

Memorandum

To: Environmental Justice Council

CC: Environmental Justice Council staff

From: Allison Camden, Washington State Department of Transportation ex officio councilmember

Date: October 21, 2022

Re: Overview of Climate Commitment Act funding in the Move Ahead Washington transportation revenue package

As the Environmental Justice (EJ) Council begins to prioritize its work for the next few months, the Washington State Department of Transportation (WSDOT) would like to provide background on action the Legislature took during its 2022 session to invest Climate Commitment Act (CCA) revenues. This background includes areas in which we'd like to engage the council for recommendations.

The Legislature passed the Move Ahead Washington (MAW) transportation package during its 2022 legislative session. Governor Inslee signed MAW into law March 25, 2022. With MAW, the Legislature invested \$5.411 billion of CCA revenues over 16 years in a variety of transportation projects and programs (for a full list, see [LEAP Transportation Document 2022-A](#)):

- \$3 billion for transit projects and programs
- \$1.293 billion for biking and walking (i.e., active transportation) projects and programs
- \$517 million for alternative fuel and electrification projects and grants
- \$435 million for Washington State Ferries electrification efforts and for an 18-and-under-fare-free policy
- \$162 million for future ultra-high-speed passenger rail and for an 18-and-under-fare-free policy on the current Amtrak Cascades passenger rail service

While the Legislature invested \$5.411 billion and gave clear direction and deadlines to WSDOT, including to invest some of the funding in the current 2021-23 biennium, we also need recommendations from the EJ Council on development and implementation of programs funded by the Legislature with CCA revenues.

The most time sensitive items for EJ Council engagement are transit and active transportation CCA investments, with the first round of proposed project lists due from WSDOT to the Legislature by Dec. 1, 2022. Once received, the Legislature will consider the lists and make final funding decisions for the 2023-2025 biennium during its 2023 session.

WSDOT is working under different timelines for the Legislature's ferry electrification and passenger rail investments. These items are less time sensitive, and we'd like to get on the EJ Council's schedule in the future to discuss these initiatives. We also expect more information from the Legislature about its intent for alternative fuel and electrification projects and grants funded in MAW.

Much of WSDOT's work related to the transit and active transportation programs began in January 2022 and immediately after passage of MAW this past March. As background, some of the funding is directed to go out via formula directly to eligible recipients like transit agencies. There are also competitive grant programs where local governments, transit agencies, tribal governments, nonprofits, and other eligible entities submit applications to WSDOT and compete for available funding. Those competitions are now concluding and for some of the programs we are readying the recommended project lists for the Legislature's consideration by Dec. 1, 2022. For two new active transportation programs, startup work was delayed until we could identify funding to begin the work and initial progress reports for those two programs are also due by Dec. 1, 2022.

The Legislature also developed lists of selected [transit](#) and [active transportation](#) projects to fund over 16 years, sometimes called "earmarks" or "legislatively directed spending." The Legislature directed WSDOT to prioritize the lists based on "community impacts to overburdened communities," as defined in the HEAL Act (see [SB 5975](#), Sec. 211(6) and Sec. 308(2) for full legislative direction). The prioritized lists are also due to the Legislature by Dec. 1, 2022.

WSDOT would like to engage the EJ Council on the work we've done to date to implement the Legislature's direction. We'd like to ground-truth our assumptions, as well as hear from the council on what we got right and where we can do better in the future. We realize Dec. 1 is fast approaching and understand the council has many competing priorities and a heavy workload. As such, this will not be the only opportunity for council engagement. We would like to engage the council again in summer-fall 2023 to gather further input on how we can improve transit and active transportation programs for the 2025-2027 biennium. We hope this would begin a regular consultation with the council to continuously improve our programs.

WSDOT provided a short, high-level overview of CCA revenue invested through MAW to the EJ Council's CCA Committee at its Aug. 2, 2022 meeting. While we had hoped to expand on this overview at the Aug. 27 and Sept. 22 full council meetings, we realize the council is still developing its governance structure and has many responsibilities under the HEAL Act and the CCA. We would welcome any opportunity to discuss our work around CCA with you.

Below is a more detailed summary of MAW and legislative direction to WSDOT about spending CCA funds for your reference. We've also provided a short summary of our initial approach to ensure we meet the minimum of 35 percent and the goal of 40 percent of CCA revenues providing direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities, with a minimum of 10 percent of investments benefiting or being supported by tribal nations in Washington.

