

Gov. Jay Inslee’s proposed Climate Commitment Act investments to benefit overburdened communities and Tribes

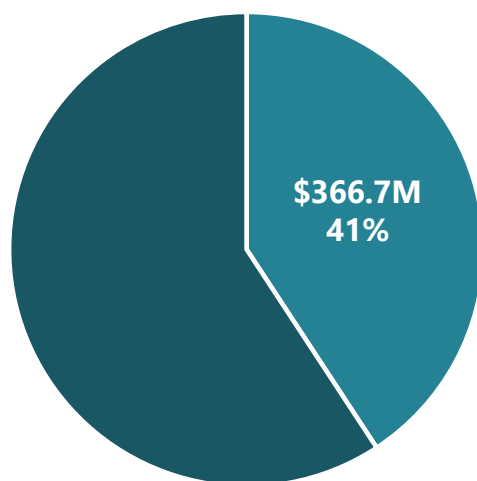
December 2023

The Climate Commitment Act (CCA) sets a declining cap on greenhouse gas emissions and requires the state’s largest emitters to purchase allowances for their planet-warming pollution. The law requires the Legislature to invest revenue from this cap-and-invest program to reduce emissions and create jobs, including in clean buildings and transportation, and improve community resiliency in the face of climate change.

The CCA centers environmental justice and equity, ensuring communities that bear the greatest burdens from climate change and pollution today see cleaner, healthier air and water as the state cuts emissions. Specifically, the CCA requires that no less than 35% of annual investments — with a goal of 40% — must provide direct and meaningful benefits to vulnerable populations in overburdened communities. The act also requires that no less

than 10% of CCA investments are supported by a Tribal resolution.

The governor’s 2024 supplemental budget achieves these requirements by directly investing in programs and projects that benefit overburdened communities and Tribes. Across the 2024 operating, capital and transportation supplemental budgets, the governor invests nearly \$900 million of CCA revenue. Of that total, **we estimate that nearly \$367 million, or 41%, will benefit vulnerable populations in overburdened communities. Nearly \$23 million is directed explicitly to Tribes, with an additional \$80.5 million invested in salmon restoration programs and projects that are important to protect Tribes’ culture and respect treaty rights.** Tribes are also eligible recipients of most of the programs that make up the nearly \$367 million invested in overburdened communities.



Total: \$899,690,000

41% of CCA investments in Gov. Inslee’s 2024 supplemental budgets will benefit vulnerable populations in overburdened communities.

The governor's budget was informed by funding recommendations from the Environmental Justice Council. Additionally, in response to input from community groups for increased transparency, many appropriations in the budget include specific proviso language that prioritizes and benefits overburdened communities.

These investments also add to [historic investments in overburdened communities made in the 2023 -25 biennial budget](#). Across the 2023-25 operating, capital, and transportation biennial budgets, the Legislature invested nearly \$924 million in overburdened communities, comprising 43% of total CCA investments. It also included more than \$155 million explicitly to Tribes and an additional \$142 million invested in salmon restoration programs and projects that are important to Tribes to protect their culture and respect treaty rights.

The Governor's Office, Office of Financial Management (OFM) and cabinet agencies are committed to ensuring that CCA revenues are invested in overburdened communities and Tribes. We will continue to work with the Legislature, Environmental Justice Council, and community representatives to ensure these commitments remain upheld.

Invest in overburdened communities

Gov. Inslee's proposed 2024 operating, capital, and transportation supplemental budgets invest nearly \$367 million of CCA revenue in creating meaningful benefits for vulnerable populations in overburdened communities. Some of the major investments specifically for overburdened communities in the operating and capital budgets include the following.

Note that some of these programs are not directed *entirely* to benefit overburdened communities. The dollar figures shown below

reflect the minimum amount we expect to be invested to benefit these communities.

