

2017-19 Biennium Budget Decision Package

FINAL

Agency: 303 Department of Health

Decision Package Code/Title: D4 Low-Level Radioactive Waste Program

Budget Period: 2017-19

Budget Level: PL – Performance Level

Agency Recommendation Summary Text:

The Department of Health and the Department of Ecology currently share regulatory oversight of the Low-Level Radioactive Waste Disposal Facility in the Hanford Nuclear Reservation. The enactment of EHB 2304 in 2012 began the process of consolidating regulatory oversight from the Department of Ecology to the Department of Health. This proposal completes the full transfer of the program.

Fiscal Summary: Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 125-1	935,000	928,000	928,000	928,000
Fund 001-7	77,000	77,000	77,000	77,000
Total Cost	1,012,000	1,005,000	1,005,000	1,005,000
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	2.4	2.4	2.4	2.4
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-7	77,000	77,000	77,000	77,000
Fund 500-1	48,000	48,000	48,000	48,000
Fund 746-1	179,000	179,000	179,000	179,000
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A - Salaries and Wages	161,000	160,000	160,000	160,000
B - Employee Benefits	56,000	56,000	56,000	56,000
C - Personal Service Contracts	676,000	676,000	676,000	676,000
E - Goods and Services	101,000	101,000	101,000	101,000
G - Travel	8,000	8,000	8,000	8,000
J - Capital Outlays	4,000	-	-	-
T- Intra-Agency Reimb	4,000	4,000	4,000	4,000

Package Description

Currently, the Department of Health (DOH) and the Department of Ecology (ECY) share regulatory oversight of the Low-Level Radioactive Waste Disposal Facility (operated by US Ecology) located in the 200 area/central plateau of the Hanford nuclear reservation. Since January 1, 1993, this facility has only accepted low-level radioactive waste (LLRW) from the eight states of the Northwest Interstate Compact on Low-Level Radioactive Waste Management (NWIC) and the three states of the Rocky Mountain Compact. In addition, the facility legally can, and does, accept other LLRW from Compact and non-Compact states. Clients using this facility include medical facilities, research universities, commercial facilities, nuclear power plants and government entities such as the US military. In 2063, the facility will be closed and turned over to the federal Department of Energy (DOE) for long term maintenance and integration into the DOE 200 area oversight responsibilities.

ECY and DOH propose to transfer ECY's portions of the LLRW program to DOH, since DOH already has the majority of the regulatory authority for this facility. Additionally, it is DOH that has the delegation of federal authority from the Nuclear Regulatory Commission pursuant to low level radioactive waste. In the 2012 session, ECY and DOH began the process of consolidating the LLRW regulatory oversight to DOH. HB 2304 and companion bill SB 6491 amended 43.200 RCW and 70.98 RCW to put DOH in charge of issuing the site use permits, effective July 1, 2012.

DOH currently manages, monitors, and regulates the LLRW Disposal Facility; issues site use permits, collects disposal information, and estimates site closure costs. Under this proposal, DOH will receive the responsibility for what ECY currently manages: the NWIC; the land lease agreement between the State of Washington, DOE, Benton County, and the facility operator; the Site Closure Account and the Perpetual Surveillance Maintenance Account; and collection and allocation of the waste surcharge authorized by RCW 43.200.

No statutory change is needed to assign the NWIC management (RCW 43.145) to DOH; however, completing the transfer of regulation and administration of both the Site Closure Account and Perpetual Surveillance Maintenance Account to DOH will require changes to RCW 43.200. ECY is submitting agency request legislation for these changes, and both ECY and DOH are submitting fiscal notes.

Both agencies will gain efficiency through consolidation of appropriate responsibilities into the agency best suited. This government efficiency proposal will enable ECY to focus on the Model Toxics Control Act issues (non-radiation) that impacts about 50% of the LLRW site, while allowing DOH to completely regulate the operations of the active portion of the facility and eventual closure of the entire facility.

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Relation to Agency Strategic Plan and Results WA

This decision package supports Results Washington Goal 5 - Effective, Efficient and Accountable Government.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

There is currently no base budget for this work in DOH.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Revenue:

NOTE: All revenue amounts new to DOH are a result of fund administration transfers in the related legislation and are included in the fiscal note.

The legislation moving the administration of related funds increases cash receipts at DOH and equally decreases cash receipts from ECY in the following three ways:

Fund 001-7 General Fund Private Local cash receipts are approximately \$77,000 per year for the sublease.

Fund 500-1 Perpetual Surveillance and Maintenance Account receipts are expected to be approximately \$48,000 per year. This is based on assumed disposal volume of 27,488 cubic feet per year at \$1.75 per cubic foot. Actual revenue is dependent on the volume of LLRW disposed.