WSDOT looks forward to engaging with and learning from the EJ Council while we are implementing MAW over the next 16 years and beyond.

MAW background

There are **three bills** associated with MAW:

1. [SB 5974](#) – Resource bill that includes new program and spending policies, including amendments to certain sections of the CCA.
2. [SB 5975](#) – “New law” spending bill, which appropriates new resources/revenues for spending in the 2021-2023 biennium. The bill also includes further direction to WSDOT on implementing some of the new and expanded programs funded by revenues from the CCA.
3. [SB 5689](#) – 2022 supplemental transportation budget, which is the current law transportation budget that WSDOT is operating under.

CCA and MAW

SB 5974 adds new sections to statutes created by the CCA, including creation of two accounts, both of which will receive annual transfers of revenues from the Carbon Emissions Reduction Account established in the CCA.

- **Climate Active Transportation Account** – Annually, beginning July 1, 2023, 24 percent of revenues from the Carbon Emissions Reduction Account will be transferred to this account and may only be used for specific active transportation programs identified in MAW:
 - Safe Routes to Schools Grant Program
 - Pedestrian and Bicyclist Grant Program
 - NEW School-Based Bicycle Safety Education Program
 - NEW Connecting Communities Pilot Program
 - [Biking and walking projects](#) selected by the Legislature as MAW projects (see SB 5974, Sec. 102)
 - Complete Streets Grant Program (administered by the Transportation Improvement Board, not WSDOT)
- **Climate Transit Programs Account** – Annually, beginning July 1, 2023, 56 percent of revenues from the Carbon Emissions Reduction Account will be transferred to this account and may only be used for specific transit programs and projects identified in MAW:
 - NEW Transit Support Grant Program (formula)
 - NEW Tribal Transit Mobility Grant Program (competitive)
 - Transit Coordination Grant Program (competitive)

- Special Needs Transit Grant Program (formula and competitive)
- NEW Bus and Bus Facility Grant Program (competitive)
- Green Transportation Capital Grant Program (competitive)
- Transportation Demand Management Grant Program (formula)
- [Transit projects](#) selected by the Legislature as MAW projects (see SB 5974, Sec. 103)

The Carbon Emissions Reduction Account will receive the remaining amounts in the account after distributions to the Climate Active Transportation and Climate Transit Programs accounts are made.

SB 5974 also amended portions of the CCA in the following ways:

- Requires that spending (also called “appropriations”) in the Transportation Appropriations Act from the Carbon Emissions Reduction Account shall be made exclusively to fund biking and walking; transit programs and projects; alternative fuel and electrification; and ferries and rail (see SB 5974, Sec. 101).
- Added new Climate Active Transportation and Climate Transit accounts to requirements for agencies regarding conducting EJ assessments (per the HEAL Act) and established a minimum of not less than 35 percent and a goal of 40 percent of total investments that provide direct and meaningful benefits to vulnerable populations within boundaries of overburdened communities. Also directs state agencies to adhere to a variety of principles, reporting requirements, and consideration of recommendations from EJ Council when allocating funds or administering grants from the two new accounts (see SB 5974, Sec. 104).
- Requires EJ Council to provide recommendations to the Legislature, agencies, and the governor in the development and implementation of the programs funded from the Carbon Reduction emissions account and the two new accounts. (See SB 5974 Sec. 105)

In summary, SB 5974 makes the new Climate Active Transportation and Climate Transit Programs accounts subject to the same environmental justice and overburdened community requirements as established for the Carbon Emissions Reduction Account in the Climate Commitment Act. For selected programs it adds additional criteria that must be met in awarding funds.

Spending assumptions

MAW assumes \$5.411 billion of the CCA spending over 16 years from state fiscal year 2023-2038. The following table outlines the spending plan as established in [LEAP Transportation Document 2022-A](#).