- \$90 million for the Department of Commerce to expand the Clean Energy Fund. This includes a Clean Communities program to develop community-driven, neighborhood-scale sustainability projects. State 'clean energy ambassadors' will assist government and community leaders of vulnerable and overburdened communities to develop and implement these projects.
- \$90 million for the Department of Commerce to provide low- and moderate-income Washingtonians in overburdened communities with a one-time \$200 credit on residential electricity bills. This will help offset the cost of rising oil and gas prices.
- \$75 million to improve home energy efficiency and indoor air quality in affordable multifamily housing located in overburdened communities by undertaking benchmarking, energy management, operations and maintenance planning, retrofits, energy efficiency upgrades and installing high-efficiency electric appliances, equipment and heat pumps.
- \$25 million to incentivize the transition from diesel school buses and other student transport vehicles operating in overburdened communities to electric. This includes building out the necessary charging infrastructure for zero emissions student transportation.
- \$16 million to improve air quality in schools located in overburdened communities. Funding will provide grants to school districts to replace deteriorating heating, ventilation and air conditioning (HVAC) systems, and undertake energy

efficiency upgrades, air filtration enhancements and general air quality improvements. These efforts will make it easier for children to learn safely and comfortably.

- \$16 million for state matching funds for competitive federal funding opportunities that benefit vulnerable populations in overburdened communities.
- \$1 million to the Department of Social and Health Services to facilitate public assemblies, which community-based organizations host. These will elevate community solutions and expertise on funding and policy solutions to transition Washington toward a more equitable and climate-resilient state.
- \$263,000 to build on federal funding for the University of Washington Thriving Communities Technical Assistance Center. This funding will help overburdened communities and tribes access state and federal funding dedicated to advancing environmental justice.
- \$253,000 for the Department of Commerce to incorporate equity and environmental justice into agency grant programs by reducing programmatic barriers to accessing grants.
- \$150,000 to pilot Health Equity Zones for community-selected advisory committees to identify priorities and interventions to reduce health disparities at the local level.
- \$1.17 million to support the state's implementation of the Healthy Environment for All (HEAL) Act by adding capacity to the Environmental Justice Council and Department of Health.
- \$900,000 for the Department of Transportation to conduct research

recommended in the 2023 Frequent Transit Service study. This includes identifying ways to achieve more accurate and precise analysis of disparities in how people access public transit.

- Direct the Department of Transportation to use its existing funding for the Commercial Aviation Work Group. This group will conduct meaningful community engagement with overburdened and vulnerable populations to address the state's transportation needs and the environmental justice impact of aviation in communities.

Invest to benefit Tribes

The proposed 2024 budgets designate nearly \$23 million of CCA funding explicitly to Tribes. Tribal communities are also eligible to apply for other CCA-funded programs. The governor proposes an additional \$80.5 million of CCA revenues in salmon restoration programs and projects that are important to Tribes to protect their culture and respect treaty rights.

These investments build upon funding in the 2023-2025 biennial budgets, where the Legislature invested nearly \$155 million explicitly to Tribes and an additional \$142 million for salmon and other tribal priorities.

The CCA requires that at least 10% of CCA investments are supported by a Tribal resolution (RCW 70A.65.230(10(b))). It is anticipated that tribes will ultimately receive and/or formally support more than 10% of total CCA appropriations. The Governor's Office and OFM will work with agencies to track progress on meeting this requirement.

Significant CCA investments designated specifically for Tribes include:

- \$10 million in capacity funding to Tribes to support them as they mitigate and adapt

to the effects of climate change. This adds to \$16 million appropriated in the 2023-25 biennial budgets and expands the purposes for how the funds may be used.

- \$5 million to provide federally recognized Tribes with grants to purchase electric boats and motors, enabling continued cultural and fishing practices while reducing greenhouse gas emissions.
- \$4 million for the Nisqually Tribe to begin designing and developing a microgrid system to power the Tribe’s facilities and help them move toward energy sovereignty.
- \$2 million for a Tribal clean energy innovation and training center, in partnership with Northwest Indian College.

