STATE OF WASHINGTON
OFFICE OF GOVERNOR JAY INSLEE

DIRECTIVE OF THE GOVERNOR

24-11

DATE: May 24, 2024

TO: Executive and Small Cabinet Agencies

FROM: Governor Jay Inslee

SUBJECT: Uniform approach for identifying overburdened communities to direct and track investments under the Healthy Environment for All and Climate Commitment Acts.

The Healthy Environment for All (HEAL) Act and Climate Commitment Act (CCA) embed environmental justice into the work of state government. Through implementation of these two laws, Washington State seeks to eliminate environmental health disparities and ensure that all people, regardless of race, color, national origin, or income have the same degree of protection from environmental health hazards.

The HEAL Act, enacted in 2021 and codified in chapter 70A.02 RCW, requires that seven state agencies (the Departments of Health, Transportation, Ecology, Agriculture, Commerce, Natural Resources, and the Puget Sound Partnership, collectively hereby called the "covered agencies") incorporate environmental justice into agency actions, planning, and investments to reduce environmental health inequities in Washington. The HEAL Act also requires covered agencies to promote the equitable distribution of environmental benefits to overburdened communities. Specifically, the law requires that covered agencies, as practicable, establish a goal of directing 40% of grants and expenditures to create environmental benefits to vulnerable populations and overburdened communities (RCW 70A.02.080).

The HEAL Act also requires state agencies to report annually to the Environmental Justice Council and to the Office of Financial Management (OFM) in a uniform dashboard on their progress in implementing the HEAL Act and meeting its obligations to benefit overburdened communities and vulnerable populations (RCW 70A.02.090).

The CCA, also enacted in 2021 and codified in chapter 70A.65 RCW, seeks to ensure that as Washington State reduces its greenhouse gas emissions, communities disproportionately impacted by climate change and air pollution benefit from cleaner air and a healthy environment. To that end, the CCA requires that at least 35% (with a goal of 40%) of CCA revenues are invested to provide direct and meaningful benefit to vulnerable populations in overburdened communities and at least 10% to benefit Tribes (RCW 70A.65.230).

The CCA also requires the Department of Ecology (Ecology) to annually report to the legislature on state agency expenditures from Climate Commitment Act accounts (RCW 70A.65.300). Additionally, section 302 of the 2023-25 Biennial operating budget (Chapter 475, Laws of 2023) requires Ecology, in consultation with OFM and the Environmental Justice Council, to develop and implement a process to track, summarize and report on state agency expenditures from CCA accounts that provide direct and meaningful benefits to vulnerable populations within the boundaries of overburdened communities.

Upholding HEAL and the CCA's requirements to invest monies to benefit vulnerable populations in overburdened communities and Tribes is essential in our state's work to eliminate health disparities and promote environmental justice. It is vital that the state effectively direct these investments to benefit the people and communities most disproportionately impacted by environmental and health burdens. Moreover, it is important that the state be held accountable to meeting these statutory requirements. Effective, accurate, and uniform reporting on where agencies have invested funds is an important cornerstone to achieving this.

To ensure that Washington state is upholding its budgetary and reporting duties towards environmental justice, I direct the following:

- Considering the recommendations of agency directors, the HEAL Interagency Workgroup, and input received from the Environmental Justice Council members, my office will, by July 1, 2024, adopt a uniform approach to identifying overburdened communities and vulnerable populations for the purpose of directing and tracking investments under HEAL and the CCA. OFM shall publish this guidance on its webpage.
- All executive cabinet agencies covered under the HEAL Act and all executive and small cabinet agencies investing CCA revenues use the uniform approach published by OFM to identify vulnerable populations in overburdened communities when investing and tracking funds and to complete required reporting on implementation of the HEAL Act and the CCA.

I urge separately elected officials, independent boards and commissions, and higher education institutions to follow this approach as well.

Nothing in this Directive is intended to guide or dictate how agencies identify vulnerable populations, overburdened communities, or Tribes for purposes other than investing and tracking investments under the HEAL Act and the CCA. Other activities, such as identifying overburdened communities for the purpose of analyzing impacts of a proposed action or focusing community engagement, are not subject to this Directive and should be informed by agency best practice.

This Directive, effective immediately, shall remain in effect until further notice.