

# Environmental Justice Council Meeting Materials

November 15, 2022

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# Consejo de Justicia Ambiental

Martes, 15 de noviembre de 2022

De 11:00 a. m. a 1:30 p. m.

Para unirse al seminario web, haga clic en el siguiente enlace:

<https://us02web.zoom.us/j/81373078942>

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Id. del seminario web: 813 7307 8942

Encuentre su número local: <https://us02web.zoom.us/u/kdlvhpdOPJ>

## Propuesta de orden del día

11:00 a. m. – 11:10 a. m.	I. Bienvenida y presentaciones	Rowena Pineda, miembro del equipo del Consejo  Miembros del Consejo
11:10 a. m. – 11:15 a. m.	II. Aprobación del orden del día - Posibles medidas del Consejo	Theo Cielos, miembro del equipo del Consejo  Miembros del Consejo
11:15 a. m. – 11:30 a. m.	III. Comentarios públicos	
11:30 a. m. – 12:25 p. m.	IV. Debate y posible adopción de las recomendaciones hechas al gobernador sobre las prioridades de financiación de la Climate Commitment Act (CCA, Ley de Compromiso Ambiental)	Sierra Rotakhina, miembro del equipo del Consejo  Miembros del Consejo

Receso de 15 minutos

<p>12:40 p. m. – 1:25 p. m.</p>	<p>Continuado: Debate y posible adopción de las recomendaciones hechas al gobernador sobre las prioridades de financiación de la Climate Commitment Act (CCA, Ley de Compromiso Ambiental)  - Posibles medidas del Consejo</p>	
<p>1:25 p. m. – 1:30 p. m.</p>	<p>V. Próximos pasos y despedida</p>	<p>Rowena Pineda, miembro del equipo del Consejo  Miembros del Consejo</p>

Información importante:

- El Consejo puede cambiar los asuntos del orden del día el mismo día de la reunión.
- El número de contacto de emergencia durante la reunión es 360-584-4398.
- Si desea solicitar este documento en un idioma o formato alternativos, envíe un correo electrónico a Sierra Rotakhina en cualquier idioma a [envjustice@ejc.wa.gov](mailto:envjustice@ejc.wa.gov) o llame al 360-584-4398.

# Environmental Justice Council

Tuesday November 15, 2022

11:00am – 1:30pm

Please click the link below to join the webinar:

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## Draft Agenda

11:00am - 11:10am	I. Welcome and Introductions	Rowena Pineda, Council Staff Council Members
11:10am – 11:15am	II. Approval of Agenda -Possible Council Action	Theo Cielos, Council Staff Council Members
11:15am – 11:30am	III. Public Comment	
11:30am – 12:25pm	IV. Discussion and Potential Adoption of Recommendations to the Governor on Climate Commitment Act (CCA) Funding Priorities	Sierra Rotakhina, Council Staff Council Members
15 Minute Break		
12:40pm – 1:25pm	Continue Discussion and Potential Adoption of Recommendations on CCA Funding Priorities -Possible Council Action	

1:25pm – 1:30pm

V. Next Steps and Farewell

Rowena Pineda, Council Staff

Council Members

Important Information:

- The Council may move agenda items around on the day of the meeting.
- Emergency contact number during the meeting is 360-584-4398.
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# Environmental Justice Council

**Date:** November 15, 2022

**To:** Environmental Justice Council Members

**From:** Sierra Rotakhina, Council Manager

**Subject:** Climate Commitment Act Funding Priorities

## Background and Summary:

[RCW 70A.65.040](#) gives the Environmental Justice Council (Council) authority to provide recommendations to the Legislature, agencies, and the Governor on spending Climate Commitment Act (CCA) revenues. There are three primary mechanisms through which the Council can engage in decisions around spending CCA revenues now and in the short-term future:

- a. The Governor's budget,
- b. The House and Senate Budgets, and
- c. A series of grant programs being administered by the Washington State Department of Transportation (WSDOT).

These three mechanism are discussed in more detail below. You can also see a more detailed map of the ways the Council can provide guidance on CCA spending now and in the longer-term future in Appendix A of the DRAFT proposed funding priorities on [page 13](#) of this meeting packet.

