissions requirements.	Maple Valley	King	5	\$4,190,205	\$2,634,973
Lewis County - Solid Waste Utility (Centralia landfill)	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance.	Centralia	Lewis	20	\$354,000	\$354,000
Okanogan County - Public Works	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance.	Okanogan	Okanogan	7	\$1,542,256	\$1,192,256
Pierce Co Recycling, Composting and Disposal, LLC (LRI - Graham)	Purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance.	Graham	Pierce	2	\$780,000	\$580,000
Port Angeles, City of - Public Works	Purchase and install monitoring equipment.	Port Angeles	Clallam	24	\$47,000	\$47,000
Snohomish County - Solid Waste Division (Cathcart Landfill)	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance; implement projects that maximize landfill gas collection and control and exceed the minimum methane emissions requirements.	Snohomish	Snohomish	44	\$1,125,000	\$1,125,000
Stevens County - Public Works	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance.	Kettle Falls	Ferry	7	\$1,275,710	\$1,275,710
Tacoma, City of - Environmental Services Department	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance; implement projects that maximize landfill gas collection and control and exceed the minimum methane emissions requirements.	Tacoma	Pierce	27	\$383,522	\$383,522
Thurston County - Public Works Department	Purchase and install methane monitoring equipment, to conduct landfill methane monitoring, and report emissions data.	Lacey	Thurston	22	\$25,130	\$25,130
Walla Walla, City of (Sudbury Landfill)	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance; implement projects that maximize landfill gas collection and control and exceed the minimum methane emissions requirements.	Walla Walla	Walla Walla	16	\$615,000	\$615,000
Yakima County - Public Services Department (Cheyne Landfill)	Compliance and design planning; purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance.	Zillah	Yakima	15	\$405,726	\$405,726
Yakima County - Public Services Department (Terrace Heights)	Purchase and install monitoring equipment; purchase, install, and/or repair landfill gas collection and control system components; other eligible costs related to meeting compliance.	Yakima	Yakima	15	\$694,183	\$694,183
TOTALS					\$11,705,232	\$9,600,000

Unmet need:

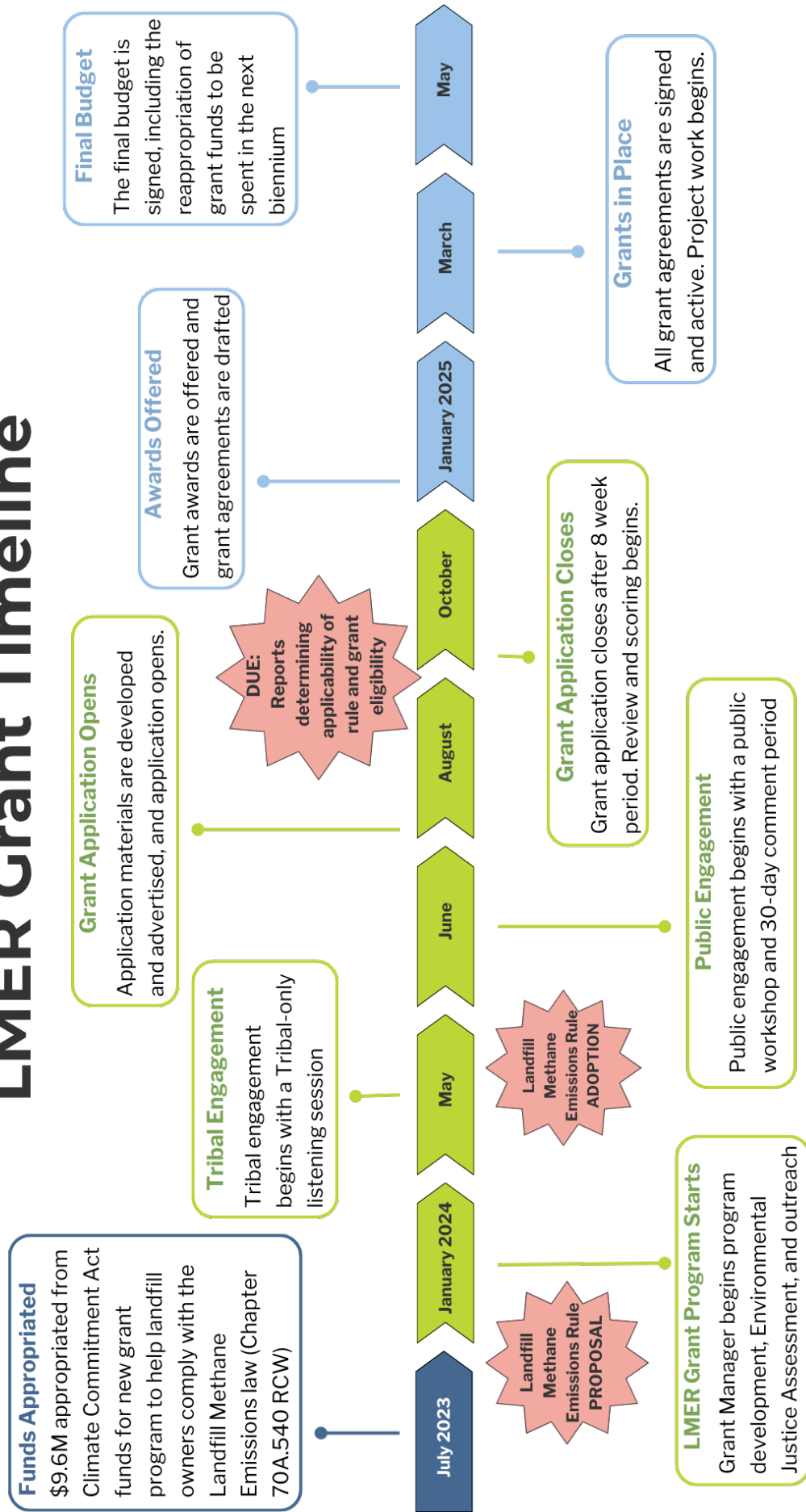
Projects to support compliance and emissions reduction from approximately 19 additional landfills that did not apply in the 2024 round.

Projects to support compliance and emissions reduction from landfills that applied in the 2024 round, but that were not aware of the full scope of compliance and have significant additional costs that would otherwise be passed on to ratepayers.

Projects that exceed compliance requirements to maximize methane emission reductions at landfills.

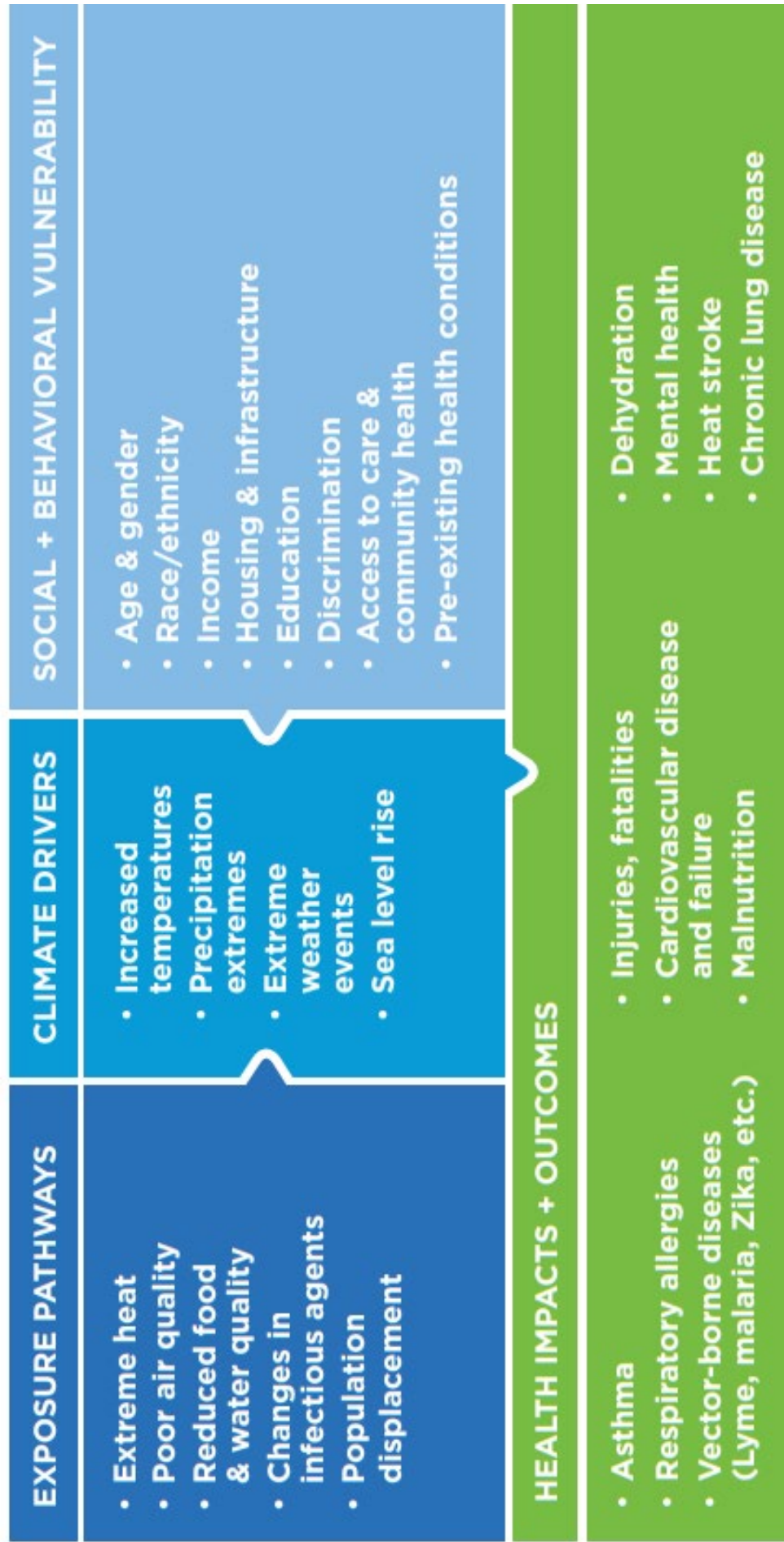
Capital Project Request: Landfill Methane Emissions Reduction Grant Program
Attachment C - LMER Grant Timeline

