



HEAL Act Budget Equity Report for Fiscal Year 2024

Office of Equity and Environmental Justice

Washington State Department of Ecology

Olympia, Washington

November 2024, Publication 24-01-005

Publication Information

This document is available on the Department of Ecology's website at:
<https://ecology.wa.gov/about-us/who-we-are/environmental-justice/heal/budget-equity>

Cover photo credit

- Standard Ecology image, 2019

Related Information

- Additional information related to this project is available on the Office of Financial Management's [HEAL Act Dashboard](#).¹

Contact Information

The Office of Equity and Environmental Justice

P.O. Box 47600
Olympia, WA 98504-7600
Phone: 360-480-6270

Website²: [Washington State Department of Ecology](#)

ADA Accessibility

The Department of Ecology is committed to providing people with disabilities access to information and services by meeting or exceeding the requirements of the Americans with Disabilities Act (ADA), Section 504 and 508 of the Rehabilitation Act, and Washington State Policy #188.

To request an ADA accommodation, contact Ecology by phone at 360-480-6270 or email at courtney.cecale@ecy.wa.gov. For Washington Relay Service or TTY call 711 or 877-833-6341. Visit Ecology's website for more information.

¹ <https://ofm.wa.gov/budget/budget-related-information/environmental-justice-and-heal-act/heal-act-dashboards>

² www.ecology.wa.gov/contact

Language Access

The state's Environmental Justice law (RCW 70A.02) requires Ecology to share how we are making equitable budget decisions. This report outlines our progress and future plans.

Need language support for this report? You can request a translated summary in your preferred language, language interpretation, or accessibility assistance at no cost. Contact OEEJ at EJ@ecy.wa.gov or (360) 480-6270.

Bajo la ley estatal de Justicia Medioambiental (RCW 70A.02), Ecología está obligada a realizar Evaluaciones de Justicia Medioambiental durante el desarrollo de ciertas medidas importantes. Esta evaluación proporciona información sobre los posibles impactos en las comunidades sobrecargadas y las poblaciones vulnerables, y las estrategias para mitigar los daños identificados y distribuir justamente los beneficios conocidos. Para asistencia de traducción, interpretación o accesibilidad, por favor póngase en contacto con OEEJ escribiendo a EJ@ecy.wa.gov o llamando al (360) 480-6270.

华盛顿州的《环境正义法》(RCW 70A.02) 要求生态管理署分享我们如何做出公平的预算决策。本报告概述了我们的进展和未来计划。

需要对该报告的语言支持吗？您可以请求没有费用的使用您喜欢的语言的翻译摘要、语言翻译或无障碍帮助。请通过电子邮件 EJ@ecy.wa.gov 或者电话(360) 480-6270联系OEEJ。

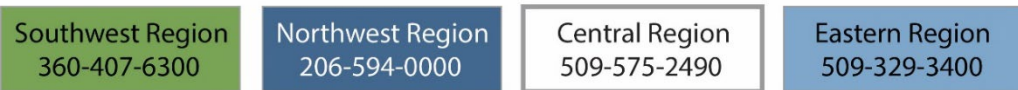
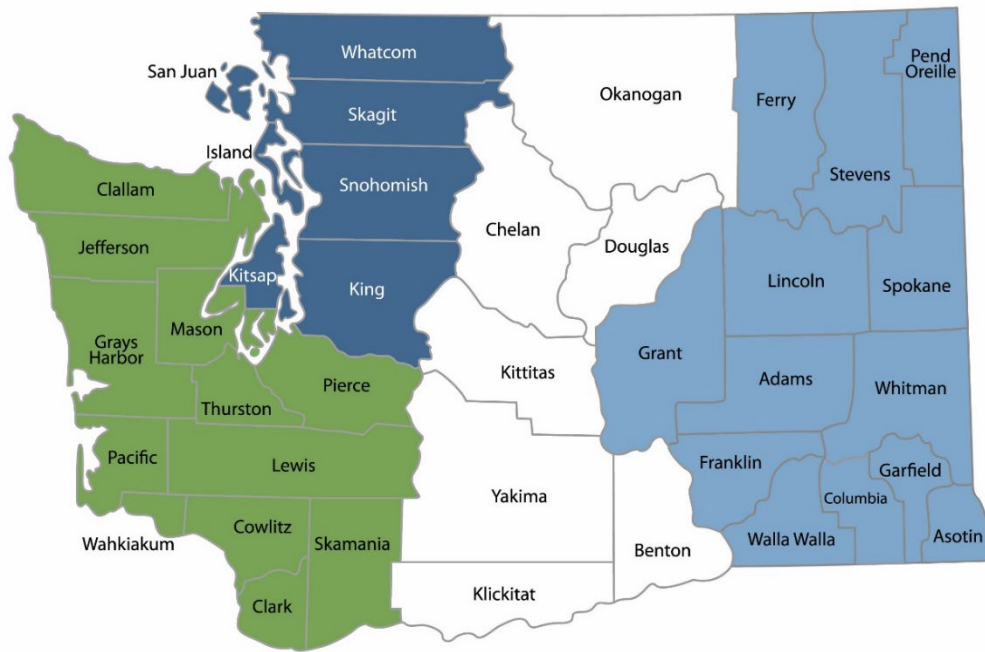
주 환경 정의법(RCW 70A.02)은 주 환경부에서 공평한 예산 결정을 내리는 방법을 공유하도록 요구합니다. 이 보고서에는 진행 상황과 향후 계획이 요약되어 있습니다.

이 보고서에 대한 언어 지원이 필요하십니까? 선호하는 언어로 번역된 요약, 언어 통역 또는 장애인 서비스 지원을 무료로 요청할 수 있습니다. 담당자(OEEJ)에게 EJ@ecy.wa.gov 또는 (360) 480-6270으로 문의하세요.

Luật Công bằng Môi trường của tiểu bang (RCW 70A.02) yêu cầu Bộ Môi Sinh chia sẻ cách chúng tôi đưa ra các quyết định về ngân sách công bằng. Báo cáo này nêu rõ tiến độ và các kế hoạch trong tương lai của chúng tôi. Quý vị cần hỗ trợ ngôn ngữ cho báo cáo này? Quý vị có thể yêu cầu bản tóm tắt được dịch sang ngôn ngữ quý vị muốn, phiên dịch ngôn ngữ hoặc hỗ trợ khả năng truy cập miễn phí. Liên hệ với OEEJ theo địa chỉ EJ@ecy.wa.gov hoặc (360) 480-6270.

Department of Ecology's Regional Offices

Map of Counties Served



Region	Counties served	Mailing Address	Phone
Southwest	Clallam, Clark, Cowlitz, Grays Harbor, Jefferson, Mason, Lewis, Pacific, Pierce, Skamania, Thurston, Wahkiakum	PO Box 47775 Olympia, WA 98504	360-407-6300
Northwest	Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom	PO Box 330316 Shoreline, WA 98133	206-594-0000
Central	Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima	1250 W Alder St Union Gap, WA 98903	509-575-2490
Eastern	Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman	4601 N Monroe Spokane, WA 99205	509-329-3400
Headquarters	Across Washington	PO Box 46700 Olympia, WA 98504	360-407-6000

HEAL Act Budget Equity Report for Fiscal Year 2024

Washington State Department of Ecology

November 2024 | Publication 24-01-005

Table of Contents

List of Figures and Tables	5
Figures.....	5
Tables	5
Executive Summary	6
Ecology’s 2024 HEAL Report	8
Introduction	8
Approach to Tracking Ecology’s 40% Goal.....	8
Status of the 40% goal	16
Scenarios	16
Steps Taken to Embed Equity and Environmental Justice into Grant and Expenditure Programs.....	20
Meaningful Participation in Agency Decision Making	24
Examples of Meaningful Participation in Agency Decision Making.....	26
Requirement RCW 70A.02.080(2d)	27
Additional Agency-wide Approaches to Budget Equity.....	28
The Influence of Environmental Justice Assessments	29
Looking Forward	30

List of Figures and Tables

Figures

Figure 1: Combined 2023-25 Biennium Operating and Capital Budget	9
Figure 2: Fiscal Year 2024 Expenditures by Fund Type.....	16
Figure 3: Grants with Tribal Eligibility	18
Figure 4: Percentage Expended to Tribes from Eligible Grants.....	19
Figure 5: Grant Opportunities' Selection Process.....	22
Figure 6: Eligible Recipients of Grants	23
Figure 7: Number (and %) of Programs that Implemented EJ/Equity Activities	24
Figure 8: Number (and %) of Grants and Contracting Opportunities that Effectuate Requirements Under 70A.02.080(2d).....	28

Tables

Table 1: Scenarios for 1%, 25%, and 50%+ Project Overlap with Overburdened Communities..	17
Table 2: Scenarios for 1%, 25%, and 50%+ Project Overlap with Overburdened Communities and Vulnerable Populations.....	17

