

		Enacted Budget (6/30/2015)			
7/1/2015	\$ in thousands - Biennialized FTEs	FTE	GF-S	Other	Total
2015-2017 Carryforward Level		1,580.5	62,072	407,442	469,514
Maintenance Level Changes					
1	Public Participation Grants			428	428
2	Insuring Conservation Corps Members		136		136
3	Managing State Revolving Loans			541	541
4	Headquarters Building COP Reduction		(3,361)	(10,907)	(14,268)
5	Manchester Lab Facility Costs		46	182	228
6	Lease Adjustments < 20,000 sq. ft. (Richland)			24	24
7	Replace Core Technology Network ¹				
8	Other ML Changes ²		868	4,094	4,962
Policy Level Changes					
General Fund-State Reductions					
9	Completed Rulemaking Reduction	(0.6)	(96)		(96)
10	Reduce Flood Planning Grants			(2,000)	(2,000)
11	Eliminate Watershed Planning Program	(1.7)	(2,014)		(2,014)
12	Shoreline Master Program	(0.5)	(736)		(736)
13	Air Quality and Shorelands Fund Shift		(9,600)	9,600	
Deliver Integrated Water Solutions					
14	Regional Stormwater Monitoring Program	1.0		5,180	5,180
15	Walla Walla Watershed Management		270		270
Prevent and Reduce Toxic Threats					
16	Oil Spill Response Equipment Grants	4.6		1,900	1,900
17	Reduce Oil Spill Risk	5.8		1,354	1,354
18	Oil Spill Risk Assessments			500	500
19	Safe Transportation of Oil (ESHB 1449 S.L.)	4.2		1,044	1,044
20	Expanding Local Source Control	2.0		1,120	1,120
21	Implement Chemical Action Plans (Several Bills)				
22	Study Toxics Sources in Stormwater	0.2		864	864
23	Lower Duwamish River Source Control	2.1		715	715
24	Preventing Nonattainment	2.3		408	408
25	Hanford Tank Permit & Compliance	3.5		548	548
26	Complying with Air Quality Lawsuits	2.5		448	448
27	Spokane River Innovative Collaboration			310	310
28	Meeting Air Operating Permit Needs	0.3		66	66
Technical and Miscellaneous					
29	Upgrade to SharePoint 2013 ¹				
30	Reduce Leaking Tank Cleanup Expenditures			(486)	(486)
31	Litter Control and Waste Reduction			(5,500)	(5,500)
32	WA Conservation Corps Minimum Wage		183		183
33	Biosolids Permitting	1.2		164	164
34	WFSE Gen Gov/Wage Incr/Nonrep Job Class		1,501	7,816	9,317
35	State Public Employee Benefits Rate		(82)	(401)	(483)
36	Reduce WR Expenditures to Match Revenue			(236)	(236)
37	Reduce Wood Stove Expend to Balance			(100)	(100)
38	Expedited SEPA Permitting (SHB 1851 S.L.)	0.7	134		134
39	Forage Fish Management (SB 5166 S.L.)	2.7			
40	Other PL Changes ³		168	593	761
Total Budget Impact		30.1	(12,583)	18,269	5,686
Total Operating Budget		1,610.6	49,489	425,711	475,200

Note 1: Replace Core Technology Network and Upgrade to SharePoint 2013 are funded at statewide level in IT Pool.

Note 2: Other ML Changes include Utilities, Workers Comp, Data Center, Archives, Audit, Legal, OCIO, Central Services, TLA, Self-Ins, and Pension.

Note 3: Other PL Changes include CTS Rate Adj/Central svc, Archives, Legal, OCIO, DES Central svc, Core FS, Fleet rate, TLA, and Self-Ins.

Note 4: Item 21, Implement Chemical Action Plans, funding was contingent upon passage of an associated bill - either 1472, 5056, or 6131 - by July 10, 2015. None of these bills passed, therefore, funding was not provided in the final enacted budget.