LMER Grant Timeline



Capital Project Request: Landfill Methane Emissions Reduction Grant Program

Attachment D - Eco America's Climate Change Exposure Pathways, Drivers, and Health Impacts



Source: https://ecoamerica.org/wp-content/uploads/2017/03/3_tetstalk_health_and_climate.pdf.

2025-27 Biennial Budget HEAL Act Template

Background

HEAL Act requirements

The Healthy Environment for All Act (HEAL Act), Chapter 314, Laws of 2021 (RCW [70A.02](#)) requires that “covered and opt in agencies” must implement the requirements of the HEAL Act. This includes the:

- Department of Ecology
- Department of Agriculture
- Department of Commerce
- Department of Health
- Department of Natural Resources
- Department of Transportation
- Puget Sound Partnership
- Office of the Attorney General

HEAL Act agencies that are considering a significant agency action initiated after July 1, 2023, are required to conduct an environmental justice assessment. RCW [70A.02.010](#)(12) specifies that significant agency actions include:

- The development and adoption of significant legislative rules as defined in RCW [34.05.328](#).
- The development and adoption of any new grant or loan program that the agency is explicitly authorized or required by statute to implement.
- A capital project, grant, or loan award costing at least \$12,000,000.
- A transportation project, grant, or loan costing at least \$15,000,000.
- The submission of agency request legislation to the Office of the Governor or OFM.

Under RCW [70A.02.080](#), beginning on or before July 1, 2023, covered and opt in agencies must, where practicable, take specific actions when making expenditure decisions or developing budget requests to OFM and the Legislature for programs that address or may cause environmental harms or provide environmental benefits. This includes:

- Focus applicable expenditures on creating environmental benefits that are experienced by overburdened communities and vulnerable populations, including reducing or eliminating environmental harms, creating community and population resilience, and improving the quality of life of overburdened communities and vulnerable populations.
- Create opportunities for overburdened communities and vulnerable populations to meaningfully participate in agency expenditure decisions.
- Clearly articulate environmental justice goals and performance metrics to communicate the basis for agency expenditures.
- Establish a goal of directing 40% of grants and expenditures that create environmental benefits to vulnerable populations overburdened communities.

To help OFM understand how HEAL Act agency budget requests meet HEAL Act requirements, covered agencies are required to complete additional questions related to the HEAL Act. These questions are shown below and are in addition to the equity related questions required of all agencies. Covered agencies are asked to complete the following questions and submit them through ABS.

HEAL Act questions

If you answer YES to any of these bullet points, please answer the six additional questions and submit them as an attachment through ABS.

- Is this decision package part of an agency request legislation that is required to complete an environmental justice assessment (RCW [70A.02.010\(12\)](#))?

☐ Yes

☒ No

- Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW [70A.02.010\(12\)](#))?

☐ Yes

☒ No

- Is this decision package requesting funding for a program/project/activity that may **provide environmental benefits or reduce, mitigate, or eliminate environmental harms**, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely directed to provide environmental benefits but may have an indirect or unintentional impact.

☒ Yes

☐ No

If you answer YES to any of the above bullet points, please complete these additional questions.

1. Please describe specific likely or probable environmental harms and/or benefits related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Incentivizing municipal solid waste (MSW) landfills to curb methane emissions advances equity by reducing environmental, health, and social burdens on nearby communities. This is particularly important for communities already overburdened by disproportionate environmental, health, and social impacts for several reasons:

- Overburdened communities and vulnerable populations are often disproportionately affected by impacts of climate change like upward trending heat zones, flooding, wildfire, and associated events.
 - Reducing harmful greenhouse gas emissions has a beneficial effect on those most impacted by climate change. According to Eco America, these climate change impacts can lead to health issues like asthma, respiratory allergies, mental health conditions, and chronic lung disease (https://ecoamerica.org/wp-content/uploads/2017/03/3_letstalk_health_and_climate.pdf).
 - Reducing emissions from landfills to meet compliance requirements would place a financial strain on local communities surrounding landfills. Ecology learned during community engagement to inform the development of this program that landfills are likely to pass on the costs of reducing methane emissions to ratepayers. This would have an outsized impact on low-income and other vulnerable populations. Approximately half of the landfills that must comply with the law are in communities at or above the 80th percentile for populations living in poverty according to the Environmental Health Disparities Map, and over a third are at or above the 80th percentile for unemployment (<https://fortress.wa.gov/doh/wtnibl/WTNIBL/>).
2. Please describe the estimated percentage and amount of the requested funds that will go towards creating environmental benefits in overburdened communities and vulnerable populations as defined in OFM's the [OBC map](#) or as determined by the agency. If applicable, please include your methodology for making this estimate, including project/award lists if available.

In addition to the greenhouse gas reductions, this request is likely to reduce criteria air pollutants and toxic air pollutants that cause health issues like heart and lung disease and asthma, and other respiratory impacts. Based on the latest estimate of municipal solid waste landfills that must comply with the new landfill methane emissions law, Ecology estimates 39% of the landfills are located in the communities identified by OFM and would see the local environmental benefits from this proposal.

3. Please describe any potential significant impacts to Indian Tribes' rights and interest in their tribal lands, as well as traditional practices.

During Tribal consultation to inform the development of the Landfill Methane Emissions Reduction (LMER) Grant Program, Ecology did not receive input on the potential impacts to federally recognized Tribal rights and interest in their Tribal lands or traditional practices because of the grant program. However, based on air quality expertise at Ecology, we believe potential positive impacts of the grant program include improvement to local air quality and protection of public health.

4. Describe how your agency engaged with Tribes in developing this proposal, including offers for tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support, and any direction provided by Tribes through this engagement.

Ecology sent a letter to all chairpersons and natural resources directors of federally recognized Tribes with land, territories, and usual and accustomed land in Washington. This letter extended

an invitation for government-to-government consultation about this grant program. Ecology requested input on the development of the grant programs and offered a joint Tribal-only listening session, as well an invitation to meet and consult on any issues of concern related to the Grant Program.

5. If the decision package is part of agency request legislation or supports another significant agency action that is required to complete an environmental justice assessment under RCW [70A.02.010](#)(12), please submit the assessment as an attachment in ABS.

Not applicable. The program completed an [Environmental Justice Assessment](#) in 2024 when this grant program was established.

6. If the decision package is part of agency request legislation or constitutes a significant agency action that is required to complete an environmental justice assessment, please describe how your agency used the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If your agency determined that you were unable to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits, please provide a justification for not doing so.

Robust outreach and engagement during the LMER program development and implementation in 2024 included input from landfill owners/operators (private and publicly owned), Washington clean air agencies, health districts, Tribes, non-profit/non-governmental organizations, and utility companies. To develop the new program, Ecology sought input to ensure alignment with Washington's equity principles defined in the Healthy Environment for All (HEAL) Act, the needs of potential applicants, and the goals of the agency (<https://ecology.wa.gov/about-us/who-we-are/environmental-justice/heal>). To this end, Ecology conducted a digital survey of MSW landfills in Washington, met with industry associations, hosted a listening session with Tribes and a virtual public engagement workshop, as well as a 30-day online written comment period. We also held a Tribal-only listening session to seek input from Tribes that may participate in or be impacted by the grant program.