Executive Summary

This report presents an overview of Ecology’s approach to Washington’s Healthy Environment for All Act (Chapter 70A.02 RCW) budget and funding requirements (RCW 70A.02.080). It provides additional information about data reported on the [HEAL Act Budget Equity Dashboard](#)⁴ hosted by the Washington State Office of Financial Management. Key considerations from the report include:

- The HEAL Act passed in 2021, and budget and funding goals were established in 2023. This report outlines the initial steps taken to further equity and environmental justice into Ecology’s spending in grant, loan, forgivable loan, and contract programs. The report describes methods for identifying overburdened communities and vulnerable populations. It also explains how Ecology identified which programs to include in the report.
- In the 2023-25 biennium, Ecology’s pass-through budget to local communities was \$2.1 billion out of the agency’s \$2.9 billion in operating and capital budget. This is about 73% of the agency’s total budget, and includes 56 grant, loan, forgivable loan, and contract programs.
- In fiscal year 2024 (July 1, 2023, to June 30, 2024), \$511.5 million was passed through and expended by local communities. This includes expenditures from operating, capital new appropriations, and capital reappropriations.
- Our year one methods indicate that of the \$511.5 million expended, between 28% (\$142.0 million) and 55% (\$279.8 million) provided environmental benefits to vulnerable populations (as identified using income and racial census tract data) within overburdened communities (as identified on the Governor’s Overburdened Communities Map). We’ve provided an overview of different methodologies on page 17 and then highlighted the methods used to report our range.
- Tribes were eligible entities for 26 (out of 56 total) funding programs. Of the \$1.9 billion pass-through funds available, Tribes were eligible to apply for \$1.3 billion in awards. For fiscal year 2024, Tribes were awarded \$48.7 million, or 3.9% from the amount available, and we expended \$7.8 million, or 2.1% from the total eligible expenditures of \$375.7 million.
- We will have a more holistic understanding of the full appropriation at the close of the biennium (June 30, 2025). Some capital appropriations will be reappropriated into the next biennium, and it is important to note that funds available include capital appropriations and expenditures that can extend beyond the initial two years of award.

This report also outlines some of the methodological challenges that will benefit from evaluation and improvements in the coming years. For example, this first year we included one-time grant programs, which are largely legislatively directed and that we have very few opportunities to modify. We also included large dollar grant opportunities, which can significantly skew our assessment and understanding of expenditures with environmental benefits to vulnerable populations in overburdened communities without necessarily creating

equitable benefits. From those grant opportunities, our largest grant expenditure this year was \$138 million, which represents over a quarter (27%) of the total pass-through funding expended in fiscal year 2024. The award funds a project that treats 70 million gallons of combined rain and wastewater a day that discharges directly into the Duwamish River, a Superfund site. The agency has included this award as one that provides environmental benefits to vulnerable populations in an overburdened community area. We recognize there are some data and methodological indeterminacies. The Duwamish waters ultimately flow into the Puget Sound, with benefits being dispersed across the greater population. So, while the water treatment award may benefit Tribes and vulnerable populations in the Duwamish area, our methods are not yet mature enough to responsibly account for impacts to Tribal Lands, especially for awards that did not go to Tribes. We are also developing methods to better assess complex infrastructure projects where the service area, impact area, and benefits are not the same areas or populations. This award underscores the importance of collaboration and iteration in this work, as any data reliant method will have gaps around Tribal considerations and what is important to people from overburdened communities and vulnerable populations.

Identifying this award as one that has environmental benefits for vulnerable populations and overburdened communities, results in 55% of agency pass-through expenditures going to overburdened communities and vulnerable populations. Determining that the award does not benefit vulnerable populations, results in 28% of agency pass-through expenditures going to overburdened communities and vulnerable populations. Alternatively, if the agency were to apply a higher threshold for what counts towards benefiting overburdened communities and vulnerable populations then the agency would achieve 15%. This example demonstrates the potential for a single award to drastically shift our agency-wide budget awards (for better or worse), without necessarily making meaningful improvements in equity. With these challenges in mind, we are still determining how to best assess our progress over time, and will continue to grow, learn, and iterate on this process.

This report also highlights examples where people from overburdened communities and vulnerable populations influenced agency decision making in budgetary work. One example is Ecology's partnership with Mother Africa, a nonprofit organization that supports African immigrant and refugee women and their families. Together, Ecology and Mother Africa co-created culturally relevant outreach materials for the Safer Products for Washington Program. Another example is Ecology's work implementing the Toxic Free Cosmetics Act. Ecology supported a focus group of cosmetologists who specialize in Black women's hair. The focus group identified issues related to Black women's disproportionate exposure to chemicals like formaldehyde found in cosmetic products to inform rulemaking and project development.

Finally, the report ends with goals for the future development of our budget equity efforts. This includes exploring additional programs for inclusion (such as vouchers) and operating costs (such as enforcement activities).

Ecology's 2024 HEAL Report

Introduction

Washington's environmental justice law, also known as the Healthy Environment for All Act (or the HEAL Act), directs seven agencies (covered agencies) to incorporate environmental justice into its decision processes for budget development, making expenditures, and granting or withholding environmental benefits. As a covered agency, Ecology is directed to equitably distribute funding and expenditures towards programs that address environmental harms and provide environmental benefits towards overburdened communities and vulnerable populations.

Under the HEAL Act, Ecology must take the following actions (RCW 70A.02.080):

- Establish a goal of directing 40% of grants and expenditures that create environmental benefits to vulnerable populations and overburdened communities,
- Focus applicable expenditures on creating benefits for overburdened communities,
- Articulate environmental justice goals and performance metrics,
- Consider a broad scope of grants and contracting opportunities that integrate environmental justice principles,
- Create opportunities for overburdened communities and vulnerable populations to meaningfully participate in agency expenditure decisions,
- Publish on its website the types of decision processes identified above, and
- Conduct Environmental Justice Assessments to improve budget equity outcomes.

This report outlines Ecology's approach to all of these requirements and serves as a complement to the [HEAL Act Budget Equity Dashboard](#)³ hosted by the Washington State Office of Financial Management.

Approach to Tracking Ecology's 40% Goal

The HEAL Act requires covered agencies to establish a goal of 40% of grants and expenditures that create environmental [benefits](#)⁴ to be directed to vulnerable populations and overburdened communities. In July of 2023, Ecology set that goal and published the goal on the Department of Ecology's [webpage](#)⁵. This section outlines the approach that Ecology has taken to assess agency progress towards this goal.

Methods for identifying covered grant and expenditure programs

³ <https://ofm.wa.gov/budget/budget-related-information/environmental-justice-and-heal-act/heal-act-dashboards>

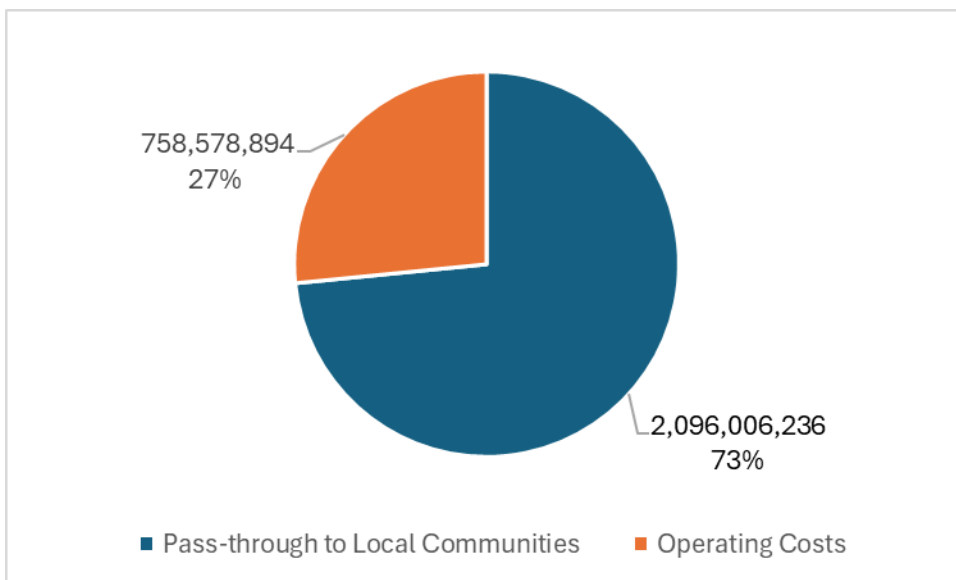
⁴ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02.010>

⁵ <https://ecology.wa.gov/about-us/who-we-are/environmental-justice/heal/budget-equity>

After setting the goal to direct 40% of grants and expenditures that create environmental benefits, Ecology began assessing the most impactful, strategic, and clearest ways to achieve this goal. We also began identifying effective ways to track and report progress over time. Ecology identified “pass-through” funds as a significant starting point in this work. These funds make up the majority of Ecology’s budget, are easily trackable to recipients and locations in our databases and provide clear environmental benefits to communities.

