




STATE OF WASHINGTON  
**DEPARTMENT OF ECOLOGY**

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November 16, 2024

TO: Lisa Borkowski, Budget Advisor to the Governor, Natural Resources  
Office of Financial Management (OFM)

FROM: Garret Ward, Chief Financial Officer 

SUBJECT: Department of Ecology Fiscal Year 2025 and 2025-27 Budget Savings Options

In response to a projected budget deficit over the next four-year outlook period, on November 8, 2024, OFM directed agencies to propose operating and transportation budget savings options for both the 2025 supplemental and 2025-27 biennial budgets. Agencies were asked to consider measures that would result in immediate savings, with a focus on Near General Fund accounts, such as General Fund-State (GF-S).

For Ecology, GF-S makes up only about 8.5% of our base operating budget each biennium, and most of that funding (~74%) supports the work of our Water Resources Program, which in partnership with communities throughout Washington, is responsible for managing the state's water resources to meet the needs of both people and the natural environment.

Therefore, per our discussions, our review and analysis focused on new GF-S budget items included in the 2023-25 and 2024 supplemental operating budgets that are expected to underspend in fiscal year 2025, or could be delayed through 2025-27. Through that analysis, we were able to identify \$970,000 in potential **one-time savings** options for fiscal year 2025 that could be considered.

In addition to those one-time options for fiscal year 2025, as part of our budget development process for 2025-27, Ecology and OFM had already identified a set of maintenance level budget adjustments that OFM will include in the Governor's operating budget proposal for 2025-27. These adjustments will provide an additional \$1,892,000 in GF-S savings in 2025-27 for the state (\$1,872,000 ongoing).

Please see the attached lists for details on each of the options we identified. The first list includes details on the one-time options for fiscal year 2025, while the second list includes the information Ecology had already provided as part of our 2025-27 budget submittal in September, which identifies the GF-S savings options for 2025-27.

If you have questions or comments, please feel free to contact me at (360) 789-7938 or by email at [garret.ward@ecy.wa.gov](mailto:garret.ward@ecy.wa.gov).

## Ecology 2023-25 General Fund-State Provisos - Budget Savings Options Analysis

Purpose: Respond to a request from OFM for GF-S budget savings options for fiscal year 2025 and 2025-27. This summary identifies one-time budget savings options (column J) for fiscal year 2025 from GF-S budget provisos included in the 2023-25 and 2024 supplemental operating budgets.