Note: One of the options for addressing the equitable distribution of benefits that Ecology cannot address at this time is prepaying expenses instead of requiring grantees to submit invoices for reimbursement after costs have been incurred. This state requirement is intended to ensure efficient and effective use of public funds. Ecology understands the burden this may place on some applicants and will strive to make reimbursement requests as quick and easy as possible.

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Report Number: CBS002

Date Run: 8/25/2025 5:24PM

Project Number: 40000756

Project Title: Air Quality Volkswagen Program Expenditure Authority

Description

Starting Fiscal Year: 2026

Project Class: Grant/Loan

Agency Priority: 3

Project Summary

Ecology developed the Volkswagen (VW) Program to reduce harmful diesel emissions in Washington State using funds (\$112.7 million) allocated to our state through the VW Federal Settlement (<https://www.epa.gov/sites/default/files/2017-10/documents/statebeneficiaries.pdf>) (the Settlement) and state penalty awarded in 2018. Since then, approximately \$19 million in interest has been accrued on these settlement funds, and this request seeks the appropriation authority needed to utilize these funds to support additional grant opportunities for eligible recipients in accordance with the terms of the Settlement and Washington's emissions reduction goals. This request is related to the Puget Sound Action Agenda implementation. (General Fund - Private/Local)

Project Description

What is the proposed project?

Ecology is requesting \$19 million in expenditure authority to spend the interest accrued in the VW Settlement Trust.

In 2015, U.S. Environmental Protection Agency (EPA) found that VW had illegally installed software to allow their vehicles to pass federal emissions standards during emission tests. Under normal driving conditions, the vehicles emitted up to 40 times the allowable levels of harmful nitrogen oxides. As a result of violating the federal Clean Air Act, VW settled with the federal government. Washington received \$112.7 million from the federal settlement to mitigate the illegal emissions of the violating vehicles.

The Settlement funds allocated to Washington State were required to be deposited into accounts that accrue interest. From November 2018 through August 2025, over \$19 million in interest has been accrued. That interest was not included in the original capital appropriation to Ecology in 2018 that established the grant program. Ecology is seeking the appropriation authority needed to spend the additional funds accrued, which must be obligated in accordance with the Settlement requirements, and expended no later than the 15th anniversary of the Trust effective date, October 2, 2032 (the same deadline for spending the original funds).

This request will allow Ecology to use the funds allocated to Washington by continuing our VW Program grants, which reduce harmful diesel emissions in our state, especially for communities and Tribes highly impacted by air pollution. Awarded projects will align with the requirements of the Settlement and Washington's goals to reduce emissions from transportation.

Since program inception, Ecology has implemented eight successful VW Program grant opportunities to replace diesel vehicle fleets and vessel fleets with zero-emission fleets and install electric vehicle charging stations. These grants have been highly successful and, to date, have reduced an estimated 4,742 lifetime tons of nitrous oxides (NOx) and 360,281 lifetime tons of carbon dioxide (CO2). The experience and expertise we have gained in this process will help ensure that these new funds are obligated and spent efficiently and effectively before the Settlement deadline.

What opportunity or problem is driving this request?

Transportation is the largest source of greenhouse gas emissions in Washington and contributes pollutants like NOx and particulate matter 2.5 microns or larger (PM2.5) that are harmful to both people and the environment. These pollutants increase people's health risks for asthma, lung disease, and heart disease, especially for our most vulnerable and overburdened populations. Refer to the Improving Air Quality in Overburdened Communities Highly Impacted by Air Pollution: 2023 Report (<https://apps.ecology.wa.gov/publications/summarypages/2302115.html>).

With authority to spend the interest that has accrued since 2018, this request will allow Ecology to reduce harmful emissions from transportation to improve public health and the environment.

The Settlement required 10 eligible mitigation actions, or allowable project types, and required that each state develop a Beneficiary Mitigation Plan (<https://apps.ecology.wa.gov/publications/summarypages/1802023.html>) (the Plan), which serves as

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Description

a roadmap for how funds will be spent. The Settlement also required beneficiaries to consider the beneficial impacts of funds for communities impacted by the excess NOx emissions from the violating vehicles.

Ecology was identified as Washington's Lead Agency and developed the Plan in consultation with the Washington Legislature; the Washington State Departments of Transportation (WSDOT), Commerce, and Health; and the Governor's Office. The Plan was filed with the Settlement Trust in 2018.

The Plan lays out spending priorities and high-level principles to guide the selection of eligible mitigation projects to meet the purpose of the Settlement Trust as follows:

Goals:

- Reduce emissions where the violating vehicles were, are, or will be operated.
- Fully mitigate the total lifetime excess NOx emissions of violating vehicles.

Principles:

- Improve air quality for disproportionately impacted communities.
- Maximize co-benefits beyond NOx reductions.
- Maximize public health benefits.

Priorities:

- Accelerate adoption of electric vehicles, equipment, and vessels.
- Prioritize public fleets.
- Leverage matching funds.

Since the Plan was initially introduced, Ecology has consulted with partner agencies like Commerce and WSDOT to ensure effective and efficient use of the funds and to ensure alignment between the VW Program and other agency efforts (e.g., Commerce's electric vehicle fast charger grants and WSDOT's statewide corridor charging grants).

To develop grant opportunities and invest funds for greatest impact, Ecology's VW Program team has researched hard-to-decarbonize sectors and the challenges they face. They have spoken with manufacturers, equipment operators, and port authorities to understand needs and hurdles; worked to align our funding programs with the statewide electrification goals as outlined in the Department of Commerce's Transportation Electrification Strategy (<https://www.commerce.wa.gov/clean-transportation/tes/>) to amplify impacts of invested funds, and incorporated feedback from grant recipients to streamline application processes and address implementation challenges.

What are the specific benefits of this project?

As of August 2025, Ecology has spent or obligated (i.e., under contract) \$93.7 million of the original \$112.7 million capital budget appropriation to reduce diesel emissions in communities disproportionately impacted by air pollution, including high traffic corridors and around ports. Washington prioritizes funding for projects that:

- Accelerate adoption of electric vehicles, equipment, and vessels.
- Promote electric technologies in public transportation fleets.
- Accelerate state fleet replacement to the cleanest motors or engines.
- Reduce emissions substantially, beyond what would occur without trust funds.
- Create cost-effective grant opportunities.
- Leverage matching funds.

A steering committee of state agencies and the Governor's Office helps inform planning efforts and ensures coordination with other zero-emission transportation efforts across Washington.

This \$19 million included in this request will be invested alongside the remaining Settlement funds (\$18.3 million) in existing and planned future projects. Project activities will include replacing diesel fire trucks, forklifts, street sweepers, garbage trucks, and

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school and transit buses with zero-emission electric versions and installing electric vehicle charging infrastructure. These projects reduce noise, air pollution, and harm to human health in the communities where these vehicles operate.

The funds will be focused on projects that incentivize transition to zero-emission vehicles and equipment that demonstrate the viability of emerging technologies beyond “early adopting” sectors. These newer sectors include equipment such as electric fire trucks, freight switcher locomotives, tugboats, and paratransit vehicles. Refer to Attachment A for a representation of Ecology’s current investments by project category.

Scrapping and replacing outdated diesel vehicles with electric vehicles reduces noise pollution and improves air quality. Freight switcher locomotives usually have no emissions control mechanisms and are typically 50+ years old. They operate within an assigned railyard, for long hours. Replacing one heavily polluting freight switcher locomotive can result in an estimated lifetime reduction of 100 tons of NOx, 2.5 tons of PM2.5, and 3,375 tons of CO2. Electric fire trucks and other electric vehicles benefit the communities they serve, as well as the drivers and crew operating them.

The VW Program prioritizes replacement of vehicles that often operate near or in communities, so reductions in harmful diesel pollution, noise pollution, and water pollution from these vehicles have direct impacts for people living in these communities.

The outcome(s) of this request will be a reduction in the lifetime tons of nitrous oxides and carbon dioxide in communities and Tribes, including those that are highly impacted by air pollution, who will experience fewer harmful health effects from reduced exposure to toxic air pollution and greenhouse gas emissions.

What are the effects of non-funding?

The consequences of not funding this request would be delays or barriers to obligate and spend additional funds available to the state through the VW Settlement. Based on the Settlement terms, any unused funds shall be returned to the State Trust after October 2032 (Section 5.4.5).

Why is this the best option or alternative?