Most of the funding that Ecology manages is passed through to local governments and communities to do environmental work. In the 2023-25 biennium, Ecology passed-through \$2.1 billion of the agency’s \$2.9 billion operating and capital budget to local communities, which is around 73% of the agency’s total budget (Figure 1). This passed-through funding is awarded as grants, loans, forgivable loans, contracts, or vouchers. Funding directly supports activities including but not limited to floodplain management and habitat improvement, water supply development and instream flow protection, local solid waste management and air toxics prevention, building water pollution control facilities, cleaning up publicly owned and abandoned (or orphaned) contaminated sites, local Washington Conservation Corps placements, and supporting community awareness and involvement in hazardous waste management and pollution prevention. In other words, the majority of the funds Ecology manages is pass-through funding which provide clear environmental benefits. The rest of Ecology’s biennial appropriation outside of pass-through funds goes to operating costs, which pay for facilities, staff salaries, benefits, information technology, and more. These expenses and services do not as clearly provide environmental benefits that are trackable to specific overburdened communities and vulnerable populations. For this reason, they are not included in our assessment of our budget equity goals.

Figure 1: Combined 2023-25 Biennium Operating and Capital Budget



To identify covered grant and expenditure programs, Ecology first identified grant and expenditure programs that provide environmental benefits. We determined all programs with

pass-through funding provided environmental benefits. The agency then identified what resources and databases were available to provide data relevant to tracking progress on this goal. For this first reporting year, Ecology is using existing databases that track grants (re-occurring programs and one-time offerings), loans, forgivable loans, and some contracts.

This report specifically tracks pass-through grants and expenditures that provided clear environmental benefits expended in fiscal year 2024, not the entire 2023-25 biennium. A notable challenge is the statutory requirement for annual, not biennial, reporting. Most of our programs operate on biennial or multi-year cycles, with different project reporting requirements and work schedules set outside Ecology by the federal government, the legislature, and other entities. To address this, Ecology has evaluated our 40% goal by assessing our annual expenditure distribution rather than focusing on our appropriations. In the future, and at the close of the biennium, we will have a more complete understanding of the full appropriations and will continue to learn more over time.

The data for this report is limited to grants and expenditures where Ecology disburses funds as a pass-through to an entity. Often, we have no (or very limited) discretion about how, where, and when funding is spent (for example, a legislatively directed one-time grant for a specific public works project). With these criteria, this report includes funding programs that are competitive, formula-driven with some discretion, formula-driven with no discretion, and some that are wholly pre-determined in statute or regulation. It also includes awards originally appropriated in the capital budget many years before the HEAL Act passed. Yet because the funding has environmental benefits, and because those funds were expended in fiscal year 2024, they were included as part of this report. Additionally, most of the budget was appropriated prior to the enactment of the HEAL Act; thus, the progress towards the HEAL goal of 40% is not realized in this year's reporting and will take time.

In the future, we expect to expand our reporting categories to include other types of pass-through funds that are not easily trackable in agency databases, such as vouchers and other contract programs. We are additionally exploring the possibility of categories from our operating budget, such as services rendered through Washington Conservation Corps and activities like compliance inspections and technical assistance. This will take consideration and time to develop.

Methods for Financial Data Collection

Since the budget and funding requirements of the HEAL Act went into effect in 2023, Ecology began to explore possibilities for assessing our starting point in this work, to be able to more accurately, consistently, and methodologically track progress over time. To assess our starting point, and after identifying covered programs and expenditures, we identified available resources and databases that provide data relevant to tracking progress on this goal.

Specifically, we collected financial data from:

- Ecology’s Administration of Grants and Loans (EAGL) system
- Agency Financial Reporting System (AFRS)
- Ecology’s [2023-25 Budget & Program Overview](#),⁶ and
- Ecology’s internal cleanup database the Integrated Site Management System (ISIS)

We also supplemented data with information from Ecology’s Contracts and Grants Payable (CGP) database and obtained additional information from grant and expenditure program managers, budget managers, and Ecology cleanup project managers.

Most of the expenditures in this report were tracked using EAGL. EAGL uses cash accounting instead of accrual accounting (the accounting system that AFRS uses). Cash accounting reports expenditures when invoices are paid, while accrual accounting reports expenditures when the work was done, or goods were procured. This means that HEAL expenditures will differ from other Ecology reports that use AFRS to calculate expenditures. HEAL reporting uses EAGL expenditures because dollars spent can be tracked to the geographic boundaries of each project (such as the location of a facility being upgraded and the geographic area that would benefit), which is not currently an option in AFRS. This allows Ecology to report on the benefit to an entire project area, which may span miles across multiple census tracts, rather than a single-point geographic data location (such as the mailing address of a grant recipient). AFRS does not currently allow for this more informative reporting for projects.

The exception to this reporting source and method is Ecology’s Toxics Cleanup Program. The Toxics Cleanup Program used the AFRS system and manually input geographic information to determine whether the project benefitted overburdened communities and vulnerable populations. This approach aligned with the program’s methodology for the [Model Toxics Control Act biennial report of expenditures](#).⁷

Ecology focused tracking on grants and expenditures as cash paid in fiscal year 2024, rather than amount awarded to recipients. Many of the agency’s expenditures are from capital reappropriations and support multi-year projects. Expenditures paid in fiscal year 2024 from rollover accounts were included in this report because:

- Excluding these expenditures would lead to missing a significant amount of Ecology’s budget
- Comprehensive budget reporting aligns with our interpretation of the HEAL Act’s budget equity goals for the whole of a covered agency’s administration
- HEAL requirements to report on grants and expenditures that provide environmental benefits are in line with the mission and work of our agency

⁶ <https://apps.ecology.wa.gov/publications/SummaryPages/2301004.html>

⁷ <https://apps.ecology.wa.gov/publications/SummaryPages/2309060.html>

In future reports, we expect to be able to provide a clearer picture of appropriations over their lifetime, rather than on a single-year basis.

The budget equity requirements of the HEAL Act were initiated in 2023, when Ecology set the goal of 40% of grants and expenditures that provide environmental benefits to be directed to overburdened communities and vulnerable populations. Many of the grant and expenditure programs that are included in this budget equity report will require more time to integrate the environmental justice and equity data tracking procedures for each program. For this report, Ecology relied on existing funding data, including information about recipients, project or award geolocation, and project descriptions.

Methods for identifying overburdened communities and vulnerable populations for prioritization, tracking, and reporting

For the purpose of analyzing Ecology’s progress towards the 40% goal, the agency evaluated what percent of our awards (our promises to pay money in the future) and our expenditures (our payments from previous promises, some decades old) benefited vulnerable populations in overburdened communities. Below are our methodologies for identifying overburdened communities and vulnerable populations.

Overburdened community designation

The HEAL Act defines overburdened communities as geographic areas where vulnerable populations face combined, multiple environmental harms and health impacts, and includes, but is not limited to, highly impacted communities as defined in RCW 19.405.020 (which also includes communities highly impacted by fossil fuel pollution and climate change, and census tracts that are fully or partially on lands that US federal law characterized as Indian Country as defined in 18 U.S.C. Sec. 1151) determine if a project benefited an overburdened community, Ecology used the Governor’s Overburdened Communities [Map](#),⁸ [Uniform approach for identifying overburdened communities and vulnerable populations to direct and track investments under the Healthy Environment for All and Climate Commitment Acts](#) as directed by the Governor (Directive 24-11).⁹

Three different tools were layered to create the map:

- Map layers depicting census tracts ranked 9 or 10 on the [Washington Environmental Health Disparities Map](#)¹⁰
- Geographic areas characterized as “disadvantaged” on the federal [Climate and Economic Justice Screening Tool](#)¹¹

⁸ https://geo.wa.gov/datasets/e0074300efda47efa6b01e6236bcfe48_0/explore?location=46.826949%2C-120.897341%2C7.00

⁹ https://ofm.wa.gov/sites/default/files/public/budget/info/Approach_for_IdentifyingOBCs_JUNE26.pdf

¹⁰ <https://doh.wa.gov/data-and-statistical-reports/washington-tracking-network-wtn/washington-environmental-health-disparities-map>

¹¹ <https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5>

- Census tracts that are fully or partially on “Indian Country” as defined in 18 U.S.C. Sec. 1151.

We want to recognize important limitations on this year one approach in relation to the inclusion of Tribes and tribal lands. While the approach this year was framed by the statutory language and set by the Governor’s directive, there are ongoing discussions across the covered agencies, inter-agency Tribal liaison work group, and the Governor’s Task Team for Identifying Overburdened Communities about improving the budget equity reporting by strengthening the approach to the consideration and inclusion of tribal lands. Specifically, recognizing the limitations of relying exclusively on federally designated lands and the need to include discussion about usual and accustomed areas and other lands of significance to Tribes and indigenous communities. Incorporating Tribal and community identified areas of importance are intended to more deeply understand potential environmental harms and benefits and deliver equitable outcomes.

