

HEAL ACT AND PUGET SOUND RECOVERY REQUIREMENTS

Action and investments related to programs that address or may cause environmental harms or benefits

The Healthy Environment for All Act (HEAL Act), Chapter 314, Laws of 2021 ([RCW 70A.02](#)) was adopted for the following purposes:

- Ensure environmental reviews, funding decisions, and permitting decisions identify and address environmental health disparities in overburdened communities.
- Reduce exposure to environmental hazards on tribal lands.
- Track and measure implementation of environmental justice in state agencies.

The following state agencies are “covered agencies” that must implement the requirements of the HEAL Act:

- Departments of Ecology
- Department of Agriculture
- Department of Commerce
- Department of Health
- Department of Natural Resources
- Department of Transportation
- Puget Sound Partnership

If state agencies not specifically covered by the law opt to follow the HEAL Act requirements, they are obligated to follow the law.

Under [RCW 70A.02.080](#), beginning on or before July 1, 2023, the identified agencies must, where practicable, take specific actions when making expenditure decisions or developing budget requests to OFM and the Legislature for programs that address or may cause environmental harms or provide environmental benefits. Covered agencies must also consider any guidance developed by the Environmental Justice Council and the Environmental Justice Interagency workgroup under [RCW 70A.02.110](#).

Agencies required to comply that are considering a significant agency action initiated after July 1, 2023, are required to conduct an environmental justice assessment. RCW [70A.02.010](#)(12) defines significant agency actions as the following:

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

Any other agency actions deemed significant by a covered agency consistent with RCW [70A.02.060](#). The Environmental Justice Council and the Environmental Justice Interagency workgroup are beginning to develop guidance related to funding decisions and budget requests. In addition to the HEAL Act requirements, please look for additional guidance from the Environmental Justice Council and the Environmental Justice Interagency workgroup to help develop agency biennial and supplemental budget requests.

How is your proposal impacting equity in the state?

- Which target populations or communities benefit from this proposal? How will the population/community benefit? Include both demographic and geographic communities.
- Describe how your agency conducted community outreach and engagement by relationally partnering with communities and populations who have historically been excluded and marginalized by governmental budget decisions.
- How did your agency revise this proposal based upon the feedback provided through your community outreach and engagement?
- Which target populations or communities are not included, would be marginalized, or disproportionately impacted by this proposal? Explain why and how these equity impacts will be addressed.

Puget Sound recovery

Additional budget submittal and reporting requirements to OFM and Puget Sound Partnership

RCW [90.71.320](#) requires state agencies that are responsible for implementing elements of the [Action Agenda](#) to provide to the Puget Sound Partnership their estimates of the actions and budget resources needed for the forthcoming biennium to implement their portion of the Action Agenda. The statute also requires agencies to seek the concurrence of the Partnership in the proposed funding levels and sources included in this proposed budget.

Per section 309 of the 2021-23 enacted operating (ESSB 5092), “the Puget Sound partnership shall provide the governor and appropriate legislative fiscal committees a single, prioritized list of state agency 2023-2025 capital and operating budget requests related to Puget Sound recovery and restoration” by October 15, 2022.

The Partnership will send detailed instructions to affected agencies by mid-July for submitting Puget Sound related budget requests, including the criteria the Partnership will use to prioritize requests. In accordance with RCW [90.71.320](#), and to facilitate the Partnership’s mandated budget request prioritization process, all agencies requesting budget changes related to Action Agenda implementation must provide information and engage with OFM and the Partnership as described below. These requirements apply to both operating decision packages and capital project requests.

Submittal to OFM:

- In the RecSum text (for operating) and agency summary (for capital), include the statement, “Related to Puget Sound Action Agenda Implementation.”
- In the narrative justification, under “Other important connections or impacts” (for operating) and the project description, under question 9 (for capital), include the following:
 - » A response to the question, “Is the request related to Puget Sound recovery?”

- » An explanation of how the budget request relates to Action Agenda strategies, actions, and program targets; Science Work Plan actions; and the Puget Sound Vital Signs. Budget requests that include multiple Action Agenda or Science Work Plan components must provide information to distinguish each component, including dollar amounts, FTEs, and fund source by fiscal year. This includes Puget Sound-related monitoring and program evaluation requests.
- » An estimate of the amount of the budget request that impacts Puget Sound, including dollar amounts, FTEs, fund source by fiscal year and an explanation of the methodology used to determine the Puget Sound portion. This is particularly important for programs and requests that cover multiple geographic areas, such as shoreline master program updates and forest practices regulation. See the Puget Sound reference [map](#).
- Send an email with copies of all Puget Sound budget requests to OFM by your designated budget submittal due date. OFM contact information is provided later in this section.

Submittal to the Partnership:

In addition to the above submittal to OFM, the Partnership requires the following:

- Complete a cloud-based template (Smartsheet®) summarizing all your agency's Puget Sound-related budget requests submitted to OFM for prioritization. The Partnership will email a link to the Smartsheet® template and instructions to affected agencies by mid-July.
- To ensure Puget Sound budget requests align with the Action Agenda, all agencies requesting operating and capital budget changes that implement the Action Agenda or affect Puget Sound recovery are required to consult with the Partnership prior to submitting their budget requests to OFM. Partnership staff will contact agencies to schedule meetings to discuss the budget process and proposed budget requests during the summer of 2022.

Action Agenda implementation and other financial reporting requirements to the Partnership Near Term Actions (NTAs). Every August, state agencies are required to provide the Partnership with their estimates of Action Agenda NTA costs, budgeted amounts and expenditures, pursuant to RCW [90.71.370 \(State of the Sound Report\)](#). Agencies implementing NTAs will receive a request from the Partnership to do a final reporting on 2018 Action Agenda NTAs by August 2022 with detailed instructions related to this reporting requirement. This will be the final reporting request related to NTAs.

Ongoing programs. A [2016 report](#) of the Joint Legislative Audit and Review Committee (JLARC), recommended that the Partnership create a more complete inventory of recovery actions and funding. In response to this recommendation, the Partnership began in 2019 to request that agencies responsible for administering ongoing programs recognized in the Action Agenda provide budget information for each ongoing program based on budgeted amounts, not actuals. Most agencies successfully completed an initial round of information sharing in the spring of 2019 and a second in the spring of 2021. Agencies implementing ongoing programs can expect further engagement with the Partnership in 2023 to provide information for budgeted amounts for the 2021-2023 biennial budget. The Partnership will share detailed instructions related to this reporting requirement.

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