The only alternative to requesting additional General Fund-Private/Location spending authority is to request it through the state’s Unanticipated Receipt process. However, that is not the preferred approach, because information is available to support a formal budget request for the spending authority from the Legislature. Ecology believes this approach is the most appropriate, as it allows us to utilize the funds that are now available, while recognizing the Legislature’s role in authorizing the associated spending.

How will clients be affected and services change if this project is funded?

Providing the authority to spend the accrued interest from the VW Settlement Trust will allow Ecology to continue providing funding grants that support the transition to new technologies in zero-emission equipment and vehicles. Through scoring criteria that prioritizes projects in communities most impacted by health and social inequities, this spending authority will help people representing these communities the most.

Currently, transportation is the primary contributor to climate pollution in Washington. With the spending authority, Ecology’s VW team will continue to fund grants that allow communities, especially those overburdened by air pollution, to replace vehicles with zero-emission alternatives that will contribute to reaching Washington’s overarching goal of reducing greenhouse gas emissions by 95% by 2050.

The VW Program grants impact communities across the state. This funding will support additional investments in diesel emissions reduction projects. To date, all VW Program funded projects have prioritized funding for overburdened communities and vulnerable populations. If this request is approved, transportation across the state will be cleaner.

Access to VW Settlement funds has allowed Washington to reduce harmful emissions from transportation, especially in communities most impacted by the negative health impacts of climate change and diesel pollution. Projects like shore power,

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hybrid-electric ferry repowers, and electric freight switchers have reduced over 4,700 lifetime tons of nitrous oxides (NOx) and 360,000 lifetime tons of carbon dioxide (CO2). These critical projects reduce the health impacts from diesel pollution, like asthma, lung damage, and heart disease.

This request is especially important because overburdened communities and vulnerable populations have been shown to be disproportionately affected by the impacts of climate-driven hazards, such as extreme heat, flooding, and wildfire, and are already facing environmental and economic stress.

Without access to the accrued interest, the state of Washington may lose a critical resource to curb harmful emissions from transportation, shown to impact people in overburdened communities the most.

Focus on Equity:

Target Populations and Communities

Ecology is prioritizing investments that maximize air pollution reductions and improve public health in communities that experience a disproportionate share of the environmental health risk in Washington. We use the Department of Health's Environmental Health Disparities Map (<https://fortress.wa.gov/doh/wtnibl/WTNIBL/>) in our funding scoring criteria to prioritize projects in communities most impacted by health and social inequities. This tool helps the state prioritize investments in disproportionately impacted areas. VW Program grants may cover a larger portion of project costs for grant recipients in areas with lower median income scores, public agencies, and Tribal governments.

For projects with equipment available to the public, the grants may cover a larger portion of the project costs. The VW Program team prioritizes projects in the communities identified by Ecology that are highly impacted by criteria air pollution (pollutants include carbon monoxide, NOx, lead, ozone, particulate matter, and SOx). These communities represent more than 1.2 million people, or about 15.5% of the population of Washington. Additionally, Ecology identified seven Tribes highly impacted by criteria air pollution. Ecology seeks to address the disproportionate impacts from air pollution for these communities and Tribes by prioritizing projects located in and around them. There is overlap between the areas impacted by the violating VW vehicles and these identified communities and Tribes.

Community Outreach and Engagement

Ecology collaborated with partner agencies, organizations, and the public to gather and incorporate input on Washington's Beneficiary Mitigation Plan, which outlines the framework for all VW Program funded projects. Ecology conducted a transparent process to keep the public informed and provided multiple opportunities for engagement at key decision points. We sought, analyzed, and incorporated public input to help determine the types of projects that best serve the communities' and Tribal needs. Ecology then provided opportunities for public input as decision-making progressed through surveys, round table discussions, state and local cross-agency coordination, and sounding board sessions. To share information about the VW Program grants, Ecology uses a distribution list, webpage updates, social media, and targeted emails to partners. We also share information with Tribes via letters to Tribal Chairs, natural resource directors, and staff contacts where available.

Since the VW Program began, Ecology has incorporated feedback from recipients and applicants to improve subsequent grants, including streamlining the application process, reducing administrative burden around grant reporting, and allowing timely payments when projects reach certain milestones for large, long-term projects rather than waiting for project completion before reimbursing grant recipients.

Disproportional Impact Considerations

Prioritizing investments in and around disproportionately impacted communities and Tribes, especially those most vulnerable to air pollution impacts, reduces harmful diesel emissions that negatively impact human health. Providing the requested expenditure authority for the accrued interest will directly benefit communities disproportionately impacted by air pollution by reducing diesel emissions, lowering noise pollution, and mitigating harm to human health.

Ecology does not expect any significant impacts to Indian Tribes' rights and interest in their Tribal lands because of this project. All federally recognized Tribes in Washington are eligible to apply for VW Program grants, and Ecology provides technical assistance on the application and grant implementation when needed.

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HEAL Act Agencies Supplemental Questions

See attached.

Reduction and/or Efficiency Improvement of Carbon Pollution

Per Ecology's Greenhouse Gas Inventories

(<https://ecology.wa.gov/Air-Climate/Reducing-Greenhouse-Gas-Emissions/Tracking-greenhouse-gases/GHG-inventories>), transportation is the primary contributor to climate pollution in Washington, comprising almost half of all greenhouse gas emissions, with medium- and heavy-duty fleets contributing 26% of all transportation emissions. Replacing these vehicles with zero-emissions equipment helps improve human health and combat climate change. VW Program grants will contribute to our state's overarching goal to reduce greenhouse gas emissions by 95% by 2050.

In addition to reductions of greenhouse gases, as of Summer 2025, funded projects have reduced an estimated 4,742 tons of lifetime NOx emissions, exceeding the 2018 Ecology estimate of 2,583 tons of excess lifetime NOx emissions for the 24,000 violating VW vehicles registered in Washington. With the remaining funds, including the requested accrued interest, we expect additional reductions in NOx and greenhouse gas emissions.

What is the agency's proposed funding strategy for the project?

This request is for expenditure authority for funds already available in the VW Settlement Trust for Washington State, which must be spent by October 2032.

Note: Interest revenue will continue to be accrued, so the amount of this request should be adjusted to the current accrued amount during the legislative session. Ecology will communicate that update to OFM and legislative staff in early February of 2026.

Are FTEs required to support this project?

No additional FTEs are needed to support this request. This is an existing program with an existing team and framework planned through 2032 that reflects Ecology's current understanding around workload and staff costs necessary to complete the work.

Ecology assumes the additional authority requested will be used for making grants over the same time period and under the same structure. We anticipate adding money to our existing plans rather than creating a new structure or new funding programs. This efficient strategy allows us to use the existing resources for the administration of the additional authority.

However, the Settlement allows for up to 15% of the total allocation to be used towards administrative costs, including the accrued interest.

Strategic Framework

This request is essential to achieving:

The Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment, because it will continue funding clean transportation grant projects that will reduce toxic air pollution and greenhouse gas emissions from vehicles by funding incentives to scrap and replace older, highly polluting diesel engines with zero-emission equipment.

The Governor's Results Washington Goal 4: Healthy and Safe Communities, and Ecology's Goal 1: Support and engage our communities, customers, and employees, and Objective 1.1: Improve the access to, effectiveness, and timeliness of information, engagement, and services, because it will protect public health from air pollution by funding grants that prioritize

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Project Title: Air Quality Volkswagen Program Expenditure Authority

Description

investments that maximize air pollution reductions and improve public health in communities and Tribes that experience a disproportionate share of the air pollution burden in Washington.

Ecology's Goal 2: Reduce and prepare for climate impacts, and Objective 2.1: Decrease greenhouse gas emissions rapidly and equitably across the state to meet 2030, 2040, and 2050 statutory emissions limits, because it will fund replacements of medium- and heavy-duty diesel fleets with zero-emission fleets, reducing carbon dioxide emissions, a greenhouse gas, and black carbon, a solid particle that absorbs radiation from the sun and contributes to near-term warming of the atmosphere.

Ecology's Goal 3: Prevent and reduce waste, toxic threats, and pollution, and Objective 3.3: Reduce, prevent, or manage pollution, toxic emissions, and contamination, because it will reduce diesel emissions, which make up a substantial portion of outdoor air pollution. EPA has classified diesel exhaust as likely to cause cancer, and in Washington, 66% of cancer risk from pollutants in the air comes from diesel exhaust (National Air Quality Standards: (<https://ecology.wa.gov/Air-Climate/Air-quality/Air-quality-targets/Air-quality-standards>)). Diesel exhaust includes harmful pollutants such as nitrogen oxides (NOx), ultrafine particulate matter, and carbon monoxide. These grant projects eliminate unhealthy air emissions, including nitrogen oxides and greenhouse gases.