For the purpose of this report, a “project area” is an area that is expected to benefit from receiving funds or services. This is often in the form of an award that was passed through to a local entity (community group, local government or authority, non-profit or non-governmental organizations, and more). A project area may have a small footprint, such as an individual clean up in a small area (a single block, for instance). A project area may also be more complicated, such as a project that aids in salmon restoration across many miles of a waterway. The size and shape of benefits are not standardized because our grants and expenditures provide a wide variety of benefits. They are not often traceable to a singular address and require more thoughtful consideration. Because of this, Ecology uses what are called polygons, or shape data, rather than individual point data, to track the benefits of our work.

There are some challenges with linking project areas to the Overburdened Communities Map. For instance, some awards are given to entire counties. Even though the funds may be distributed entirely to vulnerable populations within census tracts that are identified as overburdened, Ecology only currently tracks the recipient as the county. This would result in many other non-overburdened tracts being included in our analysis, and it could make it look like we are distributing fewer resources to vulnerable populations in overburdened communities than we actually are. Additionally, some of our awards have individual recipients or sub-recipients. To protect these recipients’ home addresses, for tracking and reporting purposes, we identify the recipient only by city or county. Once again, like in the example above, this can result in an overcounting of benefits to non-overburdened communities, skewing our end results. We will continue to try to address these challenges as we learn more in this work.

To determine if the project benefited an overburdened community, Ecology evaluated the project area that would benefit from the award and overlaid the project area onto the Overburdened Communities map. Some project areas may have a perfect overlap with census tract boundaries, but most do not. That difference requires us to decide whether or not to

include the project as a benefit to overburdened communities. To avoid including projects that had a very small actual overlap with overburdened communities, Ecology adopted a threshold to determine if benefits were located in an overburdened community, that errs on the side of under-reporting our expenditures that count towards the HEAL Act goal. The threshold is: at least 25% of the project area had to overlap with an overburdened community area for the project's benefits to be considered benefitting an overburdened community. This threshold allows Ecology to take an inclusive approach while also preventing us from counting projects with, for example, just a 1% overlap of the project within an overburdened community area.

Vulnerable population designation:

The HEAL Act defines vulnerable populations as population groups that are more likely to be at higher risk for poor health outcomes in response to environmental harms, due to:

- adverse socioeconomic factors, such as unemployment, high housing and transportation costs relative to income, limited access to nutritious food and adequate health care, linguistic isolation, and other factors that negatively affect health outcomes and increase vulnerability to the effects of environmental harms; and
- sensitivity factors, such as low birth weight and higher rates of hospitalization.

Vulnerable populations by definition also include, but are not limited to racial or ethnic minorities, low-income populations, populations disproportionately impacted by environmental harms, and populations of workers experiencing environmental harms. Based on guidance from the HEAL Act Interagency Tribal Liaison's Work Group, Ecology included Tribes as vulnerable populations for this analysis.

To identify vulnerable populations for fiscal year 2024, Ecology used three approaches: a data-driven approach, a self- or agency-identification approach, and an approach that evaluates if benefits went to Tribes. The methods selected to assess benefits to vulnerable populations in overburdened communities helped to determine the agency's range, and they will be updated through iterative learning in the future.

Approach #1, data-driven approach: We identified vulnerable populations as census tracts that meet either of the following criteria:

- 80th Percentile for Low Income
- 80th Percentile for People of Color

Like overburdened communities, a 25% threshold was used to determine if a project benefitted vulnerable populations. Specifically, if 25% or more of people in an Ecology project area were from census tracts that met the 80th percentile for low income and/or the 80th percentile for people of color, that project may be considered beneficial to vulnerable populations. This percentage was calculated for all of the expenditures tracked in fiscal year 2024.

Approach #2, self- or agency- identification approach: Grant and expenditure program managers had the option to override the data-driven determinations with information to fill in

known data gaps. The data collection process included an option for each grant and expenditure program to override the vulnerable population field if they provided evidence that the project did indeed benefit vulnerable populations. This self-identification allowed for improved local data in Ecology’s reporting and acted as an additional check for data accuracy.

Some of Ecology’s awards, like \$138 million award to the Duwamish River project (the Georgetown Water Treatment Facility), are highly complex. Our discussion of large grant opportunities (page 19) highlights some of the challenges of making simple “yes/no” determinations on whether an award benefited a vulnerable population. For this reason, Ecology has provided a range of possible benefits to vulnerable populations in overburdened communities, with a clear explanation for how different methods would result in different outcomes. As this work matures in the future, this method is likely to be implemented for agency expenditures that provide benefits to support, maintain, and protect the environment in places that require more nuanced understandings, such as Tribal usual and accustomed areas.

Approach #3, benefits to Tribes: Ecology tracked grants and expenditures as funding to vulnerable populations when Tribes were recipients.

Overburdened communities and vulnerable populations

For consistency with other HEAL Act covered agencies, and as instructed in the directive from the Governor’s Office, Ecology identified projects that counted towards our 40% goal only if they benefited vulnerable populations within overburdened communities. As instructed, we were to assess with a yes/no binary if benefits did meet those criteria, rather than assess what percentage or proportion benefitted vulnerable populations in an overburdened community. Because of the yes/no binary, we needed to develop a threshold to determine if a project or expenditure should count towards our equity goal. To mark a project as “yes,” it had to benefit vulnerable populations *and* overburdened communities. This means that projects that may benefit an overburdened community, but not necessarily a vulnerable population, would not count; and conversely, projects that benefit a vulnerable population, if not in an overburdened community, would also not count. Requiring that projects meet both criteria better ensures that the projects reported actually advance agencies toward the 40% goal defined in the HEAL Act. Tying benefits back to our methodology, first we identified whether 25% or more of the Ecology project overlapped with overburdened communities, and if yes, then we checked whether 25% or more of the project overlapped with vulnerable populations. If both criteria were met, the expenditure was counted to benefit overburdened communities and vulnerable populations.

In the future, Ecology and the HEAL Act Inter-agency Work Group will explore the possibilities of more focused and accurate reporting. For example, we hope to explain how much and what proportion of an expenditure benefited a vulnerable population within an overburdened community. Agencies and staff expect to overcome many of the obstacles from this first year, including time constraints, data limitations, and the challenges of collecting comparable data across agencies that operate differently.

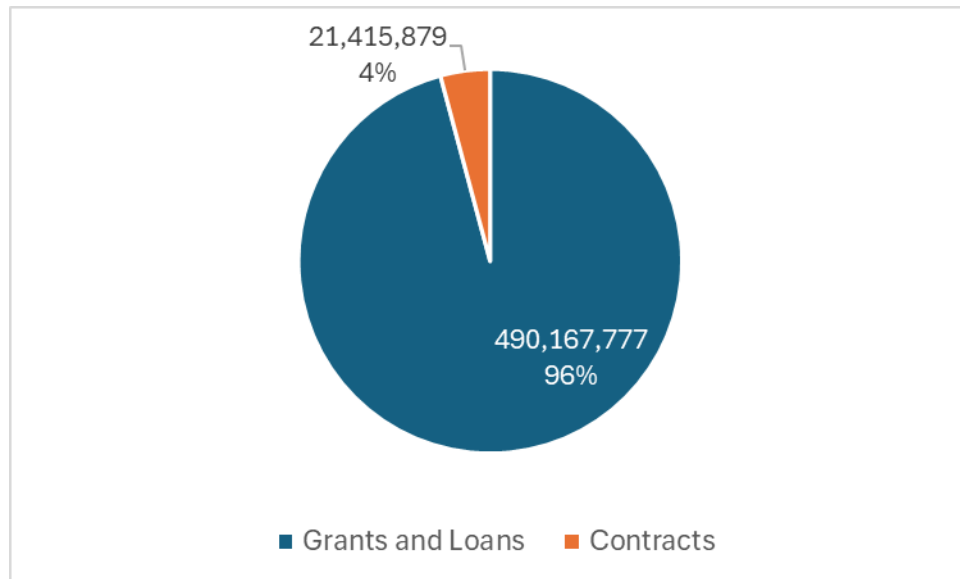
Status of the 40% goal

Overview

Ecology made 1,269 total awards in grants and expenditures that provide environmental benefits in fiscal year 2024. The total amount of these 1,269 expenditures was \$511.5 million. Of all these pass-through funds, 96% are grants and loans and 4% are contracts (Figure 2).

Of the \$511.5 million in total grants and expenditures providing environmental benefits, and based on our year one methodologies, at least \$142.0 million (28%) and up to \$279.8 million (55%) provided environmental benefits to vulnerable populations within overburdened communities.

Figure 2: Fiscal Year 2024 Expenditures by Fund Type



Tables 1 and 2 show how the measured performance towards Ecology’s 40% goal changes when adjusting the criteria threshold for overburdened communities and vulnerable communities. This range will look different depending on the selected method. See the *Scenarios* section below for more.

Scenarios

These scenarios highlight the sensitivity to changes in methodology and demonstrate the need for a standardized approach across covered agencies for consistent, comparable, and informative assessments through time to evaluate progress.

