

State of Washington
Decision Package

FINAL

Agency: 303 Department of Health
Decision Package Code/Title: P5 Implement Septic Recommendations
Budget Period: 2015-17
Budget Level: PL-Performance Level

Recommendation Summary Text:

Many Puget Sound Local Health Jurisdictions (LHJs) are struggling to meet the state’s requirement to develop and carry out management programs for septic systems. A 2014 advisory committee recommended the state impose a mandatory fee to be established by LHJs in the 12 counties bordering the Puget Sound to implement their septic management programs. There is associated agency request legislation for establishing that fee. This funding request is to amend rules and work with LHJs to provide technical assistance with management plans, oversight, and plan approval in support of the advisory committee recommendation. This decision package is related to Puget Sound Action Agenda implementation.

Fiscal Detail

| Operating Expenditures | | <u>FY 2016</u> | <u>FY 2017</u> | <u>Total</u> |
|-------------------------------|--------------------|-----------------------|-----------------------|--------------------------|
| 001-1 | General Fund State | 66,000 | 89,000 | 155,000 |
| Total Cost | | 66,000 | 89,000 | 155,000 |
| Staffing | | <u>FY 2016</u> | <u>FY 2017</u> | <u>Annual Avg</u> |
| | FTEs | 0.6 | 0.9 | 0.8 |

Package Description:

There are 600,000 septic systems in the Puget Sound basin. Neglected or broken systems can pollute shellfish beds and other waters. State law requires homeowners to take care of their systems and Puget Sound local health jurisdictions (LHJs) to adopt and implement management plans to support this work. Financial resources are needed to improve and standardize Puget Sound’s local septic management programs to better safeguard this valuable infrastructure. Local dedicated funding is limited and uneven, heavily subsidized by transient state and federal grants.

This decision package supports corresponding agency request legislation that would amend RCW 70.05.190 to require the 12 local boards of health to establish a fee for on-site septic system owners that would be added to their property tax statement. This would establish a dedicated, sustainable revenue source for the 12 Puget Sound local septic management programs as well as allow the Department of Health (DOH) to define accompanying baseline program requirements.

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 Program Contact: Office of Shellfish & Water Protection, Stuart Glasoe, (360) 236-3377

Narrative Justification and Impact Statement:

What specific performance outcomes does the agency expect?

The expected outcomes are to (1) better protect shellfish beds, water quality, and public health, (2) enable LHJs to create a comprehensive record/inventory of the region's on-site sewage systems, (3) improve use and care of on-site systems to improve performance and lengthen their lifespan, (4) strengthen safeguards that monitor water quality and identify and fix problem systems, and (5) increase consistent implementation of minimum requirements and standards to better track and adapt program implementation.

Performance Measure Detail

Activity: A005 Community Environmental Health

Is this Decision Package essential to implement a strategy identified in the agency's strategic plan?

This decision package supports:

Goal 1: Protect everyone in Washington from communicable diseases and other health threats.
Objective 3: Ensure the safety of our environment as it impacts human health.

Goal 5: Ensure core business services are efficient, innovative, and transparent.
Objective 1: Develop and initiate appropriate policies and legislation to support our goals and objectives.
Objective 2: Work toward optimal public health funding and assess return on investment.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

The associated septic fee proposal request legislation that this decision package supports provides essential support to Goal 3, Outcome Measure 2.1, to increase harvestable shellfish acreage in Puget Sound, and 2.1.a., to increase the percentage of septic systems current with inspections in marine recovery areas and other specially designated areas, which includes the Puget Sound counties.

What are the other important connections or impacts related to this proposal?

This septic fee proposal is the result of policy recommendations developed via a priority action of the shellfish strategic initiative of the 2012 Puget Sound Action Agenda (PSAA) under the "Prevent Pollution through Incentives" sub-strategy. The proposal is complemented by a companion priority action and policy recommendations to establish a unified regional low-interest septic loan program in the Puget Sound region.