Puget Sound recovery

This request supports the 2022-2026 Puget Sound Action Agenda implementation through the Air Quality Vital Sign and the following Strategies, Desired Outcomes, Actions, Biennial Science Workplan, and Orca Task Force Recommendation:

Strategies

- 19. GHG Reductions and Carbon Sequestration - Advance and support efforts to reduce greenhouse gas emissions and increase carbon sequestration.
- 20. Climate Adaptation and Resilience - Integrate climate adaptation and resilience into all strategies to protect and restore ecosystem and human wellbeing.
- 26. Human Health - Protect human health, considering disproportionate impacts on sensitive populations, through programs that educate communities and limit harmful exposures from air and water contaminants.

Desired Outcomes and Actions

- 4.2.1 Human-caused greenhouse gas emissions in Washington State reduced 95% below 2005 levels by 2050.
- 5.6.1 Levels and patterns of air pollution do not threaten Puget Sound communities or sensitive populations with adverse health outcomes.
- Action 136. Develop and implement plans, regulations, and incentives to reduce greenhouse gas emissions from all sources, especially primary emitting sources (those that account for more than 16 percent of emissions), including land use and transportation; electricity; residential, commercial, and industrial building; and heating.
- Action 137. Implement multi-benefit projects and programs that synergistically advance Puget Sound recovery goals and reduce greenhouse gas emissions, increase carbon sequestration in Puget Sound ecosystems, increase climate adaptation, and promote climate resilience.
- Action 140. Develop, expand, and improve financial and technical incentive programs that protect, promote, and support carbon sequestration and emissions reduction.
- Action 199. Limit people's exposures to harmful air pollution.

Biennial Science Plan

- #8. Assess toxic contaminant sources (both historic and ongoing) and prioritize their cleanup or replacement based on environmental and human health impacts.

This request also supports Orca Task Force Recommendation 43: Take aggressive, comprehensive, and sustained action to reduce human-caused greenhouse gas emissions, with the goal of achieving net zero emissions by 2050.

How will the other state programs or units of government be affected if this project is funded?

The VW Program grants are open to public and private entities. The requested additional expenditure authority will result in grant awards to agencies or municipalities to complete transportation electrification projects. Ecology will continue to consult with our partner agencies, such as Commerce and WSDOT, to streamline and coordinate our grant programs so they complement statewide efforts.

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Project Number: 40000756

Project Title: Air Quality Volkswagen Program Expenditure Authority

Description

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants - Competitive

Application process used

The VW Program grant applications are designed in the Ecology Administration of Grants and Loans (EAGL) system.

Applicants provide project information, which is scored and ranked according to scoring criteria that take into consideration emissions reductions, projects located in and around overburdened communities, and communities disproportionately impacted by diesel emissions—and for some grants, local access to charging infrastructure. Ecology seeks input from grant applicants and recipients and incorporates feedback and lessons learned in each grant round to ensure an adaptive and responsive grant program. Ecology has focused on streamlining the application process to prevent administrative burden on applicants. Costs include maintenance and updates to the applications in the Ecology's grant and loan system.

Growth Management impacts

None known.

Funding

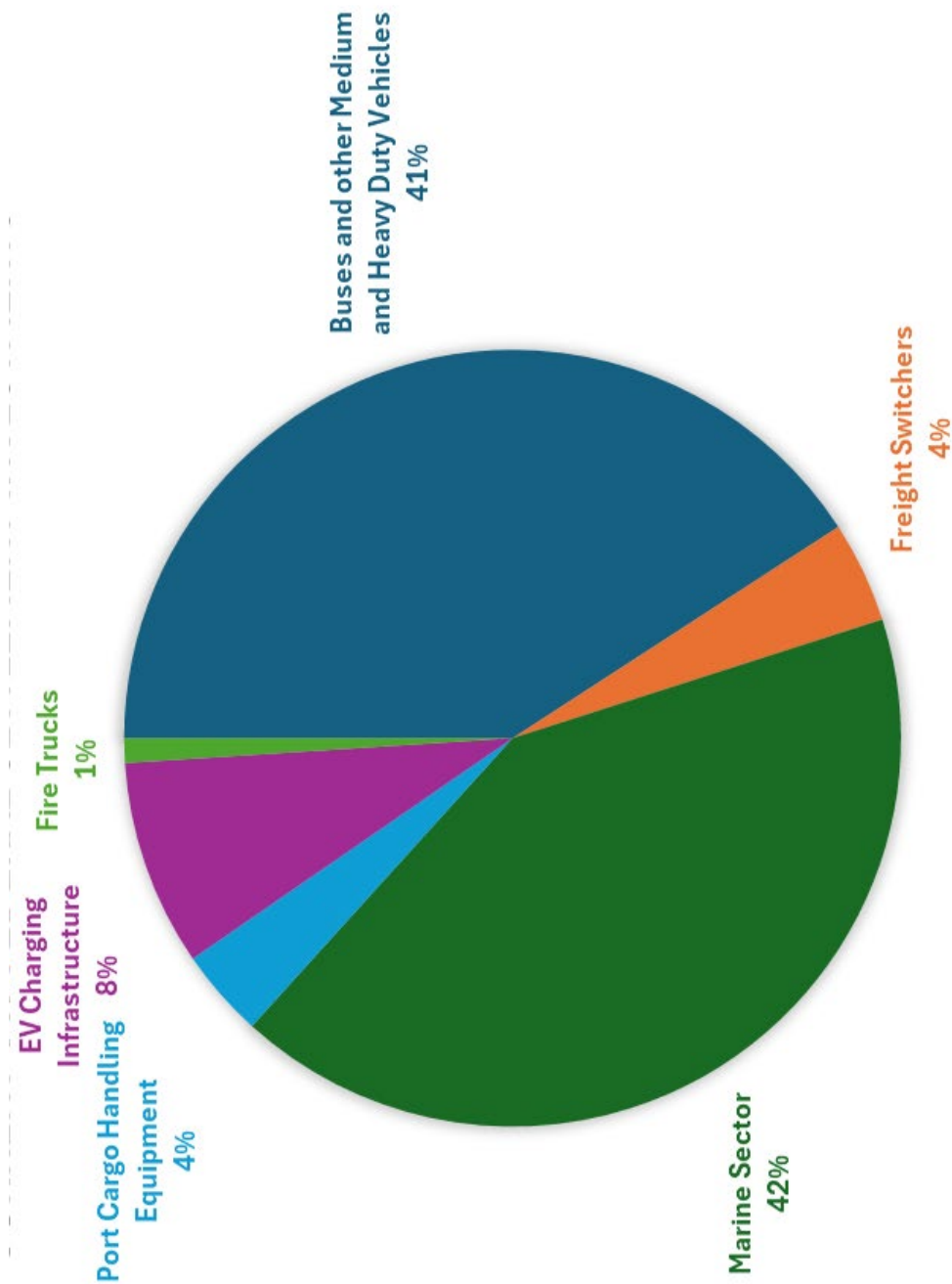
Acct Code	Account Title	Estimated Total	Expenditures		2025-27 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriates	New Appropriates
001-7	General Fund-Private/Local	19,000,000				19,000,000
	Total	19,000,000	0	0	0	19,000,000
Future Fiscal Periods						
		<u>2027-29</u>	<u>2029-31</u>	<u>2031-33</u>	<u>2033-35</u>	
001-7	General Fund-Private/Local					
	Total	0	0	0	0	

Operating Impacts

No Operating Impact

Capital Project Request: Air Quality Volkswagen Program Expenditure Authority
Attachment A - Current VW Federal Settlement Project Categories

As of August 2025, Ecology has spent or obligated (i.e., under contract) \$93.7 million of the original \$112.7 million capital budget appropriation to reduce diesel emissions in communities disproportionately impacted by air pollution, including high traffic corridors and around ports. The chart illustrates how funds have been spent and/or obligated by project category.



2025-27 Biennial Budget HEAL Act Template

Background

HEAL Act requirements

The Healthy Environment for All Act (HEAL Act), Chapter 314, Laws of 2021 (RCW [70A.02](#)) requires that “covered and opt in agencies” must implement the requirements of the HEAL Act. This includes the:

- Department of Ecology
- Department of Agriculture
- Department of Commerce
- Department of Health
- Department of Natural Resources
- Department of Transportation
- Puget Sound Partnership
- Office of the Attorney General

HEAL Act agencies that are considering a significant agency action initiated after July 1, 2023, are required to conduct an environmental justice assessment. RCW [70A.02.010](#)(12) specifies that significant agency actions include:

- The development and adoption of significant legislative rules as defined in RCW [34.05.328](#).
- The development and adoption of any new grant or loan program that the agency is explicitly authorized or required by statute to implement.
- A capital project, grant, or loan award costing at least \$12,000,000.
- A transportation project, grant, or loan costing at least \$15,000,000.
- The submission of agency request legislation to the Office of the Governor or OFM.