Table 1 shows what results would be if Ecology only considered benefits to overburdened communities, without further narrowing our evaluation to focus specifically on benefits to vulnerable populations within those geographic areas. In other words, Table 1 is focused only on benefits to overburdened communities, not vulnerable populations within overburdened

communities. Table 2, however, shows a variety of scenarios that do include an assessment of vulnerable populations within overburdened communities, and additionally include the approach that Ecology has taken for this report (highlighted).

Table 1: Scenarios for 1%, 25%, and 50%+ Project Overlap with Overburdened Communities

Overburdened Communities Thresholds	\$ Amount (in millions)	Percentages
Total expenditures in geographic areas with minimally 1% overburdened communities	376.0	74%
Total expenditures in geographic areas with minimally 25% overburdened communities	320.4	63%
Total expenditures in geographic areas with 50%+ overburdened communities	279.5	55%

Table 2: Scenarios for 1%, 25%, and 50%+ Project Overlap with Overburdened Communities and Vulnerable Populations

Overburdened Communities and Vulnerable Population Thresholds	\$ Amount (in millions)	Percentages
Total expenditures in geographic areas with minimally 1% overburdened communities and 1% vulnerable populations	360.6	70%
Total expenditures in geographic areas with minimally 25% overburdened communities and 25% vulnerable populations*	142.0	28%
Total expenditures in geographic areas with minimally 25% overburdened communities and 25% vulnerable populations, with inclusion of the Georgetown Wet Weather Treatment project as a benefit to vulnerable populations ^{12**}	279.7	55%
Total expenditures in geographic areas with 50%+ overburdened communities and 50%+ vulnerable populations	212.3	41%

¹² See section on The Influence of Large Grant Opportunities

*Lower bound of reported range

**Higher bound of reporting range, see *The Influence of Large Grant Opportunities* on page 19 for more information

Environmental Benefits to Tribes

Ecology also evaluated how much of our funding benefited Tribes. In statute, Tribes are identified as a vulnerable population and Tribal reservation lands are explicitly identified as overburdened communities. Ecology additionally works to protect and restore the environment on areas of Tribal significance that may be outside of Tribal Lands, such as in usual and accustomed areas, and require a more nuanced, iteratively-developed approach for evaluation for including these investments towards the HEAL goal in future years.

Across 56 grant and expenditure programs that provided environmental benefits in fiscal year 2024, \$375.7 million was eligible to Tribes (Figure 3). Of this amount, Tribes received \$7.8 million, or 2% of the total available (Figure 4). The “N/A” below for Tribal eligibility represents 53 Toxics Cleanup contracts which do not have the same eligibility criteria as grants and loans.

Figure 3: Grants with Tribal Eligibility

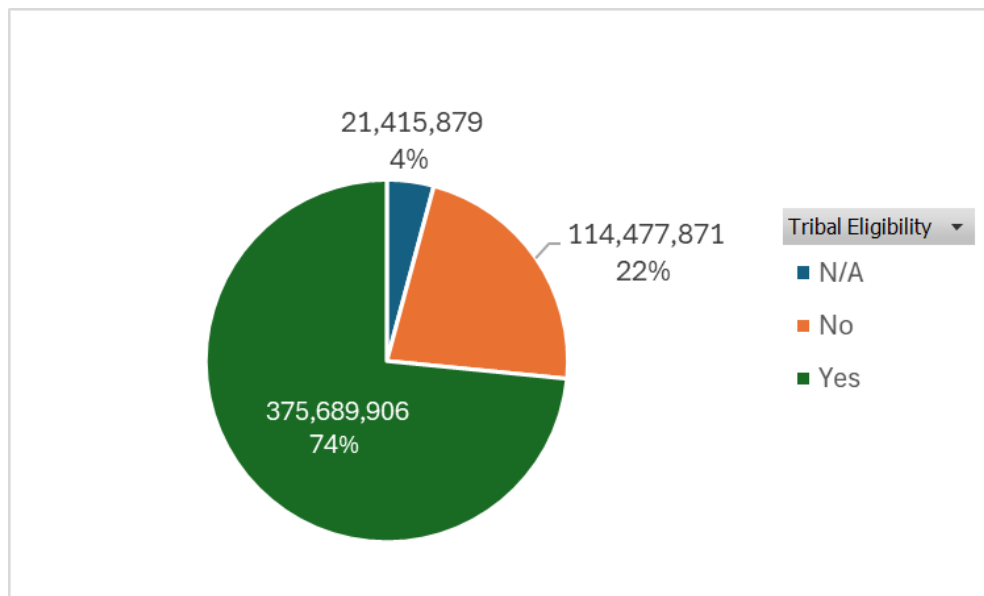
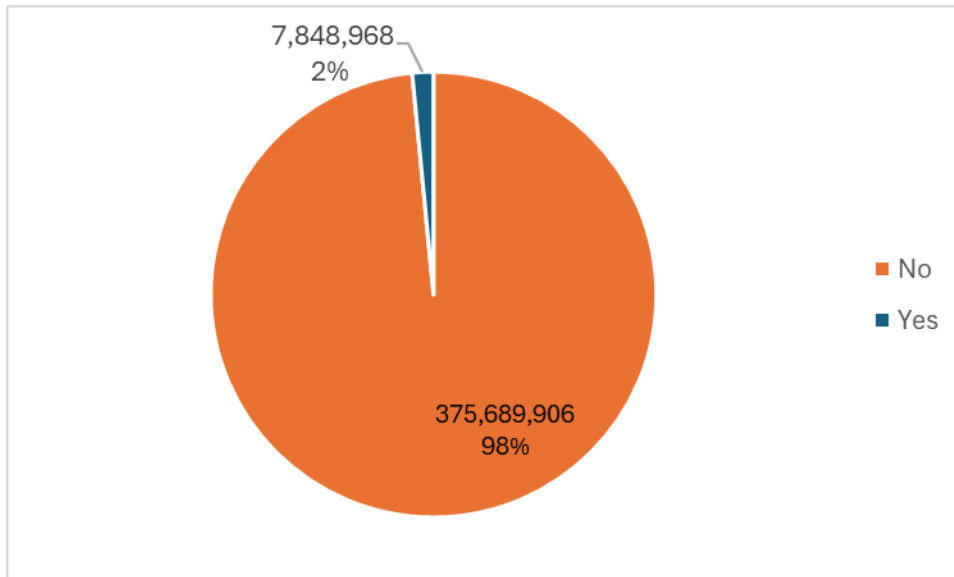


Figure 4: Percentage Expended to Tribes from Eligible Grants



One-time Grant Programs

Our calculations for fiscal year 2024 include one-time grant programs. One-time grant programs refer to funding opportunities that are awarded only once to a recipient, rather than on a recurring basis. These grants normally support specific projects, initiatives, or needs that do not require or are unlikely to receive ongoing funding. They may be externally directed by federal partners or the legislature and often have very little discretion available. This means there are few opportunities to work in changes that promote equity or environmental justice initiatives. We included these one-time grant programs to promote transparency around agency expenditures, and also to help clarify where the agency has opportunities to influence improved outcomes.

In fiscal year 2024, Ecology expended \$19.6 million in one-time grant programs. \$10.3 million (53%) of this amount benefitted vulnerable populations in overburdened communities.

Opportunities with lower relevance

We also included programs that provided environmental benefits but may only indirectly address cumulative environmental and health harms. This includes programs like the Freshwater Algae Control Grant Program which had \$124,907 in expenditures and the Puget Sound Nutrient Reduction Grant Program which had \$2 million in expenditures. These programs make up around 0.4% of the total expenditures for fiscal year 2024.

The Influence of Large Grant Opportunities

Grant opportunities offered by Ecology have the power to drastically shift our agency-wide budget equity analysis with just a single grant award. For instance, one grant totaling \$138

million in capital investments for the Duwamish River watershed represented 27% of Ecology's annual expenditures. The project treats 70 million gallons of combined rain and wastewater a day that otherwise would have discharged directly into the Duwamish River, a Superfund site. This specific project, the Georgetown Wet Weather Treatment plant, will improve water quality in the Duwamish River watershed and will have direct benefits to an overburdened community. While the benefit to vulnerable population is less clear using data-driven methods, the magnitude of the project coupled with environmental benefits to a location with longstanding environmental injustices, are reasons why Ecology decided to report a range for HEAL Act expenditures. The Duwamish waters ultimately flow into the Puget Sound, with benefits being dispersed across the greater population, that includes areas identified as vulnerable populations. This also illustrates that in some years where large grants do meet both criteria, our agency-wide number may be higher. However, this may not be representative of higher equity standards in our grant programs, but rather is simply the influence of an exceptionally large expenditure. While the agency has established the goal of directing 40% of our grants and expenditures to vulnerable populations within overburdened communities, the processes through which we evaluate our programs will take time and consideration to meet the spirit and intent of the law.

Ecology is continuing to fine-tune the methodology to better capture benefits to overburdened communities and vulnerable populations. For example, the Duwamish River project should have a partial benefit to communities along the Duwamish River, but we were not able to report partial benefits this year. In the future, the agency hopes to report partial benefits to communities including consideration for usual and accustomed areas for Tribes.