Examples of significant CCA investments important to Tribes to protect their culture and respect treaty rights include:

- \$58 million to grants for salmon recovery projects, administered through the Salmon Recovery Funding Board, the Puget Sound Restoration and Protection program, and the Brian Abbot Fish Passage Barrier Board.
- \$15 million for the Department of Transportation to install stormwater retrofits to reduce pollution in stormwater. This will improve water quality and protect coho salmon and other aquatic species.

Maintain accountability

The accompanying table identifies each CCA investment proposed in the governor’s supplemental budgets and shows which investments contribute to meeting the equity

requirements. Many of these investments include proviso language that either require direct investment in overburdened communities or require that the agency prioritize funding to benefit these communities. The CCA requires the Department of Ecology to track and report on all CCA funding. This includes the purpose of funding, who receives the funding, and any attributable greenhouse gas emission reductions. In addition, the 2023-2025 biennial operating budget provided \$640,000 for Ecology (in consultation with OFM and the Environmental Justice Council), to track, summarize and report on all CCA investments in overburdened communities and Tribes. The first report is due to the Legislature September 2024.

OFM also received \$772,000 in the 2023-25 biennial operating budget to work with Ecology on developing a data portal. This portal will aim to improve the public’s understanding of CCA account investments. OFM is currently developing the portal and plans to launch it September 2024.

Ecology is developing interim guidance for state agencies so agencies know what information to collect and include in the 2024 and 2025 reports. They have initiated rulemaking that establishes the information must be collected from agencies for the 2026 report.

State agencies that allocate funds or administer grants or programs from these accounts must also annually report their progress on meeting environmental justice and environmental health goals to the Environmental Justice Council (RCW 70A.65.030(3)).

See next page for table of investments.

Climate Commitment Act Funds for Overburdened Communities and Tribes
Governor's Proposed 2024 Supplemental Omnibus Operating, Capital and Transportation Budget

(Dollars In Thousands)

OBC/T = Overburdened communities and Tribes

Agency	Item/budget	Total	% to OBC/T	OBC/T Total	Specifically Tribal	Related Proviso
Governmental Operations						
Department of Commerce						
<i>Operating</i>						
	Blue Wind Collaborative	250	0%	0		
	Buy Clean Buy Fair	1,112	0%	0		
	C-Pacer Technical Assistance	534	25%	134		
	Circular Economy Acceleration	5,000	20%	1,000		Sec. 128 (32)
	Clean Energy Decarbonization	10,000	100%	10,000		Sec. 129 (29)
	Clean Energy Navigators	7,000	0%	0		
	Federal Clean Energy Fund	3,860	25%	965		Sec. 129 (21)
	Grant Writing Support	8,140	25%	2,035		Sec. 129 (23)
	Green Bank Staffing	800	0%	0		
	Green Hydrogen Technical Assistance	1,077	0%	0		
	ICAP Funding	2,678	0%	0		
	Low-income Energy Vouchers	150,000	60%	90,000		Sec. 129 (30)
	Offshore Wind Supply Chain Study	500	0%	0		
	Reducing Barriers to Grants	253	100%	253		Sec. 130 (6)
	Retrofit and Heat Pump Installation	100,000	75%	75,000		Sec. 129 (26)
	Tacoma Power Feasibility Analysis	350	0%	0		
	Tribal Clean Energy Training Center	2,000	100%	2,000	2,000	Sec. 129 (22)
	Website Portal Marketing Outreach	4,000	25%	1,000		Sec. 129 (20)
	Total	297,554		182,387	2,000	
<i>Capital</i>						
	Clean Technology Manufacturing	52,500	0%	0		
	Climate Federal Match	84,000	20%	16,800		Sec. 1005 (7)
	Clean Energy Community Decarbonization	100,000	80%	80,000		Sec. 1006 (1)
	Nisqually Indian Tribe Microgrid System	4,000	100%	4,000	4,000	Sec. 1010 (10)
	Silver Bay Logging Property Acquisition	1,250	100%	1,250		
	Carbon Sequestration Prairie Restoration	2,000	0%	0		
	Total	243,750		102,050	4,000	
<i>Transportation</i>						
	City of Seattle: Solar EV Chargers	360	100%	360		Sec. 108 (3)
	Tribal Grants for Electric Boats	5,000	100%	5,000	5,000	Sec. 108 (2)
	Total	5,360		5,360	5,000	
Office of Financial Management						
<i>Operating</i>						
	Federal Grant Writing	2,000	25%	500		
	Total	2,000		500	0	
Department of Enterprise Services						
<i>Operating</i>						
	Building Code Council Legal Fees	500	0%	0		
	Total	500		0	0	