Maintenance Level

- 1. Public Participation Grants (PPG).** Public participation grants help citizen groups and non profit, public interest organizations engage public involvement and education in waste reduction efforts and state oversight of toxic cleanup projects, including those located at Hanford, Spokane River and along Puget Sound. Ongoing funding is provided to ensure resources for public participation grants are equal to the statutorily mandated level of one percent of hazardous substance tax collections per RCW 70.105D.070. (Environmental Legacy Stewardship Account State)
- 2. Insuring Conservation Corps Members.** The Department of Ecology's Washington Conservation Corps (WCC) employs young adult AmeriCorps members to work on a variety of natural resource and emergency projects, including habitat restoration, trail construction, and wildland fire response. Federal AmeriCorps funding requires corpsmembers' health insurance plans to comply with the federal Affordable Care Act. Ongoing funding is provided to address the increased cost of compliance.
- 3. Managing State Revolving Loans.** The Department of Ecology manages a water pollution facility loan program that provides low interest financing to local governments for infrastructure projects designed to protect and restore water quality in local communities. Chapter 96, Laws of 2013, established a new loan administration charge intended to cover the full cost of loan administration. Revenue collections from the charge, however, have been lower than anticipated and will not be sufficient to fund administrative costs until fiscal year 2017. Federal grant funds and state match are provided on a one time basis to bridge the revenue gap while the new administrative charge is applied to an increasing number of loans entering the repayment stage. In addition, \$1.1 million of funding from the Water Pollution Control Revolving Administration Account will not be needed and is reduced on a one time basis. (Water Pollution Control Revolving Account State; Water Pollution Control Revolving Account Federal, Water Pollution Control Revolving Administration Account State)
- 4. Headquarters Building COP Reduction.** The Department of Ecology's headquarters building in Lacey was built in 1993, and was originally financed through certificates of participation (COP). The final COP payment for the building will be made in March 2016 using funds set aside in a reserve account established for this purpose. Funding for this long term obligation is permanently eliminated to reflect retirement of the debt. (General Fund State, State Toxics Control Account State, Water Quality Permit Account State, Various Other Funds)
- 5. Manchester Lab Facility Costs.** Under an interagency agreement, the Department of Ecology and the federal Environmental Protection Agency share the cost of operating the Manchester Environmental Laboratory in Kitsap County. This lab provides technical, analytical and sampling support for chemistry and microbiology to multiple Ecology programs. Costs and proportionate shares are recalculated annually for such expenses as facility renovation, equipment maintenance, utilities and supplies. Ongoing funding is provided to cover increased costs associated with this agreement. (General Fund State, State Toxics Control Account State, Water Quality Permit Account State, Various Other Funds)
- 6. Lease Adjustments < 20,000 sq. ft.** Ongoing funding is provided for increased lease costs at the Department of Ecology's Richland field office. (General Fund Federal, Radioactive Mixed Waste Account State)
- 7. Replace Core Technology Network.** One-time funding is provided for consulting services to design the replacement and modernization of Ecology's core network. (Various Accounts)
- 8. Other ML Changes.** Other ML changes include utilities, workers comp, data center, archives, audit, legal, OCIO, central services, TLA, self-ins, and pension.(Various Accounts)

Policy Level, General Fund-State Reductions

9. **Completed Rulemaking Reduction.** Funding and FTE staff are reduced on an ongoing basis to reflect completion of the Water Quality program's participation in a forest practices rulemaking process required by Section 203, Chapter 1, Laws of 2012, 1st sp.s. (2ESSB 6406), relating to natural resources management.
10. **Reduce Flood Planning Grants.** The Flood Control Assistance Account program provides grants and technical assistance to local governments for flood damage reduction projects and flood hazard management plans. The Flood Control Assistance Account that funds this work receives its revenue from transfers from the state general fund. Continuing a temporary reduction that began during the 2009 11 biennium, funding is reduced on a one time basis for competitive grants to local governments for flood hazard reduction projects. (Flood Control Assistance Account State)
11. **Eliminate Watershed Planning Program.** The Department of Ecology's Watershed Planning Technical and Financial Assistance Program provides assistance to local watershed groups to develop plans and address watershed issues. Over 30 watersheds have adopted plans since the program's inception in 1997. State general funds provided for this work are permanently eliminated. The four remaining planning units eligible for implementation grants during the 2015 17 biennium will not receive funding (located in the Wind, Chelan, Lower Lake Roosevelt and Lower Spokane watersheds), and implementation projects will no longer be funded through this program.
12. **Shoreline Master Program.** General Fund State funding and FTE staff are permanently eliminated from the Shoreline Master program. This will result in less grant funding available to local governments responsible for updating their development regulations under the state Shoreline Management Act (Chapter 90.58 RCW), and fewer staff at the Department of Ecology to provide technical assistance to local governments planning.
13. **Air Quality and Shorelands Fund Shift.** General Fund State expenditures for the Department of Ecology's Air Quality program and the Shorelands and Environmental Assistance program are shifted to the State Toxics Control Account on an ongoing basis. (General Fund State, State Toxics Control Account State)