Fund 746-1 Hanford Area Economic Investment Account receipts for radioactive waste surcharge are approximately \$179,000 per year. This is based on 27,488 cubic feet per year at \$6.50 per cubic foot. Actual revenue is dependent on the volume of LLRW disposed.

Expenditures:

NWIC

1.7 FTE and \$215,000 (Site Closure Account) for fiscal year (FY) 18, and 1.7 FTE and \$210,000 in FY 19 and ongoing, is strictly for moving the responsibilities of the NWIC from ECY to DOH. This includes 1.1 FTE of Radiation Health Physicist and 0.1 of Administrative Assistant 3 for operations of the NWIC, and an additional 0.5 FTE for indirect related staffing. Travel is \$8,000 each year and one-time equipment costs are \$4,000 in FY 18. This activity does not require legislation, so is not included in the fiscal note.

Subleases

Beginning in FY18 and ongoing, \$77,000 (GF-Local) is needed for sublease contracts with Benton County and DOE. Sublease detail is included in the associated fiscal note.

NOTE: This package proposes to shift \$718,000 that has historically been funded in ECY's capital budget to DOH's operating budget. These activities include ECY's Model Toxics Control Act work at the site, and DOH's oversight costs. These costs are more appropriately incurred from the operating budget. For this reason, DOH's operating decision package expenditures will be higher than in ECY's reduction decision package; however, DOH's related capital budget request will be significantly less than ECY's current capital budget for this program.

Model Toxics Control Act (MTCA) site work

\$506,000 (Site Closure Account) in contractual costs per year are for reimbursement of site operators for closure costs associated with ECY-directed MTCA investigation.

Site Closure Oversight

Beginning in 2018 and ongoing, 0.4 FTE and \$212,000 (Site Closure Account) are needed for site closure oversight. This includes 0.3 FTE Radiation Health Physicist 4 and 0.1 FTE for indirect related staffing, \$100,000 each year for related contractual work, and Attorney General costs assumed at \$50,000 each year to address current legal actions.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The outcome of this request will be improved effectiveness of managing the NWIC by consolidating those duties with administration of the Site Use Permit system. Increased efficiency will be gained by consolidating fund and budget management. This will eliminate the need for ECY to monitor and administer budgets for activities that are led by DOH, which causes non-beneficial duplication of effort between the two agencies.

Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served:

No impact directly on state residents or specific populations as the facility is located in the 200 area/central plateau of the Hanford Nuclear Reservation.

What are other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below:

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Identify: No change for Benton County who receives revenue from the operations at this disposal site.
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	Yes	Identify: Yakama Nation and other Tribal nations have ongoing interest at Hanford and with the LLRW closure. No impact is anticipated. Potential for interest by Tribal Governments.
Other state agency impacts?	Yes	Identify: Cost neutral shift from ECY.
Responds to specific task force, report, mandate or exec order?	No	Identify:

Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	Yes	Identify: Transfer of responsibilities for administration of the Site Closure Account (Fund 125) from ECY to DOH will result in reduction of ECY's current capital appropriations. DOH will increase appropriations to fund work assumed to take place in the 17-19 biennium under new appropriation sought through a separate capital budget request. Some projects previously in ECY's capital budget will be moved to DOH's operating budget.
Is change required to existing statutes, rules or contracts?	Yes	Identify: RCW 43.200 requires amendments.
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

NWIC members include:

- State of Washington
- State of Alaska
- State of Hawaii
- State of Idaho
- State of Montana
- State of Oregon
- State of Utah
- State of Wyoming

Discussions with the stakeholders are in process. During initial presentations to the NWIC members, they expressed overall approval of the NWIC transfer from ECY to DOH. Outreach to local waste-handling businesses also indicated support with the concept.

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

Other options we explored include:

Hybrid: ECY would continue to manage the lease agreements; DOH would manage all other aspects of the disposal facility and low-level waste statewide, and take over management of the NWIC. No statutory changes would be needed. 1.0 FTE would be transferred from ECY to DOH.

Status Quo: ECY would continue to manage the lease agreements, NWIC, and Site Closure and Perpetual Surveillance Maintenance accounts. DOH would manage all other aspects of the disposal facility and low-level waste statewide.

The recommended option for government efficiency purposes is for statutory revision be made to transfer facility lease management, NWIC management, and all other aspects of the disposal facility and low-level waste statewide, along with FTE, from ECY to DOH. The program is fee supported through dedicated accounts.

What are the consequences of not funding this request?

A public health related program will continue to be implemented by an environmental regulatory agency. Inefficiencies for the overall program will continue.

How has or can the agency address the issue or need in its current appropriation level?

DOH doesn't have appropriation authority for the legal fund sources for these activities.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)