### a) Governor's Budget

The Legislature already allocated a significant portion of the revenue expected to be generated by the cap and invest auctions to transit and active transportation projects last legislative session. The Governor's budget that will be released this December will allocate the rest of the projected CCA revenues that can be spent from July 2023 – June 2025. The Governor's Office is

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seeking Council guidance on these budget decisions. A small group of Council Members volunteered to develop proposed funding priorities for the Council's consideration and potential adoption at the November 15<sup>th</sup> Special Council Meeting. These proposed funding priorities are included in today's meeting materials on [page 8](#).

In addition to seeking guidance broadly on the Council's priorities for CCA funding, the Governor's Office is also interested in getting guidance from the Council on two specific programs already funded through the Move Ahead Washington package: State and Local Decarbonization Projects and Carbon Emissions Reduction Local Grants. Both are funded from the Carbon Emissions Reduction Account supported by CCA revenues. Today's meeting materials include information from the Governor's Office outlining the next steps for these two programs in the Governor's Budget and where the Council can provide guidance today on these programs (see [pages 14 through 17](#) of this meeting packet).

The Governor's Budget is likely to spend portions of the CCA funds through grant programs. So, while today the Council has an opportunity to provide recommendations to the Governor as he builds his budget, there will be continued opportunities for the Council to guide CCA-spending throughout legislative session as the budgets moves through the House and Senate, and after session as any grant programs created this session are developed.

## b) House and Senate Budgets

After the Governor's Budget is released the House and Senate will each introduce their own budgets during the 2023 legislative session. The Council has authority under [RCW 70A.65.040](#) to provide guidance to the Legislature on their budgets as well.

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### c.) Grant programs being administered by WSDOT

As mentioned above, in the 2022 session the Legislature allocated a significant portion of the CCA fund to walking, biking, and transit projects through the Move Ahead Washington package. WSDOT is now tasked with administering those funds. WSDOT had to develop a proposed list of programs to fund by early November and now must submit the list to the Legislature by December. WSDOT asked the Council for guidance on this work, but with limited capacity to engage, the Council has not provided recommendations to WSDOT on this topic. Once WSDOT submits the project lists to the Legislature, the Council could provide guidance on that list to the Legislature. So, there are continued opportunities for the Council to engage on the CCA funds allocated through Move Ahead Washington. See [page 18](#) for more information.

### Staff Recommended Actions:

Staff recommend that the Council discuss, amend if necessary, and adopt the following motion:

The Council adopts the Climate Commitment Act funding priority recommendations as amended at the November 15, 2022 Council meeting, and directs staff to submit those recommendations to the Governor and the Office of Financial Management to inform the development of the Governor's 2023-2025 Budget.

### Staff Contact

Sierra Rotakhina, Council Manager, [sierra.rotakhina@ejc.wa.gov](mailto:sierra.rotakhina@ejc.wa.gov), 360-584-4398

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# Environmental Justice Council

## Proposed Climate Commitment Act (CCA) & Governor's Operating Budget Priorities as of 11-10-22

It is the intent of the Environmental Justice Council (Council) that the below topics are prioritized, even if the funding does not come from the respective account the priority is listed under.

### General Recommendations:

- Agencies that allocate funding or administer grant programs using revenue generated by the CCA should go through the Tribal Consultation process outlined in [RCW 70A.65.305](#), regardless of which account the funds pass through.
- The Environmental Justice Council (Council) intends to monitor where CCA funds are going and potential unintended consequences, and recommends that the Legislature, Governor's Office, and state agencies work in collaboration with the Council to make adjustments if the Cap and Invest Program or the funding streams are creating unintended consequences or not meeting the minimum percentages.
- The Council recommends that the state conduct systems level mapping to plan for and mitigate potential unintended consequences (including but not limited to green gentrification, negative impacts of siting of green energy infrastructure, etc.).
- The Governor's Office, the Legislature, and state agencies should continue to work closely with the Council during and after the 2023 legislative session to ensure that a minimum of 45% of CCA funds to go to overburdened communities and a minimum of 20% of CCA funds to go to Tribes.<sup>i</sup>
- The Governor's Office, the Legislature, and state agencies should continue to work with the Council where the Council has authority for provide guidance on prioritization of CCA revenues as outlined in [Appendix A](#).

### Account-Specific Recommendations:

#### 1. Carbon Emissions Reduction Account

- i. Frequent Accessible Transit service that is statewide, convenient, electrified, reduces health disparities, and improves health by physically connecting overburdened and vulnerable communities to social determinants/resources such as housing, education, jobs and job training, food systems,

health and human services, early childhood development, parks and natural resources, community economic development, and community and public safety.