Includes actuals through FM15 and projections through FM24.  
11/16/2024

EAI Title	EA Code	Proviso	Status	Fiscal Year 2024			Fiscal Year 2025				Explanation of Projected FY 2025 Underspend and Budget Savings Options	If ongoing, could this activity be delayed through 2025-27?
				Control Total	Expenditures	Variance	Control Total	Expenditures through FM15	Projected Expenditures FM16 - FM24	Projected Budget Savings Options in FY 25		
001-03* GF-S - NW Straits Comm. Grant	03*	302(1)	Ongoing	455,000	446,888	\$ 8,112	455,000	18,597	436,403	\$ -	N/A - Ecology does not project any underspend from this EAI in FY25. This is a long-time, ongoing proviso in Ecology's base budget that provides funding each biennium for marine resource council grants in the Northwest Straits, which are already signed and encumbered.	No - This is long-time, continuing base budget funding for marine resource council grants in the Northwest Straits each biennium. The funding is also used to provide the state match for an EPA grant to support marine resource council operations and management of the Northwest Straits Commission, which is a congressionally established initiative.
001-AZ* GF-S - Ocean Acidification	AZ*	302(3)	Ongoing	102,000	102,000	\$ -	102,000	-	102,000	\$ -	N/A - Ecology does not project any underspend from this EAI in FY25. This is a long-time, ongoing proviso in Ecology's base budget that is passed through back to OFM to support existing staff in the Governor's office.	No - This is long-time, continuing base budget funding that is passed through to OFM to support staff in the Governor's Legislative Affairs & Policy Office, who advise the Governor and develop policy on ocean acidification and other climate-related effects on the ocean and the state's shellfish resource.
001-DJ* GF-S - Nooksack WRIA 1 Adjudication	DJ*	302(9)	Ongoing	1,363,000	796,239	\$ 566,761	1,375,000	605,458	769,542	\$ -	N/A - The Nooksack adjudication was filed in Superior Court in May 2024 and is proceeding as expected. Ecology does not currently anticipate any underspend from this EAI in FY25, and we will need the funding level currently included in 2025-27 carryforward level (CFL) to continue this work next biennium.	No - The adjudication has been filed in Superior Court, and work will continue as directed by the court system and timeline. Ecology needs the funding level included in 2025-27 CFL for this work.  A delay of the adjudication would impact all water uses in the Nooksack Basin by continuing water rights (and use) uncertainty in the basin. Without the adjudication, there would continue to be legal and scientific dispute over who is able to use water in the basin, which would continue to impair senior water right holders and perpetuate misuse of the resource by those without a legal water right.
001-DK* GF-S - Lake Roosevelt Adjudication	DK*	302(10)	Ongoing	573,000	67,051	\$ 505,949	963,000	17,430	325,213	\$ 620,000	The Lake Roosevelt adjudication requires agreement with federal entities on the geographic scope of what area and water rights would be included in this action. Ecology has an agreement in principle but has not received specific approval from the current federal administration. Thus, Ecology continues to implement pre-adjudication activities in FY25 to prepare for the possible court case filing in Superior Court later in FY25 in 2025-27. Given the timing of when we anticipate federal approval, Ecology anticipates underspending this EAI during FY25. However, this would only be a <u>one-time savings option</u> , as Ecology will need the funding level currently included in 2025-27 CFL to move forward with filing the case in Superior Court and fund that work.	No - Upon confirmation of federal agreement, the adjudication is anticipated to be filed late FY25 or early FY26, and Ecology will require the funding level included in 2025-27 CFL for this work.  Delaying the adjudication would impact all water uses in the Upper Columbia River Basin by continuing water rights (and use) uncertainty in the basin. Without the adjudication, there would continue to be legal and scientific dispute over who is able to use water in the basin, which would continue to impair senior water right holders and perpetuate misuse of the resource by those without a legal water right. Specifically, there would be negative Tribal reaction with a delay in determining water rights within the Lake Roosevelt area.