Steps Taken to Embed Equity and Environmental Justice into Grant and Expenditure Programs

Overview

Ecology has long pursued efforts to promote environmental justice and address inequities in the distribution of benefits and services. Some early steps the agency has taken to work environmental justice and equity into agency practices include:

- Developing scoring criteria in competitive grant evaluations
- Improving accessibility to opportunities (ADA and language access)
- Considering equity in offering technical assistance
- Working closely with community groups to drive the development of select funding opportunities.

Because of the unique nature of each of the funding programs included in this report, they each take a different approach to equity and environmental justice.

Before the HEAL Act, embedding equity and environmental justice in our financial programs was done inconsistently. The agency now has the opportunity to build in across our funding

programs the criteria needed to advance our environmental justice and equity efforts, and work towards organizational consistency. The HEAL Act empowers Ecology to take a more systematized approach. It creates accountability for all of our grant and expenditure programs that provide environmental benefits. This systematic agency-wide approach is still in development, with select programs modeling the way forward.

Identifying additional challenges, opportunities and strategies

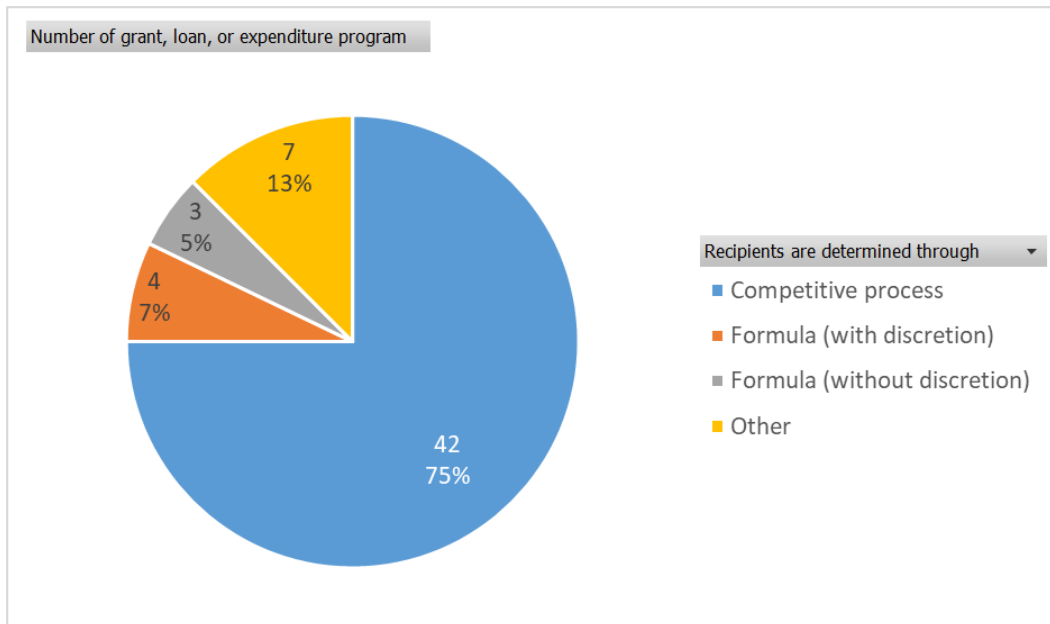
Ecology is continuing to develop and implement budget processes that incorporate environmental justice. This is ongoing work that will continue to evolve as the agency learns more, and as the Environmental Justice Council provides guidance. The types of decision processes that Ecology takes action on will be updated as our practices mature and as more information becomes available.

This report is based on data collected from 56 of Ecology’s grant, loan, forgivable loan, and contract programs across nearly all environmental programs¹³. Each of these funding programs is unique and they may take a different approach to equity and environmental justice.

These programs may also have different technical challenges to embedding equity and environmental justice considerations for fund expenditures. For example, 7 of the programs have a rigid formula for distribution rather than a competitive solicitation which could help weight funding towards overburdened communities and vulnerable populations. In 42 other programs, awards are determined through a competitive process (Figure 5), with varying levels of discretion for how to include and weight applicant and scoring criteria.

¹³ Except for the Nuclear Waste Program, which did not have any grants or expenditures that provided environmental benefits in fiscal year 2024.

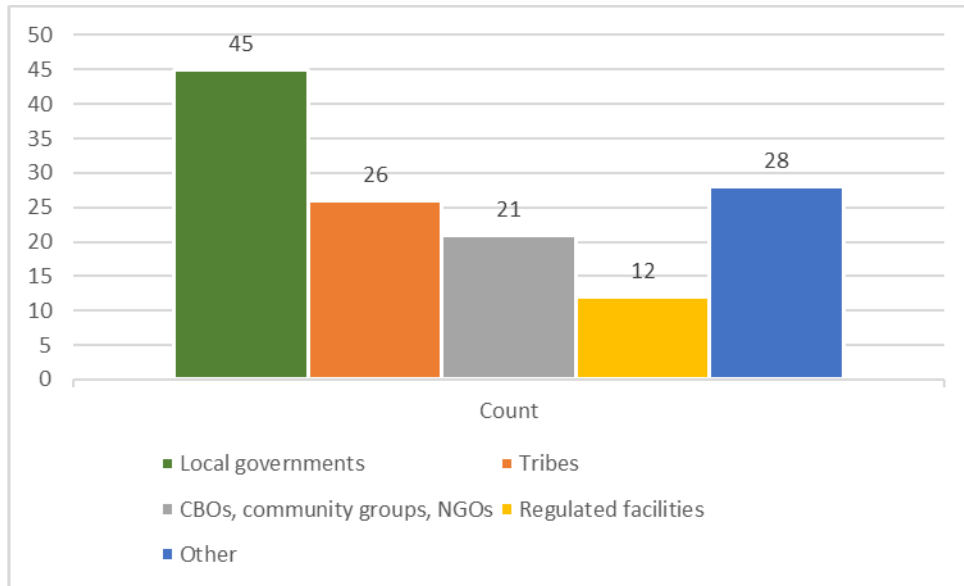
Figure 5: Grant Opportunities' Selection Process



In addition, eligibility criteria in some grant programs limit the potential to directly benefit communities. Of the agency grant programs, 45 grants are available to local governments and authorities, 12 grants were available to regulated facilities, 21 are directly available to community groups, community-based organizations, non-governmental organizations and other local community-led organizations, and 26 are available to Tribes (Figure 6).

Limitations on recipients narrows the field of opportunity for providing direct benefit to overburdened communities and vulnerable populations. These restrictions require Ecology to think creatively about how to tie environmental justice and equity requirements into partnership agreements with organizations like local governments.

Figure 6: Eligible Recipients of Grants



Ecology is exploring ways to improve budget equity processes and outcomes starting first with strategies that are already established and used. All the grant and expenditure programs included in this report were asked the following question in an agency-wide survey: “Does your program incorporate any of the following equity and environmental justice components in your work? (Select all that apply):

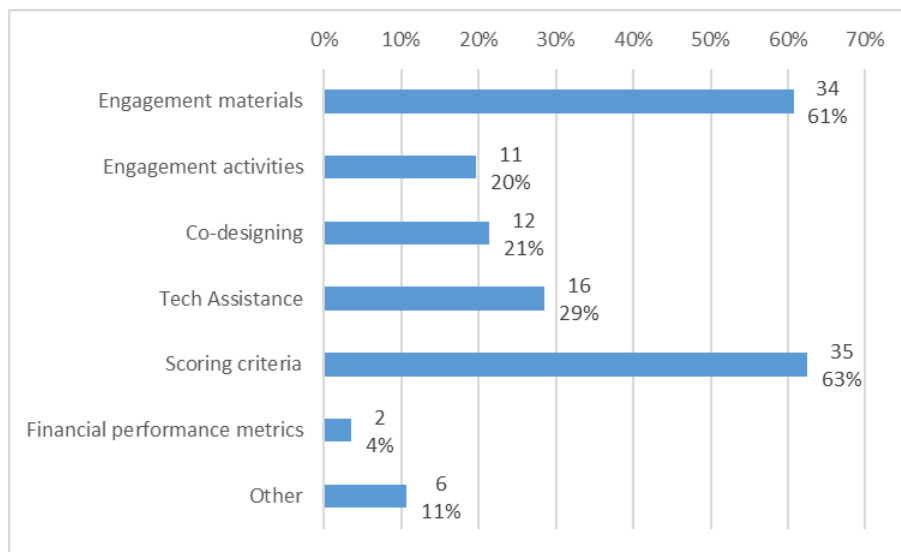
- Engagement materials (for instance: handouts are translated into appropriate languages, or webpages)
- Engagement activities (for instance: reducing barriers to participation through compensation, meeting people where they already are)
- Co-designing, in full or in part, the program with groups that represent overburdened communities, vulnerable populations, and/or Tribes
- Development of your expenditure program’s technical assistance offerings (for instance, you do targeted outreach to attract and provide support to new applicants to from overburdened communities, vulnerable populations, and/or Tribes, or your program offers training materials on how to apply to support new applicants).
- Scoring criteria, formula, or other prioritization factors
- Financial performance metrics
- Other

Most funding programs (61%) reported that they translate communications into appropriate languages and more generally consider equity in engagement materials. Most funding programs (63%) also reported that they have embedded environmental justice and equity into

scoring criteria (which helps prioritize recipients). Figure 7 summarizes all the responses we received from our initial assessment.