	CCA Funding over 16 Years	\$ in thousands
	Active Transportation	1,293
1	Safe Routes to School	290
2	School Based Bike Program	216
3	Bike/Ped Grant Program	278
4	Bike/Ped Project List*	313
5	Complete Street (TIB)	146
6	Connecting Communities Grant	50
	Transit Programs & Projects	3,004
7	Transit Support Grants	1,450
8	Transit Projects*	244
9	Tribal Transit Mobility Grants	80
10	Transit Coordination Grants	5
11	Special Needs Transit Grants	600
12	Bus & Bus Facility Grant Program	300
13	Green Transit Grants	300
14	TDM (CTR)	25
	Alt Fuel & Electrification	517
15	State & Local De-Carbonization Projects	392
16	Carbon Emissions Reduction Local Grants	125
	Ferries- CCA Only	435
17	Portion of 4 new Hybrid-Electric Vessels	210
18	18 & Under Free Fare Policy	32
19	Electrification (Vessel Refits & Terminals)	193
	Rail	162
20	Ultra High Speed Ground Transportation	150
21	18 & Under Free	12
	Total All	5,411
	* = project lists provided by legislature	

In addition to the spending plan above, the Legislature gave the following direction to WSDOT:

- **Project lists** – The Legislature included [transit](#) and [active transportation](#) project lists in MAW. In both cases, the Legislature did not determine the timing for projects to receive funding (funding for each project is noted as a “16-year total”). SB 5975 includes direction to WSDOT to submit projects on each list in three tiers (i.e., prioritized) to the legislative transportation committees and Office of Financial Management (OFM), prioritizing projects based on “community impacts to overburdened communities,” as defined in the HEAL Act.

- **2022 supplemental funding** – SB 5975 begins to spend 2021-2023 Carbon Emissions Reduction, Climate Active Transportation, and Climate Transit accounts funds but does so by using Multimodal Account funds (a source of funding used in the state transportation budget) with the intent of transferring future CCA revenues back to the Multimodal Account. **Specifically, the following projects/programs are funded in the 2021-2023 supplemental transportation budget:**
 - \$14.1 million to expand the Special Needs Transit Grant Program
 - \$4.7 million to expand the Green Transportation Capital Grant Program
 - \$1 million for new Transit Coordination Grants
 - \$33.6 million for new Transit Support Grants, which will help transit agencies fund the new 18-and-under-fare-free policy
 - \$9.5 million to expand the Pedestrian and Bicyclist Grant Program
 - \$10.7 million to expand the Safe Routes to School Grant Program
- **Additional spending information**
 - **There are six new programs created in MAW** – The MAW bills provide guidance and direction on implementing most of the new programs and WSDOT is in the process of developing the programs. There is little to no information available about the State and Local Decarbonization Projects or the Carbon Emissions Reduction Local Grants. The Legislature provide additional information about its intent for those investments.
 - **CCA revenues are strictly for hybrid/electric portion of new ferry builds** – MAW includes funding for four new hybrid/electric ferries with only a portion of that funding coming from CCA revenues. The remainder of the funding to build new vessels is from other revenue sources. CCA revenues also fully fund two ferry vessel retrofits and ferry terminal electrification.
 - **CCA revenues for the Ultra-High-Speed Ground Transportation Project (i.e., high-speed passenger rail) are retained in “unallotted status”** – This means OFM will hold onto these funds, which are only available to serve as state match for federal grants for the Ultra-High-Speed Ground Transportation Project.
 - **MAW includes a policy that all passengers 18 and under ride free on transit, ferries, and rail** – The funding to implement this policy for transit agencies, Washington State Ferries, and Amtrak Cascades passenger rail service is provided by CCA revenues. Transit agencies must have established a policy that passengers 18 and under ride free by Oct. 1, 2022 to be eligible to receive funds from the new CCA-funded Transit Support Grants, which transit agencies can use to fund costs associated with implementing the policy.

WSDOT's initial approach to meeting MAW/CCA equitable distribution requirements

Under MAW and CCA, WSDOT is required to ensure a minimum of 35 percent and a goal of 40 percent of total investments funded by CCA revenues provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities. Additionally, a minimum of 10 percent of investments must benefit or be supported by tribal nations in Washington. The Legislature also selected [transit](#) and [active transportation](#) projects to fund over 16 years and directed WSDOT to prioritize the projects into three tiers based on "community impacts to overburdened communities," as defined in the HEAL Act. Below is a high-level summary of the approach WSDOT has taken so far to meet these requirements.