Under RCW [70A.02.080](#), beginning on or before July 1, 2023, covered and opt in agencies must, where practicable, take specific actions when making expenditure decisions or developing budget requests to OFM and the Legislature for programs that address or may cause environmental harms or provide environmental benefits. This includes:

- Focus applicable expenditures on creating environmental benefits that are experienced by overburdened communities and vulnerable populations, including reducing or eliminating environmental harms, creating community and population resilience, and improving the quality of life of overburdened communities and vulnerable populations.
- Create opportunities for overburdened communities and vulnerable populations to meaningfully participate in agency expenditure decisions.
- Clearly articulate environmental justice goals and performance metrics to communicate the basis for agency expenditures.
- Establish a goal of directing 40% of grants and expenditures that create environmental benefits to vulnerable populations overburdened communities.

To help OFM understand how HEAL Act agency budget requests meet HEAL Act requirements, covered agencies are required to complete additional questions related to the HEAL Act. These questions are shown below and are in addition to the equity related questions required of all agencies. Covered agencies are asked to complete the following questions and submit them through ABS.

HEAL Act questions

If you answer YES to any of these bullet points, please answer the six additional questions and submit them as an attachment through ABS.

- Is this decision package part of an agency request legislation that is required to complete an environmental justice assessment (RCW [70A.02.010\(12\)](#))?

☐ Yes

☒ No

- Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW [70A.02.010\(12\)](#))?

☐ Yes

☒ No

- Is this decision package requesting funding for a program/project/activity that may **provide environmental benefits or reduce, mitigate, or eliminate environmental harms**, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely directed to provide environmental benefits but may have an indirect or unintentional impact.

☒ Yes

☐ No

If you answer YES to any of the above bullet points, please complete these additional questions.

1. Please describe specific likely or probable environmental harms and/or benefits related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Prioritizing investments in and around disproportionately impacted communities and Tribes, especially those most vulnerable to air pollution impacts, reduces harmful diesel emissions that negatively impact human health. Providing the requested expenditure authority for the accrued interest will directly benefit communities disproportionately impacted by air pollution by reducing diesel emissions, lowering noise pollution and mitigating harm to human health.

2. Please describe the estimated percentage and amount of the requested funds that will go towards creating environmental benefits in overburdened communities and vulnerable populations as defined in OFM's the [OBC map](#) or as determined by the agency. If applicable, please include your methodology for making this estimate, including project/award lists if available.

To date, nearly 80% of funds from the VW Settlement have been awarded in overburdened communities highly impacted by air pollution and nearly 80% of funds have been awarded in communities that rank 9 or 10 in the overall Environmental Health Disparities index in the Department of Health's Environmental Health Disparities [\(EHD\) map](#) (approximately at or above the 80th percentile). While these two mapping tools are very similar and do include overlapping geographic locations, they are not exactly the same. We determined this by mapping each project funded with VW Settlement funds and identifying whether it is in or adjacent to one of the communities identified by Ecology as overburdened and highly impacted by air pollution, and whether it ranks 9 or 10 on the EHD map.

Ecology will continue to prioritize environmental benefits for overburdened communities and vulnerable populations with the interest accrued related to this request

3. Please describe any potential significant impacts to Indian Tribes' rights and interest in their tribal lands, as well as traditional practices.

Ecology does not expect any significant impacts to Indian Tribes' rights and interest in their Tribal lands as a result of this project. Tribes are eligible to apply for VW Program grants and Ecology provides technical assistance on the application and grant implementation when needed.

4. Describe how your agency engaged with Tribes in developing this proposal, including offers for tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

Ecology collaborated with partner agencies, organizations, and the public to gather and incorporate input on Washington's Beneficiary Mitigation Plan, which outlines the framework for all VW Program funded projects. Ecology conducted a transparent process to keep the public informed and provided multiple opportunities for engagement at key decision points. Ecology sought, analyzed, and incorporated public input to help determine the types of projects that best serve communities' and Tribes' needs. Ecology then provided opportunities for public input as decision-making progressed through surveys, round table discussions, state and local cross-agency coordination and sounding board sessions. To share information about the VW Program grants, Ecology uses a distribution list, webpage, updates, social media, and targeted emails to partners. We also share information with Tribes via letters to Tribal Chairs and natural resource directors as well as staff contacts where available.

Since the VW Program began, Ecology has incorporated feedback from grantees and applicants to improve subsequent grants, including streamlining the application process, reducing administrative burden around grant reporting, and allowing timely payments when projects reach certain milestones for large, long-term projects rather than waiting for project completion before reimbursing grant recipients.

5. If the decision package is part of agency request legislation or supports another significant agency action that is required to complete an environmental justice assessment under RCW [70A.02.010](#)(12), please submit the assessment as an attachment in ABS.

N/A - an environmental justice assessment is not required for this existing grant program.

6. If the decision package is part of agency request legislation or constitutes a significant agency action that is required to complete an environmental justice assessment, please describe how your agency used the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If your agency determined that you were unable to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits, please provide a justification for not doing so.

N/A - an environmental justice assessment is not required for this existing grant program.

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Version: S1 2026 Supplemental

Report Number: CBS002

Date Run: 9/4/2025 2:16PM

Project Number: 40000758

Project Title: Cleanup Settlement Account Projects

Description

Starting Fiscal Year: 2026

Project Class: Grant/Loan

Agency Priority: 4

Project Summary

Ecology is requesting \$500,000 from the Cleanup Settlement Account (CSA) to support environmental monitoring associated with a toxic site previously operated by American Smelting and Refining Company (ASARCO) for the next six fiscal years. The CSA was created by the Legislature in 2008 as an interest-bearing account in the State Treasury. Its purpose is to (1) receive money from settlements or court orders in cases of bankruptcy, limited ability to pay, or natural resource damages; and (2) use the funds and any accrued interest to pay for specific site cleanup activities or address injuries to natural resources from the settled liability. This request is related to the Puget Sound Action Agenda Implementation. (Cleanup Settlement Account)

Project Description

What is the proposed project?

Ecology is submitting this request in response to a request from the Trust's administrator, who manages the Trust account for ASARCO's B&L Woodwaste Landfill Site and oversees the associated site cleanup activities. In the 1970s and 1980s, the site received woodwaste, soil, and slag from log sort yards in Commencement Bay. The slag, which is a byproduct of ASARCO's Tacoma smelter, leached arsenic into soils and groundwater. ASARCO, Murray Pacific, and Louisiana Pacific Corporation were among the parties found liable for the cleanup. For more information on this site, please visit: (<https://apps.ecology.wa.gov/cleanupsearch/site/2297>).

When ASARCO went into bankruptcy in 2005, the other two companies pursued settlements jointly with the state. Most of Murray Pacific's \$22 million settlement is held in a trust (the Trust) that funds a majority of the ongoing cleanup work. The Trust funds are invested and over time bring in additional funds to support the cleanup.

Separately from the Trust, the state received settlement funds for the B&L Woodwaste Landfill Site, and those funds were deposited into the CSA. The CSA allows the state to retain earned interest on the funds in the account, which provides additional money over time for the state to conduct cleanup activities at the site. The CSA currently holds approximately \$1.2 million for this site.

The Trust administrator has requested that Ecology use CSA funds to procure a maintenance and operations contract to conduct groundwater monitoring at the site. Using the available CSA funds for the monitoring contract will help extend the life of the Trust, which brings in higher rates of return than the CSA, and will allow that funding to be used for the larger cleanup activities needed at the site.

Ecology is requesting \$500,000 from the CSA to support cleanup activities associated with the site. Ecology will conduct a bidding process and award these funds to a contractor to undertake necessary monitoring activities at the site for the next six fiscal years. Ecology is ready to proceed and anticipates funding will be spent within approximately six years of appropriation. The six-year contract is necessary to ensure the continuity of the work. We will likely request the remaining funding from CSA for another six-year contract in a future capital project request (likely the 2031-33 biennium).

For additional information on the CSA and work conducted to date, please see: (<https://ecology.wa.gov/About-us/Who-we-are/Our-Programs/Toxics-Cleanup/TCP-Legislative-reports>).

What opportunity or problem is driving this request?

As noted above, ASARCO, Murray Pacific, and Louisiana Pacific Corporation were among the parties found liable for cleanup at the B&L Woodwaste Landfill Site. When ASARCO went into bankruptcy in 2005, the other two companies pursued settlements jointly with the state. Most of Murray Pacific's \$22 million settlement is held in the Trust, which has supported most of the cleanup work to date.