While some foundational work has been done, it has not been consistent across the agency. HEAL directives and accountability, as well as emerging pro-equity budget practices, push us to strengthen agency expenditures in support of environmental justice. We know we can improve in technical assistance offerings; in creating opportunities for co-design with people from overburdened communities, vulnerable populations, and Tribes; and in directly addressing disparities and elevating environmental benefits through supplemental environmental projects and good neighbor agreements.

Figure 7: Number (and %) of Programs that Implemented EJ/Equity Activities



Meaningful Participation in Agency Decision Making

The HEAL Act requires covered agencies to create opportunities for people from overburdened communities and vulnerable populations to meaningfully participate in agency expenditure decisions.

Ecology is currently doing foundational work that will help us facilitate these sorts of meaningful participation processes. Our efforts are largely focused on addressing key barriers to engagement.

The process guidance in the [Community Engagement Guide for HEAL Act Implementation](#)¹⁴ includes explicit guidance for identifying common barriers and implementing solutions to address them throughout engagement. See:

¹⁴

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fecology.wa.gov%2Fgetattachment%2F1003>

- Process Guide Part 1 (Preparing to engage with community)
- Process Guide Part 2 (Engaging with community)

This Community Engagement Guide is being updated to incorporate guidance from the Environmental Justice Council (RCW 70A.02.050(3)). Updates will also make the guidance more specific to and actionable for Ecology. The updated Community Engagement Plan, currently in draft form, will identify common barriers to engagement. It will also incorporate specific process guidance and best practices for programs to address barriers to engagement for overburdened communities and vulnerable populations.

To address language barriers, Ecology has also developed, adopted and is in the process of implementing a Title VI Language Access Plan. This plan is designed to help the agency have the understanding, tools, and resources needed to address language barriers that disproportionately impact vulnerable populations. This work is still early in development.

Ecology will continue to iterate in this work with our various thought partners from the HEAL Act Inter-agency Work Group, the Governor’s Environmental Justice Council, and our partners at federal and other external agencies. A priority for this work is to center and elevate engagement, relationship, and collaboration with interested community groups. This work is an ongoing process.

Ecology is also addressing financial barriers to meaningful engagement by implementing [RCW 43.03.220](#) as amended by 2SSB 5793, with additional guidance from the state [Office Of Equity's Community Compensation Guidelines](#).¹⁵ Using these authorities, Ecology has begun offering compensation to community members who are low income and/or have relevant lived experience for participation on agency workgroups, provided they are not otherwise compensated. Recently Ecology released internal guidance that establishes standard agency protocols for implementation of RCW43.03.220 and the Office of Equity Community Compensation Guidelines. This guidance provides additional structure and support for Ecology to issue lived experience compensation. This contributes to our agency’s efforts to remove barriers to access and promote fair and equitable engagement.

7f38-fbaa-4b3e-b659-27aaf62511cc%2FCommunity-Engagement-Process-Guide_V9-1-2023-accessible.pdf%3Flang%3Den-US&data=05%7C02%7Cceec461%40ECY.WA.GOV%7Ca3eaf61ff3114ec3e08908dcd27ea851%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638616688638469493%7CUnknown%7CTWFpbGZsb3d8eyJWlJoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C0%7C%7C%7C&sdata=rX5DlhJyvNRPI%2Bz%2BU11CMU33pSZHZid1ApL0%2FDDo%2B4%3D&reserved=0

¹⁵ <https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Flive-office-of-equity.pantheonsite.io%2Fsites%2Fdefault%2Ffiles%2F2024-01%2FCommunity%2520Compensation%2520Guidelines%2520-%2520v1.1%2520for%2520Site%2520Upload.pdf&data=05%7C02%7Cceec461%40ECY.WA.GOV%7Ca3eaf61ff3114ec3e08908dcd27ea851%7C11d0e217264e400a8ba057dcc127d72d%7C0%7C0%7C638616688638492561%7CUnknown%7CTWFpbGZsb3d8eyJWlJoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C0%7C%7C%7C&sdata=S4IVoL%2BUqEQQcMmzjJbRRATSJ7ubo%2BgPVwoGCaTwC6o%3D&reserved=0>

Examples of Meaningful Participation in Agency Decision Making

Example #1: Improving Air Quality in Overburdened Communities Grant Program

The new [Air Quality in Overburdened Communities Grant program](#) funds locally led projects in overburdened communities to reduce sources of criteria air pollution. Funding air quality projects that are for communities and by communities is part of the Ecology's growing body of environmental justice work. To accomplish this goal, Ecology [engaged communities in the grant design process](#) and is:

- Inviting communities to submit different project types that address their local concerns
- Requiring grantees engage with their communities in the design of projects to ensure projects reflect the priorities, values, and needs of each community
- Including community engagement activities as an eligible cost
- Prioritizing applications that demonstrate applicants' experience working in communities and projects that address environmental justice.

Example #2: Zero Emission School Bus Grant Program

The Clean Diesel Electric School Bus Program has embraced a philosophy of continuous improvement. This program engages Washington's school districts and their local communities, including those in overburdened communities, through surveys, online technical workshops, conference presentations and one-on-one meetings. The goal is to review our performance with interested parties, better understand their needs, and use this information to improve each round of Zero Emission School Bus program grants. This biennium, Ecology staff have engaged school districts by attending at the Washington State Pupil Transportation conferences and Educational Service District Transportation Supervisor meetings. Ecology also co-hosted workshops with the Washington Green Transportation Program. Input received allows Ecology to build grant programs that better meet school district's needs.

Example #3: Partnership with Mother Africa on Safer Products for Washington

Ecology partnered with Mother Africa, a nonprofit organization that supports African immigrant and refugee women and their families. Through this partnership we collaboratively developed culturally relevant outreach materials for the Safer Products for Washington program. Materials included a coloring book on how to identify certified safer household products in stores, and a pamphlet on safer products for household use. These outreach materials were translated into several languages and used in workshops with the Mother Africa communities.

Example #4: Focus group on Toxic Free Cosmetics Act

The Toxic Free Cosmetics Act enables Ecology to regulate certain toxic chemicals in cosmetics. Many of these chemicals are of concern to Black women and cosmetologists who specialize in Black women's hair care. This is largely because of the disproportionate exposure to some

chemicals like formaldehyde and formaldehyde-releaser chemicals in certain hair straighteners and hair smoothing processes. Exposure to these chemicals can have negative health impacts. To better improve the implementation of the Toxic Free Cosmetics Act, Ecology supported formation of a focus group of cosmetologists who specialize in Black women’s hair. Their feedback helped Ecology design the forthcoming technical assistance and reimbursement program for cosmetologists.

Example #5: Supplemental Environmental Projects

Enforcement actions play an important role in environmental protection by deterring violations and ensuring that violators do not obtain an unfair economic advantage over their competitors who made the required investments to comply in a timely manner. A Supplemental Environmental Project (SEP) is an environmentally beneficial project funded through settlement of a penalty. A SEP has the potential to redirect resources back into harmed overburdened communities and vulnerable populations. One example of a SEP emerged from a penalty to Tumwater Development LLC for an oil spill from a vandalized transformer at the site of the former Olympia Brewery in Tumwater. From this incident, 587 gallons of oil spilled into Brewery Park at Tumwater Falls discharging to the Deschutes River, which flows to Capital Lake and Puget Sound. The Squaxin Island Tribe received \$750,000 toward restoration work in the Lower Deschutes River Watershed as a supplemental environmental project identified and managed by them. In addition, the violator repaid the state \$2.25 million in expenses for initial spill response and clean up as well as a \$14,000 penalty,

Example #6: Clean Water State Revolving Fund Loans

This pass-through funding opportunity in the Water Quality program reimburses applicants for expenses that create opportunities for overburdened communities and vulnerable populations to meaningfully participate in project planning, design, and implementation. This program also provides staff and one-on-one customized technical assistance to communities that do not have enough technical staff to apply for or manage grants or loans.