Deliver Integrated Water Solutions

14. **Regional Stormwater Monitoring Program.** Ongoing funding and FTE staff are provided to administer a program of regional monitoring, effectiveness studies, and analysis of stormwater pollution reduction efforts paid for by local governments participating in the Regional Stormwater Monitoring Program (RSMP). This monitoring is required under the new general municipal stormwater National Pollution Discharge Elimination System Phase 1 and Phase 2 Western Washington permits. The western Washington permittees worked with the Department of Ecology to develop a regional program to perform the required monitoring, studies and analyses administered through the RSMP, rather than conducting the work individually. (General Fund Private/Local)
15. **Walla Walla Watershed Management.** One time funding is provided for the Walla Walla Watershed Management Partnership to address local water management issues in the Walla Walla basin.

Prevent and Reduce Toxic Threats

16. **Oil Spill Response Equipment Grants.** To better prepare local communities for rapid response to potential oil spills from rail incidents, ongoing funding and FTE staff are provided to strategically place oil spill response equipment caches where needed through an ongoing local government grant program. (State Toxics Control Account State)
17. **Reduce Oil Spill Risk.** The Department of Ecology received one time funding in the 2014 supplemental budget for additional resources to (1) develop preparedness and response tools for mitigating oil spills to rivers and streams; and (2) analyze the changing risks associated with crude oil moved by rail and vessels.

Ongoing funding and FTE staff are provided to complete and maintain the response tools along rail corridors and marine waterways, and retain staff expertise on spill risk assessment, mitigation, and rapid oil spill response. (Oil Spill Prevention Account State)