- ii. Conversion of heavy and medium duty fleet trucks from gas to electric in overburdened communities.<sup>ii</sup> Ensuring that the additional costs of these vehicles do not flow to the largely immigrant workforce of misclassified independent contractor drivers.

## **2. Climate Commitment Account (CCA)**

- i. Prioritize quickly getting Tribal assistance for mitigation, adoption, and relocation fund allocated (minimum of \$50M per biennium).
- ii. Community Climate and Environmental Justice Planning:
  - a. Set aside a pot of funds with loose restrictions on how they can be spent (that do not exceed the restrictions already in the CCA) to pilot a community participatory budgeting process.<sup>iii</sup> Allocate additional funds to: a) build community capacity for participation in planning and budgeting, b) adequately resource the development and administration of a participatory budgeting process, and 3) to ensure the participatory process includes resources that minimize barriers to participation (including but not limited to funds for interpretation and translation, community member stipends, food, childcare or adult care costs, and travel expenses).
  - b. Work in partnership with the Council to develop the timeline and process for the community participatory budgeting pilot and adequately resource the Council to partner in this work.
- iii. Support potential expansions of Working Families Tax Credit
- iv. Community and Worker Climate Resilience
  - a. Develop a grant program for communities to co-design and develop regional urban and rural Community Climate Resiliency Hubs.
  - b. Protective/safety clothing and equipment for climate health threat to impacted community members including, but not limited to, farmworkers, food system workers, forest firefighters, and construction workers and provide payroll replacement to support worker lost wages due to climate health threats like heat, smoke, and rising waters.
  - c. Provide community members highly impacted by climate change (including those who are experiencing houselessness or living in temporary housing) with support for mitigation, adaptation, and relocation.

- d. Develop an insurance pool or similar permanent financial fund such as a mortgage pool that can make it possible for people to get back into their own home following losses resulting from climate change.

v. Energy Justice Fund

- a. Full funding for low-income “home weatherization plus health plus electrification”
- b. Full funding for vulnerable populations within overburdened communities and low-income households’ conversion to clean electrical energy with weatherization.
- c. Funding to prevent utility disconnection for lower income cost burdened households and to ensure lower income households spend no more than 3% of household income on utilities
- d. Fund a study on the short- and long-term sustainability of Washington electrical production to meet increased demand towards 100% goal for clean home and business energy given removal of dams and make recommendations which include complimentary clean energy resources such as solar. The study must engage Tribal leadership.

vi. Food systems/agroecology & green infrastructure identification and implementation funding

v. Workforce

- a. Full funding for a Clean Energy Workforce Study.
- b. Full funding for creating a Statewide Building Trades Apprenticeship Navigation Program for Overburdened Communities.
- c. Funding for Nontraditional & extended hour Childcare for Construction Industry.
- d. Support a transition to retirement for workers impacted at the end of their careers.

**3. Air Quality and Health Disparities Improvement Account (AQHDIA)**

- i. Air Quality and Health Disparities Improvement Account be increased to a minimum of \$50 M per biennium.
- ii. Fully fund air quality monitoring network in in the 2023-25 biennium that provides a block-by-block understanding of air quality impacts facing communities statewide.

**4. Natural Climate Solutions Account**

- i. Equitable urban tree canopy investments, address threat to community rising seas/rivers/water and identify green infrastructure and implementation.

- ii. Protect and restore natural resources that contribute to the diet of overburdened communities and to the exercise of tribal treaty rights.
  - a. Protect, restore, and maintain riparian habitat.
  - b. Protect and restore estuaries, fisheries, and marine shoreline habitats.
  - c. Prepare for sea level rise including, but not limited to, making fish passage correction investments.
  - d. Increase the ability to remediate and adapt to the impacts of ocean acidification.
  - e. Increase the sustainable supply of water and improve aquatic habitat.

## Recommendations for the Governor’s Operating Budget

- Continued enhancement of Environmental Health Disparities Map (EHD), including adding new data sources, automated reports for easy community use, and other tools to reveal resource disparities in climate justice and environmental justice. Ensure Tribal Consultation in any updates to the map. The EHD map should not be used to exclude any projects on Tribal Land from receiving funding for overburdened communities. Note: The Council needs to discuss the parameters of using the EHD map until full Tribal Consultation/s are completed.

