



POLICY BRIEF

Climate Commitment Act Spending in State Operating Budget Expands Government But Does Little for Tangible Environmental Benefits

By Todd Myers,
Vice President for Research

Key Takeaways

1. The 2025-27 state operating budget spends about \$174 million from CO2 taxes on various projects purportedly related to climate change.
2. More than 70% of that spending goes to projects that increase the size of government or pay for government planning.
3. Much of the spending that claims to mitigate climate impacts is actually used to hire more government employees or pay for studies.
4. High-profile projects account for little of the total spending. For example, a project to reduce childhood asthma accounts for less than 0.2 percent of total spending.
5. Facing a new budget shortfall, the governor should immediately suspend spending on projects that do not yield tangible environmental benefits.



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Introduction

The State of Washington [has collected](#) nearly \$4 billion in CO2 taxes since the beginning of 2023 to fund a range of government programs including public transit, electric ferries, CO2-reduction projects, climate mitigation, and environmental restoration. Supporters of the CO2 tax, known as the Climate Commitment Act (CCA), highlight the benefits of the tax, claiming that it is going to reduce childhood asthma, help disadvantaged communities, and reduce greenhouse gas emissions.

A close look at how the tax revenue is being spent in the new [2025-27 operating budget](#) shows that, contrary to the rhetoric, much of the money ends up in state agencies to hire more government employees, pay for studies, and fund planning bureaucracy.

For example, more money is spent to pay for staff to “lead cross agency coordination for wildfire and extreme heat emergency management” – \$382,000 – than to reduce childhood asthma.

More than 70 percent of CO2 tax revenue in the operating budget is going to expand government or fund planning bureaucracy rather than projects that yield tangible environmental benefits. For example, the second largest expenditure from CCA money in the 2025-27 operating budget is \$22.5 million to fund local government planning for climate change.

About 18 percent of CCA tax revenue goes to government services including funding to reduce the impact of the CO2 taxes on energy bills by providing utility bill assistance or workforce training. Just nine percent of CCA tax revenue in the operating budget goes to actual environmental projects, including projects to promote forest health.

In total, about \$174 million of the funding from the CO2 tax is included in the operating budget for the 2025-27 biennium in two accounts tied to the CCA – the Climate Commitment Account and the Natural Climate Solutions Account. About \$90 million of that goes to government bureaucracy, another \$30 million for planning, \$35 million for services and just \$15.8 million for actual projects.

There is also a significant amount of money from the CO2 tax included in the capital budget. Those expenditures are more likely to include actual projects. We will do a more detailed analysis of those projects and how effective they are at a later date. The spending in the operating budget accounts for about one-quarter of CO2 tax spending outside the transportation budget.

Supporters of these expenditures will argue that government overhead is necessary to manage programs that help achieve Washington's climate goals. However, that has been the approach for two decades and the state has consistently failed not only to meet its CO2 targets but even to reduce emissions. The state has spent billions of dollars on government programs and bureaucracy, always with the promise that results will follow at some point in the future.

Rather than looking for a new approach, the 2025-27 Operating Budget continues the trend of hoping these programs will finally turn the corner.

Recommended Actions for the Governor

With the Office of Financial Management predicting another budget shortfall before the biennium even began, the governor should take immediate steps to stop spending on wasteful climate projects and work with the legislature to change how we fund climate action.

1. Governor Ferguson should delay some of the funding for projects that are unlikely to yield climate and environmental benefits, like the \$22.5 million for local climate planning, \$10 million for grant writers, \$4 million to “provide guidance and input” on the HEAL Act, \$1 million for an “environmental justice toolkit” for hydrogen combustion and numerous other expenditures.
2. The Legislature should cancel funding to study or plan for climate impacts and either transfer that money to real-world projects or cut the funding altogether.
3. Funding should be tied to objective metrics of environmental outcomes. None of the current expenditures, even those that are worthwhile like forest fuel reduction, have results-driven metrics.
4. Spending designed to reduce CO2 emissions should be cost-competitive with the private market. Currently, even the best expenditures are extremely expensive compared to available alternatives. Projects that are not should be eliminated and directed to private-sector alternatives.

Unless the governor and legislature change how we spend CO2 tax revenue, Washington will continue to miss our climate targets and waste billions on projects and bureaucracy that do nothing for the environment while legitimate environmental efforts go unfunded.

Capacity, Facilitation, and Toolkits

The largest focus of CCA funds in the 2025-27 operating budget is to expand government programs. Even spending that is focused on addressing real problems, like flood control, often ends up simply hiring more government employees.

For example, there is \$2 million to “expand and sustain Whatcom county’s floodplain integrated planning (FLIP) team planning process,” and another \$900,000 for “facilitation and technical support to develop and evaluate alternatives for managing transboundary flooding in Whatcom County and British Columbia.”

There is an additional \$1.1 million to “support dedicated local and department capacity for floodplain planning and technical support.” Addressing the risk of flooding is important, to be sure, but much of the \$4 million for planning and facilitation could probably be better spent by addressing tangible flood risks.

There are many other examples of projects that are unlikely to yield environmental benefits, including \$2 million to provide “Staffing and operational expenditures related to the battery fabrication testbed,” and another \$456,000 to “develop guidance documents regarding the different types of battery energy storage systems technologies.”

Government programs to study “Environmental justice” make up a significant amount of funding.

More than \$1 million is designated to develop an “environmental justice toolkit” for hydrogen combustion projects, along with other planning documents. The Department of Health will receive nearly \$8 million to implement the state’s environmental justice law called The HEAL Act. The Department of Commerce received \$1.5 million for the same thing.