EAI Title	EA Code	Proviso	Status	Fiscal Year 2024			Fiscal Year 2025			Projected Budget Savings Options in FY 25	Explanation of Projected FY 2025 Underspend and Budget Savings Options	If ongoing, could this activity be delayed through 2025-27?
				Control Total	Expenditures	Variance	Control Total	Expenditures through FM15	Projected Expenditures FM16 - FM24			
001-DL* GF-S - River Migration Mapping	DL*	302(12)	One-time	177,000	177,000	\$ -	177,000	45,585	131,415	\$ -	N/A - Ecology does not project any underspend from this EAI in FY25. This funding supports existing project staff that are completing this work in 2023-25. Ecology has submitted a 2025-27 decision package (BE-River Migration Mapping for Salmon) to request funding to continue this needed work on an ongoing basis starting next biennium.	N/A - This is one-time funding.
001-DM* GF-S - Water Use Irrigation Analysis	DM*	302(21)	One-time	250,000	250,000	\$ -	250,000	-	-	\$ 250,000	Ecology's Office of Columbia River (OCR) has a memorandum of understanding (MOU) with the U.S. Bureau of Reclamation (USBR) to provide these proviso funds to support USBR's irrigation analysis work, should they be necessary for the USBR project. USBR requested and used the funding proviso'd in FY24, but to date, they have not requested the FY25 portion of the funding.  The FY25 portion of this proviso funding could be reduced and used as a <b>one-time budget savings option</b> , as Ecology has an existing capital budget appropriation in fund 296-U47 that could be used to provide the remainder of the intended funding if and when USBR requests it. Fund 296 is a cash account, and its eligible uses align well with the work directed by the proviso.	N/A - This is one-time funding.
001-EI* GF-S - Nooksack Whatcom County Grant	EI*	302(41)	One-time	150,000	-	\$ 150,000	150,000	-	150,000	\$ -	NA - The Nooksack adjudication was filed in Superior Court in May 2024 and is now proceeding as expected. Spending from this EAI was contingent upon filing the adjudication, which is why the FY24 amount was not spent. However, now that the filing has occurred, Ecology anticipates passing through and spending the entire amount of the FY25 appropriation to support the proviso-directed local resources.	N/A - This is one-time funding.
001-EJ* GF-S - Nooksack WRIA 1 Watershed Mgmt Board	EJ*	302(42)	One-time	330,000	-	\$ 330,000	370,000	-	370,000	\$ -	NA - The Nooksack adjudication was filed in Superior Court in May 2024 and is now proceeding as expected. Spending from this EAI was contingent upon filing the adjudication, which is why the FY24 amount was not spent. However, now that the filing has occurred, Ecology anticipates passing through and spending the entire amount of the FY25 appropriation to support the proviso-directed local resources.	N/A - This is one-time funding.
001-EN* GF-S - Nooksack Engagement and Report	EN*	302(40)	One-time	150,000	-	\$ 150,000	150,000	-	150,000	\$ -	NA - The Nooksack adjudication was filed in Superior Court in May 2024 and is now proceeding as expected. Spending from this EAI was contingent upon filing the adjudication, which is why the FY24 amount was not spent. However, now that the filing has occurred, Ecology anticipates passing through and spending the entire amount of the FY25 appropriation to support the proviso-directed local resources.	N/A - This is one-time funding.
001-EP2 GF-S - FY2 Wastewater Treatment Capacity	EP2	302(56)	One-time	-	-	\$ -	250,000	-	250,000	\$ -	N/A - Ecology does not project any underspend from this EAI in FY25. The contract is already signed and funding encumbered.	N/A - This is one-time funding.

EAI Title	EA Code	Proviso	Status	Fiscal Year 2024			Fiscal Year 2025			Projected Budget Savings Options in FY 25	Explanation of Projected FY 2025 Underspend and Budget Savings Options	If ongoing, could this activity be delayed through 2025-27?
				Control Total	Expenditures	Variance	Control Total	Expenditures through FM15	Projected Expenditures FM16 - FM24			
001-EQ2 GF-S - FY2 Groundwater Modeling Guidance	EQ2	302(64)	One-time	-	-	\$ -	400,000	21,552	278,448	\$ 100,000	Ecology anticipates entering into a contract with a technical consultant to complete the work under the proviso in early 2025. However, if needed, the planned work could be modified to conduct a reduced baseline analysis and then provide those results to the Legislature for further consideration. This reduced scope of work could provide a small amount of <b>one-time budget savings options</b> for FY25.	N/A - This is one-time funding.
001-ER2 GF-S - FY2 Spanaway Lake Clean Up	ER2	302(66)	One-time	-	-	\$ -	200,000	200,000	-	\$ -	N/A - This funding is already spent.	N/A - This is one-time funding.
				<b>3,550,000</b>	<b>1,839,178</b>	<b>1,710,822</b>	<b>4,842,000</b>	<b>908,622</b>	<b>2,963,021</b>	<b>970,000</b>		

\* - Asterisk indicates appropriations in FY1 and FY2

**Other Planned OFM Maintenance Level (ML) Adjustments for Ecology**

Purpose: Provide a summary of planned Maintenance Level (ML) adjustments identified by the Office of Financial Management (OFM), legislative fiscal staff, and Ecology, which OFM will include in the Governor's proposed 2025-27 Operating Budget. These planned adjustments have been discussed with both OFM and legislative fiscal staff. This information was originally provided to OFM via Ecology 2025-27 operating budget request submittal on September 10, 2024.