## Glossary of Terms:

1. **Community Participatory Budgeting:** A democratic process where community members decide how to spend allocated public funding.
2. **Community Climate Resiliency Hubs:** Community centers, schools, libraries, churches, etc. that are easily accessible to community members that meet the climate-resilience needs identified by the community. A hub could, for example, include smoke relief centers, heating and cooling centers, evacuation shelters, etc.

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<sup>i</sup> The Council believes that these higher percentage goals are feasible given data from California showing that, conservatively, 48% the California Cap and Trade Program auction proceeds have consistently been distributed to "disadvantaged communities and low-income communities and households, collectively referred to as priority populations." See California Climate Investments. What are Priority Populations. Available at <https://www.caclimateinvestments.ca.gov/priority-populations>. Accessed November 11, 2022.

<sup>ii</sup> For example, communities near Washington’s ports experience high concentrations of air pollutants leading to environmental and health disparities. See Northwest Ports Clean Air Strategy 2020 Progress Report at page 15. [NWPCAS 2020 Progress Report-FINAL.pdf \(portseattle.org\)](#). 2021.

<sup>iii</sup> Many local jurisdictions, including those in Washington State, have successfully allocated funds through community participatory funding. Jurisdictions in Washington such as Seattle and Tacoma are currently working to allocate millions of dollars through participatory budgeting. These processes ensure projects are relevant and informed by community needs and priorities. See, for

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example, National Association of County and City Health Officials. Innovation Snapshots #4: Participatory Budgeting. [Innovation-Snapshot-4-Budgeting.pdf \(naccho.org\)](#). 2021; Seattle Office of Civil Rights webpage. Seattle’s Participatory Budgeting Process. Available at [Seattle's Participatory Budgeting Process - CivilRights | seattle.gov](#). Accessed November 11, 2022.

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# Climate Commitment Act Auction Revenues - Accounts

Carbon Emissions Reduction Account (CERA)			Climate Investment Account (CIA)			Air Quality and Health Disparities Improvement Account (AQHDIA)
CERA funds largely <a href="#">allocated</a> already through Move Ahead Washington (transportation budget) and will go out through 1) formula directly to eligible recipients, 2) competitive grant programs, and 3) “earmarked” funding to go to projects listed out by the Legislature						Funding intent in statute is \$20M/biennium
20% stays in CERA	24% to Climate Active Transportation Account	56% to Climate Transit Programs Account	Administrative costs and Tribal capacity grants	75% of remaining funds to Climate Commitment Account	25% of remaining funds to Natural Climate Solutions Account	
<p><b>Mechanisms for Council Input:</b>  <b>Now:</b> Guidance to the Governor’s Office and OFM by November 15, 2022 on what programs to prioritize funding with the a) State and Local De-Carbonization Projects and b) Carbon Emissions Reduction Local Grants (see more information from the Governor’s Office on <a href="#">pages 14-17</a>). The annual amount for the State and Local De-Carbonization Projects is about \$24.5 million and the annual amount for the Carbon Emissions Reduction Grants is \$7.8 million (still varifying amounts with OFM)</p> <p><b>During Session:</b> Guidance to Legislature throughout 2023 session to inform House, Senate, and final budget</p> <p><b>After Session:</b> Guidance to agencies and Governor’s Office after 2023 session on the grant programs funded during session</p> <p><b>After Session:</b> Guidance to WSDOT on the Move Ahead Washington ferry electrification and passenger rail investments, engagement would begin in 2023 and continue over time as needed</p>	<p><b>Mechanims for Council Input (<a href="#">see WSDOT memo</a>):</b>  <b>Now:</b> Guidance to WSDOT on transit and active transportation proposed projects lists to fund (lists due from WSDOT to Legislature by December 1, 2022)</p> <p><b>During Session:</b> Guidance to Legislature throughout 2023 session as they make final decisions on transit and active transportation investments for the 2023-25 biennium</p> <p><b>After Session:</b> Guidance to agencies and Governor’s Office after 2023 session on any grant or formula programs funded during session</p> <p><b>After Session:</b> Guidance to WSDOT in Summer/Fall of 2023 on how to improve transit and active transportation programs (then regular guidance each biennium)</p>	<p>Notes:            A max of 5% can be used to administer the Cap and Invest Program</p> <p>Tribal capacity grants are also funded before the remaining funds are allocated</p>	<p><b>Mechanims for Council Input:</b>  <b>Now:</b> Guidance to Governor’s Office and OFM by November 15, 2022 to inform Governor’s budget</p> <p><b>During Session:</b> Guidance to Legislature throughout 2023 session to inform House, Senate, and final budget</p> <p><b>After Session:</b> Guidance to agencies and Governor’s Office after 2023 session on any grant programs funded during session</p>	<p><b>Mechanims for Council Input:</b>  <b>Now:</b> Guidance to Governor’s Office and OFM by November 15 to inform Governor’s budget</p> <p><b>During Session:</b> Guidance to Legislature throughout 2023 session to inform House, Senate, and final budget</p> <p><b>After Session:</b> Guidance to agencies and Governor’s Office after 2023 session on any grant programs funded during session</p>		