There is another \$4 million to help “tribes and tribal organizations and overburdened communities and vulnerable populations to provide guidance and input on the HEAL Act.” That funding does not address injustice. It is solely intended to allow groups to provide input. There is an additional \$1.1 million line item to “maintain and continue community engagement to update the health disparities map and increase operating staff to complete environmental assessments.”

In total, there is about \$25 million dedicated to government oversight of “environmental justice” and support for disadvantaged groups. Virtually all of that funding is for government staff, planning and studies with little going to projects that improve living circumstances.

Some of the spending sounds good but isn’t likely to yield much. For example, there is \$13 million to public entities to cover “the costs of conducting an investment grade energy audit” of their buildings. Energy audits sound good but their record is poor. This funding is a continuation of a program that spent \$20 million in the previous biennium. According to the Department of Ecology’s CCA [spending tracker](#), projects that improve energy efficiency and weatherization have very high costs and yield tiny benefits. The cost to reduce CO2 of these residential projects is often tens of thousands of dollars per metric ton compared to the \$10 that is available on the private market.

There is even government spending designed to access more government spending. Notably, there is \$10 million for the State Department of Commerce to “assist community-based organizations and other entities to access federal tax incentives and grants.” Some of the federal grants targeted by this spending have been reduced or will be eliminated in the new federal budget.

Some argue that government overhead is necessary to run programs. Much of the spending, however, is for things that are either dubious or only tangentially related to future benefits. The likelihood that spending \$22.5 million to help local governments write climate planning documents will help the planet is low given that existing growth management plans are failing to meet existing goals such

as housing affordability and traffic management. For the same amount the state is spending on planning process, Washington state could offset, so that they are functionally eliminated, CO2 emissions by the equivalent of [about 490,000 cars](#) for a year. Instead, we will get lots of planning documents.

Environmental Stewardship and Energy Assistance

The Operating Budget does include about \$51 million for programs that classify either as services to the public or environmental projects. Some of these are very worthwhile. Others are of dubious merit.

The best projects are related to reducing the risk of catastrophic wildfire. There is just over \$7.5 million of the \$147 million to improve forest health in a variety of ways including “training to bolster a statewide natural resources workforce to support the health and resilience of Washington’s forests,” “work with conservation districts to implement priority forest health and community wildfire resilience projects,” and funding to “reduce severe wildfire risk and increase forest resiliency through fuels reduction, thinning, fuel break creation, and prescribed burning on” lands managed by the Department of Fish and Wildlife. That is good and very needed.

The largest expenditure that provides direct benefit to people is the \$25 million “to provide low-income households with energy utility bill assistance.” This is designed to mitigate increased prices caused by the CO2 tax itself, but there is a tangible benefit to people who need assistance. It is worth noting that this amount is far smaller than the \$150 million that was included in the [2024 Supplemental Budget](#) for utility assistance right before the 2024 election that included the potential repeal of the CCA. However, for those who receive the funding, it will provide some financial relief.

There is also \$300,000 to “to address the disproportionate rates of asthma among children who reside within 10 miles of the Seattle-Tacoma international airport...” That may be worthwhile, but it is just 0.17 percent of the total spending. It is one of the few expenditures that directly targets environmental health and wellbeing.

There is also about \$1.3 million to install EV charging stations and \$3 million for “urban forestry.” There is \$4 million for “a workplace health and safety program for workers who are affected by climate impacts.”

It is difficult to judge the utility of some of these expenditures. A health and safety program could help workers or it could be bureaucratic and symbolic. If Governor Ferguson decides not to pause these expenditures, he should require that they measure their effectiveness to determine whether the spending should be continued in the future. .

Conclusion

The high cost of the state’s CO2 tax is justified by the fact that climate change is an “existential crisis,” and Washington must act now to address the risk from CO2 emissions. The expenditures in the state operating budget don’t reflect that seriousness. Elected officials serious about reducing CO2 emissions would not

spend tens of thousands of dollars per ton on emissions reductions when such reductions are available at \$10 per ton. Nor would they repeatedly fund government bureaucrats with no track record of success.

Wasting resources on government bureaucracy is even less defensible when the state will probably need to cut billions more to balance its budget.

Governor Ferguson should take immediate steps to stop climate spending that is wasteful and ineffective.

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About the Author

With more than two decades in environmental policy, **Todd Myers's** experience includes work on a range of environmental issues, including climate policy, forest health, old-growth forests, and salmon recovery. A former member of the executive team at the Washington State Department of Natural Resources, he is a member of the Puget Sound Salmon Recovery Council.

He is the author of "Time to Think Small: How nimble environmental technologies can solve the planet's biggest problems," which outlines how small technologies are empowering people to protect threatened wildlife species, reduce CO2 emissions, and reduce ocean plastic. His previous book "Eco-Fads: How the Rise of Trendy Environmentalism Is Harming the Environment" documented how our environmental policies are driven by a desire to look good rather than to help the environment.

His writing has appeared in the Wall Street Journal, National Review, Seattle Times, and USA Today, and he has appeared on numerous news networks including CNBC, Fox News, the BBC, and CNN. He served as vice president of the Northwest Association of Biomedical Research and received their Distinguished Service Award in 2018 for his support of bioscience. He has also served as president of the Prescription Drug Assistance Foundation, a nonprofit providing medicines to low-income patients.

In 2021, Myers served as president of his local beekeeping club in his quest to build an army of stinging insects at his command. He has a bachelor's degree in politics from Whitman College and a master's degree in Russian/International Studies from the Jackson School of International Studies at the University of Washington. He and his wife Maria live in the Cascade Mountains in Washington state with 200,000 honeybees, and he claims to make an amazing pasta carbonara and an incredible dirty vodka martini with blue-cheese-stuffed olives.