

*The act directs investments that will help disadvantaged communities by providing tax relief for working families, expanding transit options, education services and affordable housing.*

## **Carbon Pollution Accountability Act**

### **Investing in Disadvantaged Communities**

People in low-income households and people of color face the most immediate, costly and unhealthy consequences of climate change. They are more likely to live in areas where carbon pollution is concentrated or the risks of natural disaster are higher; they are most sensitive to changes in transportation and energy costs; and they often have limited access to energy efficiency technology that could save them money and improve their environmental conditions.

Governor Jay Inslee's Carbon Pollution Accountability Act puts a firm cap on carbon emissions and assesses charges on the polluters responsible for those emissions. The act then directs investments that will help disadvantaged communities by expanding transit options, education services and affordable housing.

#### **Transportation**

The Governor's 2014 transportation proposal is a visionary, 12-year plan that makes the most significant investments in transit of any package in decades. It shrinks transportation-related carbon pollution while expanding mobility options for communities that rely heavily on public transit. The plan is supported by \$400 million annually in carbon pollution program revenues that:

- » Support the Regional Mobility Grant Program, which helps local transit to connect urban centers, acquire new energy-efficient buses, sustain or expand rush hour service and provide extended routes.
- » Provide special needs transit grants for pass discounts to low-income and elderly riders, and disabled paratransit services.
- » Authorize Sound Transit to seek voter-approved funding for new light rail expansion north beyond Northgate, east to Redmond, south toward Tacoma and inside the Seattle area.
- » Clean our air and reduce cancer risks through electric vehicle and alternative fuel incentives and infrastructure.
- » Fund Safe Routes to School program to give children more and safer bike routes to school.
- » Fund the Complete Streets program to make streets safer through lighting, pedestrian access, trails, landscaping and other infrastructure.
- » Fund statewide maintenance and safety priorities.

## Education

The Governor's education package boosts opportunities for all Washington children via a \$2.3 billion investment in early learning, basic education, higher education and other programs. Of that total, \$380 million annually of carbon program revenues will help support:

- » Enhanced child care quality by expanding the state's Early Achievers program.
- » More capacity in the state's preschool program for low-income children, bringing the total served to 70 percent of the eligible population.
- » More families receiving home-visiting services for prenatal health and early childhood well-being.
- » Increased basic education funding for smaller class sizes and more class time for kindergartners.
- » "Breakfast after the bell" program that gives eligible children access to breakfast programs in high-needs schools.
- » More middle school counseling and early drop-out warning tools at high-poverty schools.
- » More low-income student participation in College in the High School programs.
- » More participation in the state's College Bound program, which provides an early commitment of financial aid to 7th and 8th graders from low-income families.

## Housing and energy

Unaffordable housing near major employment centers is a climate problem because it forces people to live farther away and commute long distances to work, which causes more carbon emissions and more traffic congestion. Those added transportation costs are one reason that low- and middle-income households pay a greater share of their income to meet their transportation needs. Governor Inslee's plan invests more than \$135 million during the first year in housing and tax credits, with increases expected as program revenues grow, as described below:

- » Public Housing Trust Fund – \$15 million annually, expanding a state matching fund that helps finance affordable housing for people

with special needs, incomes below 30 percent of the area median income, seniors and farmworkers.

- » Working Families Tax Rebate – \$108 million annually (including administrative expenses) to fund this program set up in 2008 but never funded by the Legislature. The rebate will reach more than 450,000 qualified people across the state, providing them a rebate of up to \$500 (10 percent of their federal earned income tax credit) to shield them from potential energy and transportation cost increases.

## Commitment to review

As Washington implements the Carbon Pollution Accountability Act, it will be essential to monitor the socioeconomic effects of the program on all citizens. Accordingly, the act establishes two mechanisms:

**Economic Justice and Environmental Equity Advisory Committee** – This oversight body will be composed of low-income citizens, members of communities of color, front-line workers in fossil fuel-dependent sectors from around the state and members of other communities affected by the program. The committee will evaluate whether vulnerable communities are unfairly shouldering costs and how the schedule for future revenue investments should be modified.

**Environmental Justice "Hotspots" Study** – The state will collaborate with federal and local partners to identify and map socioeconomically diverse communities at particular risk to climate change impacts and to assess the effectiveness of program re-investments in these communities.

Forecasts by the state Office of Financial Management indicate annual growth in program revenues over the next decade, which will ensure funding continuity for the programs. The Governor's investment plan takes steps to ensure that all residents benefit from the transition to a clean energy economy in Washington and that none bear an unfair share of the cost.