**Background from the Governor’s Office on Opportunities for the Council to  
Engage on State and Local Decarbonization Projects and  
Carbon Emissions Reduction Local Grants**

The Move Ahead Washington (MAW) package includes funding for two new programs: State and Local Decarbonization Projects and Carbon Emissions Reduction Local Grants. Both are funded from the Carbon Emissions Reduction Account supported by CCA revenues. The MAW package did not provide details on how either program would be implemented. As we put together the Governor’s 23-25 budget, we are looking at how to use these funds and would like the EJ Council’s input.

Below you will find a list of **five concepts we are considering for these funds**. For each concept, we would direct WSDOT to develop a grant program and to engage with the EJ Council and overburdened communities as well as other key stakeholders as they develop the grant programs. Then, WSDOT would provide recommendations to the governor and legislators regarding the grant program prior to the programs being started. We envision that work occurring in the 23-25 biennia. **We will likely pick two concepts from this list for inclusion in the ’s budget**. I have attached a revised document if that’s helpful.

**Concepts for Consideration:**

1. Incentive Grant Program for Medium and Heavy-Duty Vehicles
2. Clean Fuel Fleet Transition Grants for Local Jurisdictions
3. Grants for Port Electrification
4. Electric Bike Infrastructure Improvement Grants for Local Jurisdictions
5. Grants for Innovative Electrification Demonstration Projects (targeted to Local Jurisdictions)

**Request for EJ Council:** Would they like to provide input on this aspect of the budget? If so, do these concepts align with their thinking on how funds set aside for these two programs could be used? Is there anything on this list that you think is a priority or something that is not a high

priority? Given the funds are not enough to set up five new programs, we are interested in limiting the potential programs to two. Other general feedback welcome.

**Next Steps:** We have reached out to WSDOT and Commerce for their feedback too (not yet incorporated in the attached) and will be talking with the two Transportation Chairs as we put together how the 's budget proposes to use these dollars.

**Quick Background:** The annual amount for the State and Local De-Carbonization Projects is about \$24.5 million and the annual amount for the Carbon Emissions Reduction Grants is \$7.8 million. We are verifying these amounts with OFM.

**Finally,** as you know, the Governor's office is working on the CCA revenue spending plan to include in the Governor's budget—for all the CCA accounts. We realize that more than two of the "buckets" may be important to you, and welcome hearing your full range of feedback as we look at all the CCA accounts and related spending decisions and options.



# DRAFT5 Concepts for MAW Decarbonization Projects and Carbon Emission Reduction Grant Programs.

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The Move Ahead Washington (MAW) package includes two new programs: State and Local Decarbonization Projects and Carbon Emissions Reduction Local Grants. Both are funded from the Carbon Emissions Reduction Account supported by CCA revenues. The MAW package did not provide details on how either program would be implemented. This document includes draft concepts for consideration for these two programs, funding estimates from MAW, a process of outreach and engagement with agencies and key legislators as well as suggested language to be included regardless of what concept(s) are selected.

## DRAFT Concepts for Consideration-

**We will likely choose two of the concepts for inclusion in the Governor's Budget.**

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### A. Incentive Program for Medium and Heavy-Duty Vehicles

- a. Direct WSDOT to conduct a study to determine the most effective incentive grant program to support transition to clean fueled medium and heavy-duty vehicles.
- b. Direct WSDOT to engage stakeholders in development of the grant program.
- c. Provide recommendations to governor's office and legislature on the grant program structure by December 2023.