Transit programs

WSDOT's Public Transportation Division performed a geographic analysis to document our efforts in measuring project benefits to vulnerable populations in overburdened communities under the CCA. To perform the analysis, we charted grant project locations on the Washington Tracking Network's Environmental Health Disparities map. If a project fell in a census tract with a value of seven on the map, we considered the project to meet CCA criteria. If a project fell in a census tract with a value of nine, we considered the project to exceed the criteria. We also charted project locations on a tribal land boundary map and assumed areas in those boundaries had a value of 10 on the Environmental Health Disparities map. Most public transportation projects scored a value of nine or 10.

Active transportation programs

The Safe Routes to School and Pedestrian Bicyclist grant programs have existed in their current form for many years, and WSDOT's Active Transportation Division (ATD) has an established process for considering equity along with other criteria for project selection. The ATD publicizes the availability of these programs through a variety of means and holds webinars to inform potential applicants about the process.

In each cycle staff do initial analysis to prioritize outreach to agencies based on:

- Safety analysis to identify patterns in locations associated with crashes or potential crash exposure
- Equity analysis based on census data for race including Hispanic heritage, poverty, or disability above the statewide average

Staff then provide information about the programs to potential grant recipients, with outreach and technical assistance prioritized for locations ranked high in the safety and equity analyses. Agencies propose projects that meet program criteria and that have been identified through local planning processes that include community engagement, which they conduct. After an initial list of projects is developed, staff make site visits to meet with applicants to help them refine and improve project effectiveness.

Final prioritized lists are submitted to the legislature for approval. The report for 2023-25 will identify how projects meet the requirements for CCA funding.

The Legislature created two new active transportation programs, the Connecting Communities Pilot Program and the School-Based Bicycle Safety Education Program. These are not competitive grant programs; communities and districts that meet legislatively required criteria will be invited to participate without going through an application process.

For the Connecting Communities Pilot Program, the Legislature created criteria by which WSDOT can identify communities and locations for funding improvements that address gaps or barriers created by

state transportation facilities (e.g. state highways). The program is designed specifically to invest in improvements in overburdened communities to meet the needs of vulnerable populations. WSDOT is identifying these locations through a combination of the Environmental Health Disparities Map and other data sources that address legislative requirements. Selection criteria include:

- Equity
- Safety
- Network completeness and connectivity
- Destinations
- Identified need

Similarly, the Legislature also established criteria for the School-Based Bicycle Safety Education Program to determine participating schools, communities, and locations, with a priority on overburdened communities and vulnerable populations. A nonprofit meeting legislative requirements will deliver the program, designed to prioritize districts meeting the criteria below and eventually reaching all public school districts in the state for elementary through high school. Criteria include:

- Equity
- Safety
- Destinations
- Identified need
- Geography

WSDOT is developing start-up reports for these new programs; submission of these reports by Dec. 1, 2022 is a requirement for the Legislature to appropriate funds for further development and implementation. These reports will identify how WSDOT is approaching application of all required criteria and will include a first-year list of potential participants/recipients. The Environmental Health Disparities map and other data are being applied in identification of communities and locations.

For both programs, WSDOT would like to engage EJ Council for recommendations on what additional factors we should consider as these programs are funded and can be developed more fully.

Process for prioritizing legislatively selected projects

The Legislature also directed WSDOT to prioritize 25 legislatively selected [transit projects](#) worth about \$244 million and 43 [active transportation projects](#) worth about \$314 million based on “community impacts to overburdened communities,” as defined in the HEAL Act.

Like the steps taken for grant projects described above, the WSDOT’s Public Transportation Division charted project locations on the Washington Tracking Network’s Environmental Health Disparities map as well as on a tribal land boundary map and determined affected census tract map values. We then calculated an average Environmental Health Disparities map value for each project, using a simple arithmetic mean of scores for each affected census tract. Finally, we separated projects into three required priority levels.

The Active Transportation Division tiering also used the Environmental Health Disparities Map and WSDOT data concerning tribal lands to identify project locations as they relate to highly impacted communities, vulnerable populations within those communities, and tribal lands. We contacted the listed agencies with a survey to invite them to provide additional information relevant to how the project

provides benefits to overburdened communities; given the nature of a spot improvement such as an improved crossing or closing of a gap in a sidewalk or shared-use path, a project may benefit people beyond its immediate vicinity and WSDOT wanted to understand that potential. They were also asked to identify any coordination with larger construction projects or other funding sources being leveraged for the project that would affect preferred timing of funding. The projects are separated into three required priority levels, with additional information relevant to their placement on the list if necessary.