Requirement RCW 70A.02.080(2d)

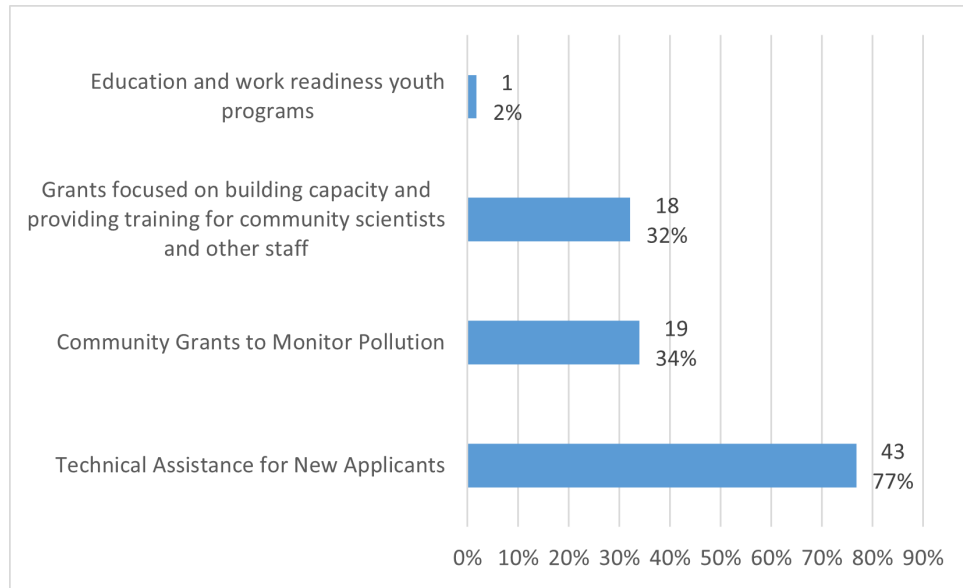
The HEAL Act, under RCW 70A.02.080 2(d), asks agencies to “consider a broad scope of grants and contracting opportunities that effectuate environmental justice principles, including:

- Education and work readiness youth programs focused on infrastructure or utility-related internships to develop career paths and leadership skills for youth.
- Grants focused on building capacity and providing training for community scientists and other staff;
- Community grants to monitor pollution; and
- Making technical assistance available for communities that may be new to receiving agency grant funding.”

Ecology is assessing which of the above already occur in current funding programs, and which can be incorporated for future funding opportunities. Currently:

- 43 programs (77% of programs) of the total 56 programs offer technical assistance to communities that may be new to receiving agency funding
- 19 programs offer community grants to monitor pollution
- 18 programs offer grants focused on building capacity and training for community scientists and other staff
- 1 program provides education and work readiness youth programs focused on infrastructure or utility-related internships (see Figure 8 below)

Figure 8: Number (and %) of Grants and Contracting Opportunities that Effectuate Requirements Under 70A.02.080(2d)



Additional Agency-wide Approaches to Budget Equity

In addition to the goals identified above, and the steps taken to make meaningful progress on them, Ecology had initially developed and implemented budget processes that incorporate environmental justice. This will continue to be an iterative process that will evolve as the agency learns more, and as the Environmental Justice Council provides guidance.

Towards these additional budget equity goals, Ecology initially developed and published on our website the types of decision processes the agency would take for budget development, making expenditures and granting or withholding environmental benefits.¹⁶

We identified the following types of decision processes to initially take action on, including:

- **Budget development process** –Identifying ways to build environmental justice into budget requests to the extent practicable.

¹⁶ <https://ecology.wa.gov/about-us/who-we-are/environmental-justice/heal/budget-equity>

- **Competitive grant and loan funding program process** - Emphasis on including environmental justice considerations into funding guidelines, including scoring and ranking criteria to the extent practicable.
- **Partner-driven grant funding program process** - Cooperation with external boards and groups to identify and prioritize projects for legislative appropriation.
- **Contracted Ecology-led site cleanup program process** - Make informed decisions that incorporate environmental justice criteria and include local community input while following the state regulatory process.
- **Contract and procurement process** - Follow state and agency policies and procedures, including supplier diversity policies and Executive Order 22-01 to encourage and facilitate the purchase of goods and services from small, diverse, and or veteran-owned businesses to the maximum extent possible.
- **Technical assistance program process** - Prioritize assistance to underserved populations.

Initial implementation of budget and funding requirements has so far focused on budget decisions where Ecology has discretion to direct or influence expenditures that may reduce or eliminate environmental harm, address environmental and health disparities for overburdened communities and vulnerable populations, and cultivate community and infrastructure resilience.

The Influence of Environmental Justice Assessments

The HEAL Act directs covered agencies, including Ecology, to conduct Environmental Justice Assessments when planning significant agency actions¹⁷. Significant agency actions include budgetary activities like establishing a new grant or loan program and making grants or other awards of at least \$12,000,000. Environmental Justice Assessments are an opportunity to better understand a wide range of environmental justice impacts that an action may have in the early stages of our work. They will help us make informed decisions to reduce environmental harms, and to address environmental and health disparities in overburdened communities.

During the 2023-25 biennium, Ecology completed one Environmental Justice Assessment that fits into one of the two budget equity categories identified above. The Air Quality in Overburdened Communities Grant is a new grant opportunity to incentivize and support the reduction of non-regulated sources of criteria air pollutant emissions in communities overburdened and highly impacted by air pollution, including Tribes participating in Ecology’s Initiative to Improve Air Quality in Overburdened Communities Highly Impacted by Air Pollution are also eligible recipients. \$10 million will be available to organizations serving these communities to identify, develop, and implement local projects to reduce criteria air pollution in communities that are historically overburdened with health, social, and environmental inequities.

¹⁷ <https://app.leg.wa.gov/RCW/default.aspx?cite=70A.02.010>

To learn more about the program and apply, please visit our [website](#)¹⁸

To read the Environmental Justice Assessment: please see the report, "[Environmental Justice Assessment: Air Quality in Overburdened Communities Grant](#)"¹⁹

Also in this biennium, Ecology initiated 10 additional Environmental Justice Assessments for covered actions related to budget equity. Those assessments include:

- A new grant program for Climate Resilient Riparian Systems
- A loan offer of more than \$12,000,000 to the City of Washougal for updated infrastructure at the city's wastewater treatment plant
- A loan offer of more than \$12,000,000 to the City of Sequim for West Sequim Bay Corridor sewer extension and lift station construction
- A loan offer of more than \$12,000,000 to Hartstene Pointe Water-Sewer District for Hartstene Point sewer collection system improvements
- A loan offer of more than \$12,000,000 to King County for the Duwamish combined sewer overflow project
- A loan offer of more than \$12,000,000 to Snoqualmie Pass Utility District for wastewater treatment plant membrane bioreactor improvements
- A new grant program for landfill methane emissions reduction
- A new grant program for improving air quality in overburdened communities
- A new grant program for water security drought response, and
- Linking Washington's carbon markets with the markets of California and Quebec.

For more information on all of Ecology's Environmental Justice Assessment's, please visit our [webpage](#).²⁰ To learn more about the Environmental Justice Assessments of all covered agencies, please visit the Environmental Justice Assessment Dashboard on OFM's webpage²¹.

Looking Forward

This report aims to establish a starting point for the agency in meeting the budget and funding requirements outlined in the HEAL Act. Because the lifecycles of our grant and expenditure programs is often years, it is challenging to assess agency progress from when the budget and funding requirements went into effect July 1, 2023. This report, however, establishes a clear starting point and is designed to be useful for comparison over time. To that end, the agency is beginning to explore what more rolled up reporting might look like at the end of the biennium,

¹⁸ <https://ecology.wa.gov/about-us/payments-contracts-grants/grants-loans/find-a-grant-or-loan/overburdened-communities-grants>

¹⁹ <https://apps.ecology.wa.gov/publications/summarypages/2402033.html>

²⁰ <https://ecology.wa.gov/about-us/who-we-are/environmental-justice/heal/environmental-justice-assessments>

²¹ <https://ofm.wa.gov/budget/budget-related-information/agency-activities/environmental-justice-assessment-notices>

when the next Budget Equity Written Report is due to OFM, to better assess not only expenditures, but also appropriations.

Towards the 40% goal, Ecology will continue to work to strategically deliver more environmental benefits to vulnerable populations in overburdened communities by:

- Developing grant equity best practices for meeting HEAL Act requirements
- Implementing a Language Access Plan
- Updating the Community Engagement Plan with guidance from the Environmental Justice Council
- Expanding opportunities to compensate community members for participation
- Providing direct assistance to grant and expenditure programs to address challenges to incorporating equity and environmental justice
- Assessing additional programs (such as vouchers) and operating costs (such as enforcement activities) for possible inclusion in future evaluations.

The agency has also identified important growth areas, including resources to Tribes, grant application processes and recipient protocols, community guided funding and project prioritization, and funding transparency.

To support planning and agency growth in these areas, Ecology's Office of Equity & Environmental Justice has established a full-time Senior Budget Equity Analyst position. The HEAL Act Unit will continue to collaborate with the agency's Fiscal Services Office, Information Technology Services Operations Office, the Ecology Grants Group, environmental program budget managers, planners, and others to meet HEAL responsibilities and demonstrate Ecology's environmental justice commitment. Ecology will also continue to pursue and develop opportunities to work with other HEAL Act covered agencies, federal agencies, the Environmental Justice Council, Tribes, members of overburdened communities and vulnerable populations, and community-based organizations.