### B. Clean Fuel Fleet Transition Grants for Local Jurisdictions

- a. Direct WSDOT to develop a grant program to provide funding to local jurisdictions to support transition to clean fuel fleets.
- b. Could be used to support planning, vehicle purchases, alternative fuel infrastructure and/or local match for any fleet electrification federal grants.
- c. Usage could be flexible to include passenger, medium, heavy duty, or transit vehicles.
- d. Could require local match.
- e. Direct WSDOT to engage stakeholders in development of the grant program.
- f. Provide recommendations to governor's office and legislature on the grant program structure by December 2023.

### C. Grants for Port Electrification

- a. Direct WSDOT to develop a grant program to support port electrification projects.
- b. Include direction to engage ports, Commerce, and others to develop the grant program.
- c. Could require local match, project completion within a certain time period (i.e. "timely project completion" as a criteria), community/stakeholder participation/feedback/engagement in project development or other such criteria.
- d. Could be used to fund match for federal port electrification applications.
- e. Provide recommendations to governor's office and legislature on the grant program structure by December 2023.

### D. Electric Bike Infrastructure Improvement Grants for Local Governments

- a. Direct WSDOT to develop a grant program to provide funding to local jurisdictions to support electric bike infrastructure.

- b. Goal is to provide secure publicly available e-bike charging infrastructure. Examples- at libraries, schools, parking garages, bike storage areas, etc. Funds could be used as match for federal e-bike infrastructure funding opportunities.
- c. Consider prioritizing co-benefits of jurisdictions who prioritize e-bike infrastructure and vehicle miles traveled (VMT) reduction policies.
- d. Direct WSDOT to engage stakeholders in development of the grant program.
- e. Provide recommendations to governor's office and legislature on the grant program structure by December 2023.

#### **E. Grants for Innovative Electrification Demo Projects**

- a. Flexible grant opportunity to support innovative local clean fuel projects at local jurisdiction that support decarbonizing the transportation sector.
- b. Local jurisdictions including cities, counties, ports, transit agencies would be eligible for grant funds.
- c. Direct WSDOT conduct a study to determine criteria, outcome measurements and grant program structure. Require WSDOT to engage with stakeholders in developing the grant program
- d. Provide recommendations to governor's office and legislature on the grant program structure by December 2023.

#### **Regardless of concept(s) selected, proviso language should include the following:**

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- Reflect specific CCA language regarding overburdened communities and tribe supported projects: "a minimum of not less than 35% and a goal of 40% of total investments that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities and a minimum of not less than 10% of total investments that are used for programs, activities, or projects formally supported by a resolution of an Indian tribe...."
- Include GHG emission reduction estimates as a criterion in project selection, direction to WSDOT to select projects that maximize GHG emission reductions in combination with additional criteria as needed.
- Include requirement to engage EJ Council, overburdened communities, and Interagency EV Council.

#### **Rough estimates- need OFM to confirm biennial amounts.**

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1. State and Local De-Carbonization Projects: \$392.0 million over 16 years = \$24.5 million/year or \$49.0 million/biennia.
2. Carbon Emissions Reduction Local Grants: \$125.0 million over 16 years = \$7.8 million/year or \$15.6 million a biennium.

#### **Process: Some steps taken simultaneously.**

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- a) Share ideas with OFM, Gov staff and further develop concepts and prioritize.
- b) Engage OFM with funding amounts in 23-25 and beyond.
- c) Share concepts with WSDOT and Commerce- gather feedback.
- d) Share concepts with EJ Council for feedback.
- e) Share concepts with two Chairs and note, in addition to this work, coordination with operating budget is underway.
- f) Include final selected concepts in governor's 23-25 budget.

# 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**

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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.

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## 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

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**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**

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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](#).

	<b>CCA Funding over 16 Years</b>	<b>\$ in thousands</b>
	<b>Active Transportation</b>	<b>1,293</b>
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
	<b>Transit Programs &amp; Projects</b>	<b>3,004</b>
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
	<b>Alt Fuel &amp; Electrification</b>	<b>517</b>
15	State & Local De-Carbonization Projects	392
16	Carbon Emissions Reduction Local Grants	125
	<b>Ferries- CCA Only</b>	<b>435</b>
17	Portion of 4 new Hybrid-Electric Vessels	210
18	18 & Under Free Fare Policy	32
19	Electrification (Vessel Refits & Terminals)	193
	<b>Rail</b>	<b>162</b>
20	Ultra High Speed Ground Transportation	150
21	18 & Under Free	12
	<b>Total All</b>	<b>5,411</b>
	<b>* = project lists provided by legislature</b>	

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.