- 18. Oil Spill Risk Assessments.** Vessel traffic risk assessments (VTRAs) measure changes in oil spill risk and help decision makers to ensure that prevention, preparedness and response measures are in place. Ongoing funding is provided to (1) conduct VTRAs in areas of the state where they presently do not exist (Grays Harbor, Columbia River and the outer coast) and to periodically update VTRAs in future years, beginning with the Puget Sound assessment completed in March 2014, and (2) develop and periodically update a rail traffic risk assessment model to analyze changes in the rail transportation system. (Oil Spill Prevention Account State)
- 19. Safe Transportation of Oil.** Pursuant to Chapter 274, Laws of 2015 (ESHB 1449), a combination of one time and ongoing funding and FTE staff are provided for 1) oil spill contingency planning by railroads transporting oil in bulk and 2) rulemaking and modification of technology systems to accommodate advance notice of oil transfer data from railroads and pipelines. (Oil Spill Prevention Account State)
- 20. Expanding Local Source Control.** Ongoing funding and FTE staff are provided to add additional Local Source Control Partnership capacity in the Columbia River Basin, provide support to new local businesses, and implement source tracing and watershed monitoring studies. (State Toxics Control Account State, Local Toxics Control Account State)
- 21. Implement Chemical Action Plans.** Chemical Action Plans (CAPs) identify chemical sources and releases and recommend steps to reduce impacts or phase out chemical uses. Pursuant to Engrossed Second Substitute House Bill 1472 (Chemical Action Plans), Second Substitute Senate Bill 5056 (Safer Chemicals/Action Plans), or Substitute Senate Bill 6131 (Safer Chemicals), a combination of one time and ongoing funding and FTE staff are provided to develop and implement CAPs, conduct environmental monitoring studies, require manufacturers to conduct alternatives assessments and then review those assessments, make determinations of whether safer alternatives exist, develop a state purchasing preference for products that do not contain certain toxic chemicals, restrict the use of certain flame retardants, and write rules describing the process for obtaining chemical information from manufacturers and for ordering additional information when needed. (State Toxics Control Account State). **Not included in the enacted budget.**
- 22. Study Toxics Sources in Stormwater.** A combination of one time and ongoing funding and FTE staff are provided to carry out studies related to the sources of toxics in stormwater, including roofing materials and tires, as well as stormwater impacts on salmonids. This research is conducted by the Washington State University Stormwater Center in Puyallup. (State Toxics Control Account State)
- 23. Lower Duwamish River Source Control.** The U.S. Environmental Protection Agency announced a \$342 million Superfund cleanup of the Lower Duwamish Waterway (LDW) in late 2014. The Department of Ecology's role in this work is to control sources of pollution so cleanup can begin and protect the investment in sediment cleanup. Ongoing funding and FTE staff are provided to improve water quality permit implementation; strengthen strategic collaboration between water quality, cleanup, and toxics reduction efforts; and develop a watershed pollutant loading assessment modeling tool to help determine progress on cleanup and clean water goals. (Environmental Legacy Stewardship Account State)
- 24. Preventing Nonattainment.** Ongoing funding and FTE staff are provided to conduct community level air quality assessments and work closely with elected officials, citizens, local agencies, businesses and civic leaders in the state's highest risk areas to help design preventive air pollution solutions. (Environmental Legacy Stewardship Account State)
- 25. Hanford Tank Permit and Compliance.** In March 2014, the Department of Ecology (Ecology) issued an administrative order to require the U.S. Department of Energy (USDOE) to remove waste from a leaking double shell tank. The USDOE is not meeting milestones set in a federal consent decree for tank waste treatment, resulting in increased compliance and permitting work for Ecology. In response to these tank

waste problems and to address safe storage of cesium/strontium capsules, the USDOE has proposed three new facilities that will require permitting and oversight by Ecology. Ongoing funding and FTE staff are provided to carry out this federally funded work so that radioactive waste is appropriately managed. Costs will be paid for by the USDOE through regulatory oversight fees. (Radioactive Mixed Waste Account State)

- 26. Complying With Air Quality Lawsuits.** Ongoing funding and FTE staff are provided to update state implementation plans and regulations to better align the state's regulatory framework with federal regulatory requirements. (Environmental Legacy Stewardship Account State)
- 27. Spokane River Innovative Collaboration.** The Spokane River Regional Toxics Task Force's innovative collaborative partnership works toward achieving water quality standards for toxics, specifically polychlorinated biphenyls (PCBs) in the Spokane River. The Task Force received one time funding from the Department of Ecology during the 2013 15 biennium to identify, implement, and measure the reduction of toxic chemical inputs to the river. One time funding is provided to continue the work of the Task Force for two more years. (State Toxics Control Account State)
- 28. Meeting Air Operating Permit Needs.** Industrial facilities that emit large amounts of air pollution are regulated by the Department of Ecology under the federally mandated Air Operating Permit program. Under both federal and state law, the costs of the program must be fully supported with fees paid by these air pollution sources. Based on fee criteria and formulas specified in statute, Ecology intends to increase fees during the 2015 17 biennium to cover the cost of serving new sources entering the program, including writing permits, conducting inspections, and updating emission inventories. Ongoing funding and FTE staff are provided to carry out this work. (Air Operating Permit Account State)