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Transportation						
	State Fleet Electric Vehicles	14,000	0%	0		
	ZEV Supply Equipment Infrastructure	14,000	0%	0		
	Total	28,000		0	0	
Total Governmental Operations		577,164		290,297	11,000	
Dept of Social & Health Services						
Administration/Supporting Services						
<i>Operating</i>						
	Community Assemblies	1,000	100%	1,000		Sec. 208 (9)
	Total	1,000		1,000	0	
Total Dept of Social & Health Services		1,000		1,000	0	
Other Human Services						
Department of Health						
<i>Operating</i>						
	Environmental Justice Council	444	100%	444		
	Health Equity Zones	150	100%	150		
	Implementing HEAL Act	734	100%	734		
	Total	1,328		1,328	0	
Total Other Human Services		1,328		1,328	0	
Natural Resources						
Department of Ecology						
<i>Operating</i>						
	Compensation for New 2023-25 FTEs	593	0%	0		
	CTS Central Services	7	0%	0		
	Fire Protection & Emergency Service	8	0%	0		
	PEBB Rate Correction	12	0%	0		
	Property Insurance Cost Increases	62	0%	0		
	Updated PEBB Rate	-25	0%	0		
	Workers' Compensation	8	0%	0		
	Cap-and-Invest Program Linkage	3,500	0%	0		
	CCA Communications	1,000	0%	0		
	Climate Pollution Reduction	2,831	0%	0		
	CTS Central Services	8	0%	0		
	GOV Central Services	1	0%	0		
	Legal Services	6	0%	0		
	Modernize Surface Water Mapping	2,750	0%	0		
	Offshore Wind Engagement/Planning	338	0%	0		
	OFM Central Services	74	0%	0		
	State Employee Benefits	4	0%	0		
	Tribal Capacity Grant Expansion	10,064	100%	10,064	10,064	Sec. 302 (8)
	Total	21,241		10,064	10,064	

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Agency	Item/budget	Total	% to OBC/T	OBC/T Total	Specifically Tribal	Related Proviso
Capital						
	Electric School Bus Program	31,430	80%	25,144		Sec. 3003 (1)
	Total	31,430		25,144	0	
Energy Facility Site Eval Council						
<i>Operating</i>						
	CTS Central Services	33	0%	0		
	Total	33		0	0	
State Parks and Recreation Comm						
<i>Operating</i>						
	Clean Energy & Climate Adaptation	2,100	0%	0		
	Total	2,100		0	0	
<i>Transportation</i>						
	EV Charging Facilities	500	0%	0		
	Total	500		0	0	
Rec/Conserv Funding Board						
<i>Capital</i>						
	2025 Community Forest Grant Program	5,780	0%	0		
	2025 Washington Coastal Restoration and Resiliency Initiative	7,560	0%	0		
	2025 Forest Carbon Storage and Sequestration	5,000	30%	1,500	1,500	Sec. 3011
	2025 Brian Abbott Fish Barrier Removal Board	22,000	0%	0		
	2025 Estuary and Salmon Restoration Program	11,000	0%	0		
	Upper Green River Forest Carbon Storage	25,000	0%	0		
	Salmon Recovery Funding Board: Riparian Grant Program	25,000	0%	0		
	Total	101,340		1,500	1,500	
Department of Fish and Wildlife						
<i>Operating</i>						
	Forest Health and Fuel Reduction	2,000	0%	0		
	Total	2,000		0	0	
Department of Natural Resources						
<i>Operating</i>						
	Habitat Conservation Thinning Shift	-10,000	0%	0		
	Kelp and Eelgrass	593	0%	0		
	Total	(9,407)		0	0	