GF-S budget savings options responsive to November 8, 2024 Budget Reductions memo from OFM are highlighted below.

Rec Sum	Program	Budget	Duration	Rec Sum Title	Fund Source	Adjustment Needed								Description
						FY26 \$	FY27 \$	FY26 FTE	FY27 FTE	FY28 \$	FY29 \$	FY28 FTE	FY29 FTE	
<b>From 2021-23 Operating Budget</b>														
PL-EA	SEA	Op-ML	Ongoing	Federal Waters of the U.S. Rollback	23P-1-Model Toxics Control Operating	\$ (321,000)	\$ -	(2.9)	-	\$ -	\$ -	-	-	Per Ecology's 2021-23 decision package (DP), this funding did not go beyond 2023-25, as it was provided so that Ecology could respond to the increase in state authorizations needed to protect state waters after the federal government's definition of waters of the United States (WOTUS) excluded some of Washington wetlands and other waters from federal protection. EPA's Navigable Waters Protection Rule was vacated in August 2021, and Ecology received new ongoing funding in the 2024 supplemental operating budget (PL-PI - Protecting State Waters) for the increase in state authorizations now needed as a result of the Supreme Court's decision in <i>Sackett v. EPA</i> on May 25, 2023. This older funding should be reduced in the 2025-27 enacted operating budget, consistent with Ecology's 2021-23 DP. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
<b>From 2022 Supplemental Operating Budget</b>														
PL-KM	WQP	Op-ML	Ongoing	Water Quality Permit Systems	176-1-Water Quality Permit	\$ (500,000)	\$ -	-	-	\$ -	\$ -	-	-	Per Ecology's 2022 supplemental decision package (DP), this funding was provided for fiscal years 2023 and 2024 to improve the usability and accuracy of the agency's water quality permitting systems. Ecology received new ongoing funding in the 2024 supplemental operating budget (PL-PF - Fix and Modernize WQ Permit Systems) to maintain these systems and ensure compliance with federal data reporting requirements on an ongoing basis. This older funding should be reduced in the 2025-27 enacted operating budget, consistent with Ecology's 2022 DP. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-KP01	ITSO	Op-ML	Ongoing	Stream Mapping Assessment	001-1-General Fund-State	\$ (661,000)	\$ -	(4.6)	-	\$ -	\$ -	-	-	Per Ecology's 2022 supplemental decision package (DP), this funding was provided for fiscal years 2023 and 2024 to conduct a pilot project in the Stillaguamish Watershed to identify the methodologies and resources needed to maintain the accuracy of the National Hydrography Dataset for Washington. Based on that pilot, Ecology received new ongoing funding in the 2024 supplemental operating budget (PL-PE - Modernize Surface Water Mapping) to complete mapped surface water updates across the state and continue to improve the accuracy of the dataset on an ongoing basis as new information and technologies become available. This older funding should be reduced in the 2025-27 enacted operating budget, consistent with Ecology's 2022 DP. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-KY01	SEA	Op-ML	Ongoing	WCC Cost Share Adjustment	001-1-General Fund-State	\$ (984,000)	\$ (246,000)	-	-	\$ -	\$ -	-	-	Per Ecology's 2022 supplemental decision package (DP), this funding was provided for WCC service years 2022-23 (October 2022 – September 2023) and 2023-24 (October 2023 – September 2024) to conduct a pilot project to provide five Washington Conservation Corps (WCC) crews with no partner-provided cost-share to further the state's goals around service equity and environmental justice. Based on that pilot, Ecology received new ongoing funding in the 2024 supplemental operating budget (PL-PD - WCC Service Equity & EJ Initiative) to continue providing these crews at no partner-provided cost-share for projects in areas of the state where assistance is most needed. This older funding should be reduced in the 2025-27 enacted operating budget, consistent with Ecology's 2022 DP. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
<b>From 2023-25 Operating Budget</b>														
PL-5104	SEA	Op-ML	Custom	Marine Shoreline Habitat	001-1-General Fund-State	\$ (633,000)	\$ 632,000	-	-	\$ 10,000	\$ 10,000	-	-	Adjustment aligns funding level needed each year in 2025-27 after carry-forward level (CFL) with the final fiscal note for SB 5014 (1,105,000 FY26, 1,105,000). Without this adjustment, the current fiscal year split at CFL provides more funding in FY1 than is needed and not enough in FY2. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-5144	SWM	Op-ML	One-Time	Batteries /	23P-1-Model Toxics Control Operating	\$ 191,000	\$ 192,000	2.5	2.5	\$ (191,000)	\$ (192,000)	(0.9)	(0.9)	Adjustment aligns funding level for 2025-27 after carry-forward level (CFL) with the final fiscal note for SB 5144, which establishes a stewardship program for the disposal of batteries. This adjustment will provide the funding and staff resources needed to complete rulemaking by fiscal year 2027 and continue providing technical assistance and program implementation.