Previous work at the B&L Woodwaste Landfill Site, completed by the Trust, included installing an underground barrier to minimize the spread of contaminated groundwater, extracting contaminated groundwater, and excavating contaminated

Capital Project Request

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Project Title: Cleanup Settlement Account Projects

Description

sediments. Once the larger cleanup activities were completed, the Trust began ongoing groundwater monitoring at the site, which is active today and which will be replaced by the CSA-funded contract once procured.

One of the Trust's responsibilities is to manage and invest the Trust funds. The Trust funds are currently actively invested with a higher rate of return than the interest rate for the CSA; hence Ecology's request to fund the six-year contract for monitoring with CSA funds rather than depleting the Trust.

If this request is approved, Ecology will be ready to procure a contract for ongoing monitoring for the next six years. By using the CSA funds and alleviating this financial burden from the Trust, the life of the Trust will be extended. Ecology anticipates another request for the remaining funds in the CSA in approximately six years, as needed, and until all CSA funds for this site are expended. During that time, the Trust will be able to actively invest the preserved fund balance to increase and extend the funds available for the site.

What are the specific benefits of this project?

The funding requested will benefit Washingtonians by preserving funding in the Trust (rather than depleting it) to continue cleanup work at sites where the Potential Liable Party has settled their liability. Specifically, benefits of this request supporting the B&L Woodwaste Landfill Site include maximizing the financial benefit to the state from the settlement and ongoing monitoring to ensure groundwater is not posing an active threat to human health and the environment.

What are the effects of non-funding?

If this request is not funded, the available funding in the CSA would not be able to be used to support monitoring activities at the site it is solely intended for. It is in Ecology's best interest to keep the Trust solvent for as long as possible because it has a higher rate of return on investment than the funds in the CSA. Not funding this request would require the Trust to continue paying for the contract for monitoring, which would result in prematurely depleting the funds in the Trust and diminish the Trust's ability to fund the larger cleanup effort. The CSA funds would continue to earn interest in the account until they are used, but at a much lower rate of return than is possible for the Trust (which can actively invest its funds).

Why is this the best option or alternative?

Proceeds from the settlement, including earned interest, were deposited into the CSA and can only be used to pay for cleanup costs associated with this specific site. Funding this request is the only mechanism for accessing funds in the CSA for this site to support ongoing cleanup activities, including ongoing groundwater monitoring.

How will clients be affected, and services change if this project is funded?

This request will support monitoring operations to protect or improve human health and the environment. By using CSA funds, rather than Trust funds, for the necessary contract for monitoring for the next six years, the higher-yield Trust account can continue to accrue greater returns and support necessary cleanup activities for a longer subsequent period. When both the Trust and the CSA are fully expended, other funds, such as Model Toxics Cleanup Capital Account, would need to be requested if additional cleanup activities are still necessary at this site.

Focus on Equity:**Target Populations and Communities**

CSA funds are required to be used for the site and scope of work the liability was settled for. Ecology does not have discretion to target CSA funds to specific populations or communities. The B&L Woodwaste Landfill Site is in an overburdened community according to the Office of Financial Management's uniform approach for identifying overburdened communities as outlined in Executive Order 24-11.

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Community Outreach and Engagement

This request was developed at the request of the Trust that manages the other settlement funding for this site. By using the lower-yield CSA funds first, Ecology will maximize the benefit of the settlement for cleanup activities at the site. No other outreach was done prior to the submission of this request.

There has been no Tribal consultation to date; however, a cultural resources consultation would be conducted prior to Ecology initiating any ground-disturbing activity at the site.

To comply with Title VI nondiscrimination obligations and to promote environmental justice best practices for meaningful community engagement, Ecology will ensure effective communication and outreach that address linguistic, cultural, literacy, technology, and accessibility barriers and will welcome meaningful participation when discretion permits.

Disproportional Impact Considerations

Ongoing groundwater monitoring of the contamination is necessary to ensure that the contamination levels are maintained or decrease over time. Monitoring data is critical to ensuring both that the contamination is contained and previous cleanup activities are still protective of human health and the environment.

HEAL Act Supplemental Questions

See attached.

What is the agency's proposed funding strategy for the project?

Settlement funds are deposited into the CSA and accrue interest over time. The requested funding must be used exclusively at the site the settlement was made for. This request is phased to the first six-year iteration of a contract for monitoring at this specific site. Ecology will request additional funds for future contracts to support monitoring as needed and until CSA funds for this site are depleted. At that time, monitoring and other site responsibilities will shift back to the remaining funds in the Trust until the Trust is also fully depleted. It is possible the project will require funds beyond what is available in the CSA or the Trust for this site to maintain a cleanup that is protective of human health and the environment.

Are FTEs required to support this project?

No.

Strategic Framework

The request is essential to achieving the Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment, because it will invest in the protection of public health and natural resources by continuing necessary monitoring at a contaminated site.

This request is essential to achieving Ecology's Goal 3: Prevent and reduce waste, toxic threats, and pollution, because it will ensure pollution and contaminated sites, including legacy environmental contamination, are managed and cleaned up while taking into consideration environmental justice, environmental and human health, community needs, and economic vitality.

Puget Sound Recovery

This request supports the 2022-2026 Puget Sound Action Agenda implementation through Strategy 8, Prevent Pollution - Prevent pollution by promoting the development and use of safer alternatives to toxic chemicals and ensuring proper disposal.

How will the other state programs or units of government be affected if this project is funded?

Ecology continues to engage and update the public and stakeholders (e.g., local governments, neighborhood groups, and legislative delegations) through public meetings, mailing fliers, focus sheets, and public comment periods on various documents.

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Project Number: 40000758

Project Title: Cleanup Settlement Account Projects

Description**Location**

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grant/Loan - Unidentified

Growth Management impacts

N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2025-27 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
15H-1	Cleanup Set Acct-State	1,000,000				500,000
	Total	1,000,000	0	0	0	500,000

		Future Fiscal Periods			
		2027-29	2029-31	2031-33	2033-35
15H-1	Cleanup Set Acct-State			500,000	
	Total	0	0	500,000	0

Operating Impacts

No Operating Impact

SubProjects

SubProject Number: 40000759

SubProject Title: B&L Woodwaste

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Project Number: 40000758

Project Title: Cleanup Settlement Account Projects

SubProjects

SubProject Number: 40000759

SubProject Title: B&L Woodwaste

Starting Fiscal Year: 2026

Project Class: Grant/Loan

Agency Priority: 4

Project Summary

Ecology is requesting \$500,000 from the Cleanup Settlement Account (CSA) to support environmental monitoring associated with a toxic site previously operated by American Smelting and Refining Company (ASARCO) for the next six fiscal years. The CSA was created by the Legislature in 2008 as an interest-bearing account in the State Treasury. Its purpose is to (1) receive money from settlements or court orders in cases of bankruptcy, limited ability to pay, or natural resource damages; and (2) use the funds and any accrued interest to pay for specific site cleanup activities or address injuries to natural resources from the settled liability. This request is related to the Puget Sound Action Agenda Implementation. (Cleanup Settlement Account)

Project Description

In the 1970s and 1980s, ASARCO's B&L Woodwaste Landfill Site received woodwaste, soil, and slag from log sort yards in Commencement Bay. The slag, which is a byproduct of ASARCO's Tacoma smelter, leached arsenic into soils and groundwater. The requested funds will support a groundwater monitoring contract at the site for six years.