Technical and Miscellaneous

- 29. Upgrade to SharePoint 2013.** Replace core technology network and upgrade to SharePoint 2013 are funded at statewide level in IT pool. (Various Accounts)
- 30. Reduce Leaking Tank Cleanup Expenditures** State Toxics Control Account Private/Local expenditure authority is reduced on an ongoing basis to align with projected cost recovery revenue collected from potentially liable parties at cleanup sites initially funded with Ecology's federal grant for leaking underground storage tanks. (State Toxics Control Account Private/Local)
- 31. Litter Control and Waste Reduction.** Funding is reduced on a one time basis to reflect lower revenue in the Waste Reduction, Recycling and Litter Control Account. (Waste Reduction, Recycling and Litter Control Account State)
- 32. WA Conservation Corps Minimum Wage.** The Department of Ecology's Washington Conservation Corps (WCC) employs young adult AmeriCorps members to work on a variety of natural resource and emergency projects, including habitat restoration, trail construction, and wildland fire response. Ongoing funding is provided to support a corpsmember minimum wage increase to \$9.47 per hour in 2015.
- 33. Biosolids Permitting.** The Biosolids program provides oversight, permitting, and technical assistance for sewage treatment plants, facilities that manage wastewater from septic systems, and other facilities that generate, treat and use biosolids. Biosolids are a product of wastewater treatment and septic tanks, comprised primarily of organic material that can be used to condition soil and enhance plant growth, after meeting requirements under Ecology's biosolids management rule. Ongoing funding and FTE staff are provided to increase technical assistance, enforcement, and compliance inspections of permit applicants. (Biosolids Permit Account State)
- 34. WFSE General Government.** Funding is provided for the collective bargaining agreement with Washington Federation of State Employees, which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees

who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; and assignment pay in designated areas. (General Fund State, various other accounts)

Nonrep Job Class Specific. Funding is provided for classified state employees who are not represented by a union for pay increases in specific job classes in alignment with other employees. (General Fund State, various other accounts)

General Wage Incr State Employees. Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn \$2,500 per month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a \$20 per month increase for employees who earn less than \$2,500 per month, effective July 1, 2016. This item includes general government workers. (General Fund State, various other accounts)

- 35. State Public Employee Benefits Rate.** Health insurance funding is provided for state employees employed by general government agencies and institutions of higher education. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. Based on claims data from the quarter ending in March, 2015, and assuming that secular inflation meets or exceeds average growth rates projected for private health insurance (4.2 percent per year), the insurance funding rate is adjusted from the carry forward level of \$880 to \$840 per employee per month for FY 2016 and \$894 per employee per month for FY 2017. Surcharges for tobacco use and for spouses and domestic partners waiving other employer offered coverage will continue during the 2015 17 biennium under the same terms as in FY 2015. (General Fund State, various other accounts)

State Represented Employee Benefits Rate. Health insurance funding is provided for state employees employed by general government agencies and institutions of higher education. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. Based on claims data from the quarter ending in March, 2015, and assuming that secular inflation meets or exceeds average growth rates projected for private health insurance (4.2 percent per year), the insurance funding rate is adjusted from the carry forward level of \$880 to \$840 per employee per month for FY 2016 and \$894 per employee per month for FY 2017. Surcharges for tobacco use and for spouses and domestic partners waiving other employer offered coverage will continue during the 2015 17 biennium under the same terms as in FY 2015. (General Fund State, various other accounts)

- 36. Reduce Water Resources Expenditures to Match Revenue.** Expenditure authority is reduced on an ongoing basis to match expected revenues in the Basic Data Account and the Water Rights Processing Account. These accounts fund streamflow data collection and water rights processing activity in the Water Resources program. (Basic Data Account Nonappropriated, Water Rights Processing Account State)
- 37. Reduce Wood Stove Expenditures to Balance.** Expenditure authority is reduced permanently in the Wood Stove Education and Enforcement Account to reflect lower revenues. (Wood Stove Education and Enforcement Account State)
- 38. Expedited SEPA Permitting (SHB 1851 S.L.).** Pursuant to Chapter 144, Laws of 2015 (SHB 1851), one time funding is provided for rulemaking to exempt the repair or replacement of a city, town, or county bridge deemed structurally deficient from State Environmental Policy Act (SEPA) compliance.
- 39. Forage Fish Management (SB 5166 S.L.).** One time FTE authority is provided for Washington Conservation Corps supervisors to implement Chapter 191, Laws of 2015 (SSB 5166).
- 40. Other PL Changes.** Other PL changes include CTS rate adjustment/central services, archives, legal, OCIO, DES central services, fleet rate, TLA, and self-ins.