

Protecting Climate and Environmental Health Funding



As the state faces another budget shortfall the Environmental Priorities Coalition supports the following priorities for the 2026 supplemental budget:

1. **Support energy affordability and protect the public from pollution by using dedicated funding sources for their intended purposes.** Gov. Bob Ferguson’s proposed budget taps \$569 million from the Climate Commitment Act (CCA) to backfill removal of all General Fund support for the Working Families Tax Credit. Revenue from the CCA is projected to decline in the next biennial budget, so the proposed budget puts both the Working Families Tax Credit and the climate funding needs at risk.

Voters approved the CCA and other funding sources like the Model Toxics Control Act (MTCA) because investments from these funds make a critical difference in their lives by reducing harmful pollution, reducing costs, and supporting livelihoods. The current biennial budget already includes a \$70 million diversion from MTCA to the General Fund. Adding a CCA diversion to the biennial budget would have devastating impacts on the future of climate and environmental work performed by the state.

2. **Protect environmental programs and agencies against disproportionately high funding cuts.**

Environmental programs have often been at the front of the line for cuts when the state budget is under strain. For example, the Department of Natural Resources (DNR) faced a 16% reduction in total funding. In particular, the new biennial budget includes a 52% cut to wildfire protection programs at DNR. Funds for state and community work to implement the HEAL Act were also cut significantly in the 2025-27 budgets. All of these cuts hinder positive work that protects people from harm and improves people’s lives.

Climate Commitment Act 2026 Funding Priorities

Climate Pollution Reduction And Affordability Programs

More than 270,000 low-income households in Washington are considered energy burdened, spending over 6% of their income on residential energy bills. Weatherization and energy efficiency programs enable households to make upgrades that can significantly reduce energy use, saving hundreds of dollars annually on utility bills. Providing access to EVs will cut people’s transportation fuel costs by over \$1,500 each year. The following priority programs are stellar examples of investments that both reduce climate pollution and provide durable savings for consumers now and into the future. The funding amounts are a drop in the bucket for overall demand, but these funding items maximize return on investment.

Item	Agency	Budget	Amount
Home Electrification Appliance Rebates (HEAR)	Commerce	Capital	\$50,000,000
State Home Energy Assistance Program (SHEAP)	Commerce	Operating	\$33,000,000
EV Instant Rebate (applies to new and used vehicles)	Commerce	Operating	\$100,000,000
Green Bank	Commerce	Capital	\$25,000,000
Affordable Multifamily Housing Decarbonization	Commerce	Capital	\$5,000,000
Clean Diesel Grants for Electric School Buses	Ecology	Transportation	\$10,000,000

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Climate Commitment Act 2026 Funding Priorities, continued

Infrastructure and Jobs

Electricity demand in Washington is projected to nearly double by 2050. Meeting this demand will require rapid deployment of new clean energy sources and upgrading infrastructure—not only to achieve the state’s ambitious climate targets but also to keep energy affordable. The investments outlined below can accelerate Washington’s transmission upgrades and build-out, while supporting the integration of the most cost-effective renewable energy resources into the grid.

Item	Agency	Budget	Amount
WA EV Charging Program	Commerce	Capital or Transpo	\$50,000,000
Hard-to-Decarbonize Grant Program	Commerce	Capital	\$30,000,000
Local Government Support for Clean Energy Siting	Commerce	Operating	\$490,000
Clean Energy Fund - Tribal Projects	Commerce	Capital	\$30,000,000
Transmission Authority	Commerce	Operating	\$1,000,000

Natural Climate Solutions

Analysis from other states shows that natural climate solutions provide a significant reduction in atmospheric climate pollution levels. As the emissions reductions in transportation or buildings scale up, investments in carbon sequestration and storage help reduce climate pollution and support rural economies.

Item	Agency	Budget	Amount
Carbon Sequestration in Forests and Encumbered Lands	DNR	Capital	\$18,000,000
Urban Forestry Grants	DNR	Operating	\$3,000,000
Climate Smart Agriculture Equipment	WSDA	Capital	\$10,000,000
Soil Health Research — Infrastructure and Instrumentation	WSU	Capital	\$400,000
Skokomish Indian Tribe within Reservation Timber Acquisition	RCO	Capital	\$2,000,000
Community Forests Grant Program	RCO	Capital	\$9,000,000
Salmon Recovery Funding Board	RCO	Capital	\$11,100,000
Floodplains by Design	ECY	Capital	\$78,000,000

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