Rec Sum	Program	Budget	Duration	Rec Sum Title	Fund Source	FY26 \$	FY27 \$	FY26 FTE	FY27 FTE	FY28 \$	FY29 \$	FY28 FTE	FY29 FTE	Description
			Custom	Environment	28C-6-Responsible Battery Management	\$ 336,000	\$ 337,000			\$ (104,000)	\$ (104,000)			including the review and approval of submitted plans and annual reports beginning in fiscal year 2027, and complete the assessment on end-of-life management for other battery categories, including large format batteries, batteries contained in medical devices, and batteries embedded in products (not intended or designed to be easily removed) by July 1, 2027. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-CSPC	HWTR	Op-ML	Custom	Cosmetic Product Chemicals	23P-1-Model Toxics Control Operating	\$ 420,000	\$ 689,000	2.7	4.4	\$ 135,000	\$ 135,000	0.9	-	Adjustment aligns funding level for 2025-27 after carry-forward level (CFL) with the final fiscal note for HB 1047, which bans the sale of cosmetic products that contain certain chemicals.  This adjustment will provide the funding and staff resources needed to conduct the required compliance testing of cosmetics for banned chemicals, complete chemical hazard assessment reports to identify potentially safer chemicals, and provide technical assistance, support, and resources to small businesses that manufacture cosmetics beginning in fiscal year 2026. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-PL	SWM	Op-ML	One-time	Plastic Pollution	23P-1-Model Toxics Control Operating	\$ 213,000	\$ 9,000	1.4	0.1	\$ (213,000)	\$ (9,000)	(1.4)	(0.1)	Adjustment aligns funding level for 2025-27 after carry-forward level (CFL) with the final fiscal note for HB 1085, which prohibits certain plastic structures over water and single-use plastic products at lodging establishments.  This adjustment will provide the funding and staff resources needed to prepare guidance and outreach materials on the new requirements or industry, the public, and other interested parties, as well as develop compliance monitoring, technical assistance, and enforcement protocols for these bans. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-QH	WRP	Op-ML	Ongoing	Drought Preparedness and Response	28E-1-Emergency Drought Response	\$ 3,000,000	\$ 3,000,000	-	-	\$ -	\$ -	-	-	HB 1138, passed in 2023, created the Emergency Drought Response Account and established a reoccurring statutory revenue transfer from the General Fund to the new account of up to \$3 million per fiscal year in years with an emergency drought declaration. Appropriation authority from the new account was provided in 2023-25 to respond to drought emergencies, but only on a one-time basis.  This adjustment will provide the appropriation authority needed on an ongoing basis so that the revenue available in the account can be accessed and used to respond to impacts from drought conditions in each year where a declaration is issued. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
<b>From 2024 Supplemental Operating Budget</b>														
PL-6121	AQP	Op-ML	One-Time	Ag. And Forestry Biomass	216-1-Air Pollution Control	\$ 52,000	\$ 51,000	1.1	1.1	\$ (52,000)	\$ (51,000)	(1.1)	(1.1)	Adjustment aligns funding level for 2025-27 after carry-forward level (CFL) with the final fiscal note for SB 6121, which pertains to biochar production from agriculture and forestry biomass.  This adjustment will provide the funding and staff resources needed to complete rulemaking in fiscal year 2026 and add functionality to the Burn Permit Application (BPA) and the Air Quality Burn Permit System (AQBPS) for calculating permit fees. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-PH	AGENCY	Op-ML	Custom	BIL/IRA Grants	001-2-General Fund-Federal	\$ 6,671,000	\$ 6,221,000	6.1	4.9	\$ (1,930,000)	\$ (300,000)	(4.2)	(8.7)	Adjustment aligns funding level for 2025-27 after carry-forward level (CFL) with Ecology's 2024 decision package (DP) update to the Legislature in February 2024, and the outlook for the enacted 2024 supplemental operating budget.  This adjustment provides the additional federal spending authority needed in 2025-27 to leverage 11 funding opportunities that had been applied for and/or awarded to Ecology under the federal Bipartisan Infrastructure Law or Inflation Reduction Act as of February 2024. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-PK	CPR	Op-ML	Ongoing	Climate Pollution Reduction (only 26B-1 portion)	26B-1-Climate Investment	\$ 1,420,000	\$ 1,272,000	-	-	\$ -	\$ -	-	-	Adjustment aligns funding level for 2025-27 after carry-forward level (CFL) in fund 26B-1 with Ecology's 2024 decision package (DP) and the outlook for the enacted 2024 supplemental operating budget.  This adjustment is needed to help ensure the continued successful implementation of climate initiatives passed by the Legislature since 2019, which are designed to 1) help transition Washington's economy from being based primarily on fossil fuels to having net zero emissions; 2) help slow the causes of climate change; and 3) support communities already impacted by the effects of climate change. <b>OFM ML adjustment. No DP needed for 2025-27.</b>
PL-TBG1	CPR	Op-ML	Ongoing	Tribal Capacity Funding	26B-1-Climate Investment	\$ 32,000	\$ 32,000	-	-	\$ -	\$ -	-	-	Adjustment aligns funding level for 2025-27 after carry-forward level (CFL) with the outlook for the 2024 supplemental enacted operating budget so that Ecology can continue to effectively administer its expanded Tribal Consultation Grant Program, which supports the ability of Tribes to engage in climate change resilience projects and clean energy development. <b>OFM ML adjustment. No DP needed for 2025-27.</b>