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Capital						
	2023-25 Forestry Riparian Easement Program	10,000	0%	0		
	Drought Resilience Infrastructure Investments	500	0%	0		
	2025 Trust Land Transfer	8,000	0%	0		
	Total	18,500		0	0	
Department of Agriculture						
Operating						
	Climate Lead Position	262	0%	0		
	Green Fertilizer Workgroup	250	0%	0		
	Total	512		0	0	
Capital						
	Agricultural Carbon Storage and Sequestration	5,000	0%	0		
	Total	5,000		0	0	
	Total Natural Resources	173,249		36,708	11,564	
Public Schools						
Supt of Public Instruction						
Capital						
	Equitable Access to Clean Air & Improving Classroom Air Quality	20,000	80%	16,000		Sec. 5007 (2)
	Total	20,000		16,000	0	
	Total Public Schools	20,000		16,000	0	
Higher Education						
University of Washington						
Operating						
	Updated PEBB Rate	-1	0%	0		
	Thriving Communities	263	100%	263	132	Sec. 602 (90)
	Total	262		263	132	
Capital						
	UW Bothell - Central Plant Optimization & Gas Boiler Replacements	6,500	0%	0		
	UW Seattle - Centralized Chilled Water Capacity Improvements	14,000	0%	0		
	UW Tacoma - Gas Boiler Replacements	8,400	0%	0		
	UWMC - Montlake Campus HVAC Systems Renewal	8,000	0%	0		
	UWMC - NW Campus Central Utility Plant Planning	2,000	0%	0		
	Total	38,900		0	0	

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Agency	Item/budget	Total	% to OBC/T	OBC/T Total	Specifically Tribal	Related Proviso
Eastern Washington University						
	<i>Capital</i>					
	Energy Improvements	5,166	0%	0		
	Total	5,166		0	0	
Central Washington University						
	<i>Capital</i>					
	Secondary Geothermal Module	12,464	0%	0		
	Science Building Carbon Reduction	4,509	0%	0		
	Total	16,973		0	0	
Community/Technical College System						
	<i>Operating</i>					
	Career Launch - Climate Degrees	1,500	0%	0		
	Integrating Climate Solutions	950	0%	0		
	Total	2,450		0	0	
	<i>Capital</i>					
	CBPS SBCTC Statewide: Utility Submeters for Clean Buildings Act	8,374	0%	0		
	CTC Energy Efficiency Program	2,000	0%	0		
	HB 1390 - District Energy Systems	724	0%	0		
	Total	11,098		0	0	
	Total Higher Education	74,849		263	132	
Transportation						
Department of Transportation						
	<i>Transportation</i>					
	Electrifying Washington State Ferries	11,200	0%	0		
	Design and Shore Power for Electric Passenger Ferry	4,000	0%	0		
	EV Charger Deployment	20,000	25%	5,000		
	World Cup Transportation Planning	1,000	25%	250		
	Stormwater Retrofits and Improvements	15,000	100%	15,000		Sec. 304 (13)
	Frequent Accessible Transit Studies	900	100%	900		Sec. 221 (21)
	Total	52,100		21,150	0	
	Total Transportation	52,100		21,150	0	
	Grand Total All CCA Accounts	899,690		366,746	22,696	
	Percentage of Total	100%		40.8%	2.52%	