Location

City: Tacoma

County: Pierce

Legislative District: 031

Project Type

Grant/Loan - Unidentified

Growth Management impacts

N/A

Funding

Acct Code	Account Title	Expenditures		2025-27 Fiscal Period	
		Estimated Total	Prior Biennium	Current Biennium	New Approps
15H-1	Cleanup Set Acct-State	500,000			500,000
	Total	500,000	0	0	500,000
Future Fiscal Periods					
		2027-29	2029-31	2031-33	2033-35
15H-1	Cleanup Set Acct-State				
	Total	0	0	0	0

Operating Impacts

No Operating Impact

SubProject Number: 40000762

SubProject Title: 2025-27 Cleanup Settlement Acct Proj Ten Year Financial Plan

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Project Number: 40000758

Project Title: Cleanup Settlement Account Projects

SubProjects

SubProject Number: 40000762

SubProject Title: 2025-27 Cleanup Settlement Acct Proj Ten Year Financial Plan

Starting Fiscal Year: 2026

Project Class: Grant/Loan

Agency Priority: 4

Project Summary

Ecology is requesting \$500,000 from the Cleanup Settlement Account (CSA) to support environmental monitoring associated with a toxic site previously operated by American Smelting and Refining Company (ASARCO) for the next six fiscal years. The CSA was created by the Legislature in 2008 as an interest-bearing account in the State Treasury. Its purpose is to (1) receive money from settlements or court orders in cases of bankruptcy, limited ability to pay, or natural resource damages; and (2) use the funds and any accrued interest to pay for specific site cleanup activities or address injuries to natural resources from the settled liability. This request is related to the Puget Sound Action Agenda Implementation. (Cleanup Settlement Account)

Project Description

Ten-Year Financial Plan

Location

City: Statewide

County: Statewide

Legislative District: 031

Project Type

Grant/Loan - Unidentified

Growth Management impacts

N/A

Funding

Acct Code	Account Title	Expenditures		2025-27 Fiscal Period	
		Estimated Total	Prior Biennium	Current Biennium	New Approps
15H-1	Cleanup Set Acct-State	500,000			
	Total	500,000	0	0	0
Future Fiscal Periods					
		2027-29	2029-31	2031-33	2033-35
15H-1	Cleanup Set Acct-State			500,000	
	Total	0	0	500,000	0

Operating Impacts

No Operating Impact

Ecology 2026 Supplemental Capital Budget Project List
Toxics Cleanup Program
Cleanup Settlement Account Projects



August 2025

Purpose: During the 2008 legislative session, the Legislature passed Senate Bill 6722 that created the Cleanup Settlement Account. Ecology requested this legislation to create an interest-bearing account in the state treasury to manage money from settlements or court orders in cases of bankruptcy, limited ability to pay, or natural resource damages. This account ensures that settlement funds are linked to specific site cleanup activities or damages to natural resources. The statutory provision was codified in RCW 70A.305.130.

Rank	CSID	Applicant / Recipient	Project Title	Project Description	Amount	Phase of Cleanup	Site Address	City	County	Leg. District	WRIA	Lat.	Long.
1	2297	N/A	B&L Woodwaste	In the 1970s and 1980s, the B&L Woodwaste landfill received woodwaste, soil, and slag from log sort yards in Commencement Bay. The slag—a byproduct of ASARCO's Tacoma smelter—leached arsenic into soils and groundwater. Requested funding will support a groundwater monitoring contract at the site for six years.	500,000	Operations and Maintenance and Monitoring	Fife Way & Puget Power Rd	Tacoma	Pierce	31	10 - Puyallup - White	47.2429	-122.33
				TOTAL	500,000								

2025-27 Biennial Budget HEAL Act Template

Background

HEAL Act requirements

The Healthy Environment for All Act (HEAL Act), Chapter 314, Laws of 2021 (RCW [70A.02](#)) requires that “covered and opt in agencies” must implement the requirements of the HEAL Act. This includes the:

- Department of Ecology
- Department of Agriculture
- Department of Commerce
- Department of Health
- Department of Natural Resources
- Department of Transportation
- Puget Sound Partnership
- Office of the Attorney General

HEAL Act agencies that are considering a significant agency action initiated after July 1, 2023, are required to conduct an environmental justice assessment. RCW [70A.02.010](#)(12) specifies that significant agency actions include:

- The development and adoption of significant legislative rules as defined in RCW [34.05.328](#).
- The development and adoption of any new grant or loan program that the agency is explicitly authorized or required by statute to implement.
- A capital project, grant, or loan award costing at least \$12,000,000.
- A transportation project, grant, or loan costing at least \$15,000,000.
- The submission of agency request legislation to the Office of the Governor or OFM.

Under RCW [70A.02.080](#), beginning on or before July 1, 2023, covered and opt in agencies must, where practicable, take specific actions when making expenditure decisions or developing budget requests to OFM and the Legislature for programs that address or may cause environmental harms or provide environmental benefits. This includes:

- Focus applicable expenditures on creating environmental benefits that are experienced by overburdened communities and vulnerable populations, including reducing or eliminating environmental harms, creating community and population resilience, and improving the quality of life of overburdened communities and vulnerable populations.
- Create opportunities for overburdened communities and vulnerable populations to meaningfully participate in agency expenditure decisions.
- Clearly articulate environmental justice goals and performance metrics to communicate the basis for agency expenditures.
- Establish a goal of directing 40% of grants and expenditures that create environmental benefits to vulnerable populations overburdened communities.

To help OFM understand how HEAL Act agency budget requests meet HEAL Act requirements, covered agencies are required to complete additional questions related to the HEAL Act. These questions are shown below and are in addition to the equity related questions required of all agencies. Covered agencies are asked to complete the following questions and submit them through ABS.

HEAL Act questions

If you answer YES to any of these bullet points, please answer the six additional questions and submit them as an attachment through ABS.

- Is this decision package part of an agency request legislation that is required to complete an environmental justice assessment (RCW [70A.02.010\(12\)](#))?

☐ Yes

☒ No

- Is this decision package requesting funding to support another significant agency action that is required to complete an environmental justice assessment (RCW [70A.02.010\(12\)](#))?

☐ Yes

☒ No

- Is this decision package requesting funding for a program/project/activity that may **provide environmental benefits or reduce, mitigate, or eliminate environmental harms**, (that is not a significant agency action)? Note: This may include decision packages for programs not purposely directed to provide environmental benefits but may have an indirect or unintentional impact.

☒ Yes

☐ No

If you answer YES to any of the above bullet points, please complete these additional questions.

1. Please describe specific likely or probable environmental harms and/or benefits related to your decision package and the associated health impacts to overburdened communities and vulnerable populations.

Ongoing groundwater monitoring of the contamination is necessary to ensure that the contamination levels are maintained or decrease over time. Monitoring data is critical to ensuring both that the contamination is contained and previous cleanup activities are still protective of human health and the environment. The site is located in an overburdened community, so it is anticipated that this community will experience these benefits.

2. Please describe the estimated percentage and amount of the requested funds that will go towards creating environmental benefits in overburdened communities and vulnerable populations as defined in OFM's the [OBC map](#) or as determined by the agency. If applicable, please include your methodology for making this estimate, including project/award lists if available.

The B&L Woodwaste Site is located at Fife Way & Puget Power Rd in Tacoma and is 100% in an overburdened community.

3. Please describe any potential significant impacts to Indian Tribes' rights and interest in their tribal lands, as well as traditional practices.

Ecology is not expecting any impacts to Tribal lands. Most activities are contained within the B&L Woodwaste Site.

4. Describe how your agency engaged with Tribes in developing this proposal, including offers for tribal consultation including timelines, methods for feedback, and mechanisms for Tribes to express concern, opposition, or support., and any direction provided by Tribes through this engagement.

Ecology has not engaged with the Tribes to date, however, a cultural resources consultation would be conducted prior to Ecology initiating any ground disturbing activity at the site.

5. If the decision package is part of agency request legislation or supports another significant agency action that is required to complete an environmental justice assessment under RCW [70A.02.010](#)(12), please submit the assessment as an attachment in ABS.

N/A

6. If the decision package is part of agency request legislation or constitutes a significant agency action that is required to complete an environmental justice assessment, please describe how your agency used the environmental justice assessment process to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits. If your agency determined that you were unable to eliminate, reduce, or mitigate environmental harms and equitably distribute environmental benefits, please provide a justification for not doing so.

N/A

2026 Supplemental Budget: Planned OFM Capital Project Adjustment for Ecology

Purpose: Provide the summary of a planned Capital Project adjustment identified by Ecology, which the Office of Financial Management (OFM) plans to include in the Governor's proposed 2026 supplemental budget.

Project #	Program	Capital Budget	Duration	Title	Fund Source	Adjustment Needed								Description	
						2026 Supplemental				2027-29 Carryforward Level					
						FY26 \$	FY27 FTE	FY28 \$	FY29 FTE	FY26 \$	FY27 FTE	FY28 \$	FY29 FTE		
40000621	SWM	Sec. 3001	One-Time	2025-27 Waste Tire Pile Cleanup and Prevention	08R-Waste Tire Removal Account	\$ 100,000	\$ 100,000	-	-	-	\$	-	-	-	Sec. 302 in the 2025-27 transportation budget (SB 5801) amended RCW 70A.205.425 to require \$600,000 in net receipts from the tire fees imposed under RCW 70A.205.405 received each fiscal year be deposited in the 08R-Waste Tire Removal Account. Sec. 3001 in the 2025-27 capital budget (SB 5195) made a new appropriation from the Waste Tire Removal Account of \$1 million. This adjustment will increase that appropriation level in sec. 3001 to \$1.2 million for 2025-27 to match the amended statute and align with the legislature's intended funding level for this work.