Rec Sum	Program	Budget	Duration	Rec Sum Title	Fund Source	FY26 \$	FY27 \$	FY26 FTE	FY27 FTE	FY28 \$	FY29 \$	FY28 FTE	FY29 FTE	Description
PL-WAST	SWM	Op-ML	Custom	Waste Material Management	23P-1-Model Toxics Control Operating	\$ (202,000)	\$ (176,000)	-	-	\$ (528,000)	\$ (527,000)	(2.6)	(2.6)	Adjustment aligns funding level for 2025-27 after carry-forward level (CFL) with the final fiscal note for HB 2301, which pertains to improving the outcomes associated with waste material management systems, including products affecting organic material management systems. <b>OFM ML adjustment. No DP needed for 2025-27.</b>

<b>Totals</b>						<b>\$ 9,034,000</b>	<b>\$ 12,013,000</b>	<b>6.3</b>	<b>13.0</b>	<b>\$ (2,873,000)</b>	<b>\$ (1,038,000)</b>	<b>(9.3)</b>	<b>(13.4)</b>	
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23P-1-Model Toxics Control Operating	\$ 301,000	\$ 714,000	3.70	7.00
001-1-General Fund-State	\$ (2,278,000)	\$ 386,000	(4.60)	-
Other	\$ 11,011,000	\$ 10,913,000	7.20	6.00