The applicable PSAA strategy, sub-strategy and near-term actions (NTA's) are identified below:

Strategy C5: Prevent, Reduce, and/or Eliminate Pollution from Decentralized Wastewater Treatment Systems

Sub-Strategy C5.3: Improve and expand funding for on-site sewage systems and local on-site sewage system programs

NTAC.5.3.1: Regional on-site sewage system homeowner loan program. DOH, Ecology, and Puget Sound Partnership will help evaluate options and support proposals to fund a unified, self-sustaining, low-interest loan program in the Puget Sound region to help on-site sewage system owners repair and replace their systems.

NTA C.5.3.2: Regional on-site sewage system program funding source. DOH will evaluate approaches and mechanisms (e.g., a regional flush tax or sewer surcharge) to generate and distribute funds to Puget Sound counties to implement their on-site sewage system management plans and programs.

What alternatives were explored by the agency and why was this alternative chosen?

DOH conducted a study to determine the financial need and evaluate financing options for the two septic finance programs called out in the Puget Sound Action Agenda. Among a variety of optional approaches considered during the study, the Puget Sound Septic Finance Advisory Committee comprised of key stakeholders recommended this legislative solution as its preferred course of action.

What are the consequences of adopting or not adopting this package?

Status quo efforts will persist, with many gaps and inconsistencies in the local management programs and significant funding shortfalls in most counties trying to implement the state-mandated requirements established in 2005-06. Some counties will consider voluntarily establishing the septic fee if this proposal does not move forward.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

The bill directs the State Board of Health to amend rules detailing the minimum requirements and standards of the management plans.

Expenditure and revenue calculations and assumptions

Revenue:

None.

Expenditures:

DOH is required to do rulemaking by December 31, 2016, and work with LHJs to provide technical assistance with plans, oversight, and plan approval, and to make sure the plans meet the requirements outlined in the bill.

Rulemaking will require 0.5 FTE Health Services Consultant (HSC) 3, 0.1 FTE HSC 4, and \$66,000 in fiscal year (FY) 2016, and 0.3 FTE HSC 3, 0.1 HCS 4 and \$33,000 in FY 2017. These are one-time costs.

Implementation will begin January 1, 2017, and will require 0.5 FTE HSC 3 and \$56,000 in FY 2017. Ongoing costs for implementation will be 1.2 FTE and \$111,000 annually, beginning in FY 2018.

Total costs for 2015-17 biennium: FY 2016 0.6 FTE and \$66,000, FY 2017 0.9 FTE and \$89,000.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Rulemaking costs of 0.5 FTE Health Services Consultant (HSC) 3, 0.1 FTE HSC 4, and \$66,000 in fiscal year (FY) 2016, and 0.3 FTE HSC 3, 0.1 HCS 4 and \$33,000 in FY 2017. will be one-time in the 2015-17 biennium.

Ongoing costs for implementation will be 1.2 FTE and \$111,000 annually beginning in FY 2018.

For federal grants: Does this request require a maintenance of effort or state match?

Not Applicable.

11B. For all other funding: Does this request fulfill a federal grant's maintenance of effort or match requirement?

No.

| <u>Object Detail</u> | <u>FY 2016</u> | <u>FY 2017</u> | <u>Total</u> |
|-------------------------------|-----------------------|-----------------------|---------------------|
| A Salaries and Wages | 44,000 | 58,000 | 102,000 |
| B Employee Benefits | 13,000 | 18,000 | 31,000 |
| C Personal Service Contracts | | | |
| E Goods and Services | 8,000 | 11,000 | 19,000 |
| G Travel | | 1,000 | 1,000 |
| J Capital Outlays | | | |
| T Intra-Agency Reimbursements | 1,000 | 1,000 | 2,000 |
| | | | |
| Total Objects | 66,000 | 89,000 | 155,000 |