



July 22, 2025

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California State Senate
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Honorable Catherine Blakespear
California State Senate
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California State Assembly
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Honorable Monique Limón
California State Senate
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RE: Wildfire Solutions Coalition supports reauthorizing Cap-and-Trade Program and increased investment in wildfire resilience and other nature-based climate solutions

Dear Senators and Assemblymembers:

Each of our organizations is deeply concerned about the impacts of catastrophic wildfires on California, including our communities, health and safety, affordability and economic success, clean air and water and protected natural spaces. **No Californian has been spared from the impacts of catastrophic wildfire**, whether they have lost loved ones, seen their home destroyed, lost their financial security, breathed toxic air, been unable to open the windows to cool the house at night, or seen a place they love changed forever. [Public opinion polling](#) shows that most Californians are deeply concerned by this issue and want action from their government.

In response to the growing urgency of California's wildfire crisis, we have formed the [Wildfire Solutions Coalition](#), a broad coalition unified in the critical need to move the state from wildfire response to wildfire risk reduction. The aim of our Coalition is to secure the resources necessary – across local, state, and federal levels – to achieve California's wildfire resilience goals and dramatically reduce the impacts of catastrophic wildfire across the state.

With nearly 60% of the vote, Californians overwhelmingly embraced action on wildfire resilience by passing the historic investments contained in Proposition 4. While Prop 4 will make a meaningful difference to avoid future catastrophe, funding levels are still insufficient to meet the goals set by the California Wildfire and Forest Resilience Action Plan. **Investing in wildfire resilience now is the most cost-effective thing we can do to solve California's wildfire crisis.**

We understand the budget deficit has resulted in less funding available from Cap-and-Trade, **and we urge the protection of the current \$200 million set aside for wildfire resilience. As the budget deficit eases, the Wildfire Solutions Coalition believes that it is necessary to increase investment of Cap-and-Trade auction revenues in regionally appropriate wildfire resilience actions, eventually reaching 10%.** Up-front investment in wildfire resilience saves billions of dollars every year and is necessary to protect our communities and landscapes from catastrophe.

This needed adjustment moves from the current \$200 million set aside for wildfire resilience to a larger allocation that better reflects the costs of mitigating wildfire risk.

Wildfire resilience is complementary to the need for additional, dedicated investments in other activities across California's natural and working lands to tackle climate change.

Wildfire Resilience is Critical for Our Economy – and Creates Economic Opportunity

Research shows that from 2017 to 2021, wildfires incurred **\$117 billion a year in economic losses**. This figure does not include the astronomical costs associated with this year's tragic fires in Los Angeles, with [preliminary estimates](#) at more than \$250 billion. While California's leadership serves as a model for the nation, the scale of recent investments is not yet sufficient to staunch the costs being paid by California taxpayers. Without action, the economic harm caused by wildfire – from disrupted business, lost tax revenue, higher health care costs, increased utility rates, destroyed infrastructure and fiscal instability – will become unsustainable.

In contrast, investment in wildfire resilience offers significant economic opportunity across the state. Wildfire resilience is tied to strategic sectors in 11 of the state's 13 California Jobs First economic regions, as well as the State's Economic Blueprint. Investments in wildfire resilience would directly benefit key sectors identified in the Blueprint, including the clean economy, working lands & water, and tourism & outdoor recreation. Scaling investment in wildfire resilience also stands to create [tens of thousands of jobs](#) across the state – from rural areas to our biggest cities, in communities across the economic spectrum.

Wildfire Risk Reduction Is Extremely Cost Effective

Compared with the costs of catastrophic wildfire, investments to reduce wildfire risk are extremely cost effective. Investments to avoid wildfire disaster [save at least \\$6 for every \\$1 invested](#). From a climate risk perspective, forest health projects are ranked as one of the most cost-effective investments in the entire California Climate Investments program. Directing Greenhouse Gas Reduction Funds (GGRF) to nature-based solutions including wildfire resilience has the additional benefit of investing Cap-and-Trade revenue in an uncapped sector, ensuring that the program yields the maximum climate benefit.

[*The Costs of Wildfire in California*](#), a report prepared by the California Council on Science and Technology, notes that “without defined mitigation funding that includes both direct and indirect costs and benefits, California will systematically underinvest in risk reduction and as a result be compelled to overinvest in suppression.” The state's spending on wildfire risk reduction is dwarfed by its suppression spending, and there is currently no stable, ongoing source of funding for wildfire risk reduction.

Reducing Wildfire Emissions is Critical to California's Climate Future

Investing a significant proportion of Cap-and-Trade funding in wildfire resilience is consistent with California's overarching climate strategy, as well as specific climate targets and plans. According to the California Natural Resources Agency [Nature-Based Solutions Climate Targets](#), “Limiting huge, dangerous, and catastrophic wildfires and restoring a natural wildfire regime across the state is one of the most important actions to limit carbon emissions from our landscapes.”

As recent data and [modeling](#) shows, California's natural and working lands act as a major source of emissions, principally in the form of wildfires. Our fire-adapted wildlands are experiencing a deadly combination of drought, heat, and the consequences of legacy land management. Scoping Plan modeling shows that, at this time and until our fire-prone landscapes reach a balance through appropriate interventions, California's natural and working lands will act as a net source of emissions, not a sink. As such, the Scoping Plan includes policy direction and actions intended to quickly move the sector toward a net sink and a more natural state, where wildfires will occur at an intensity and frequency closer to historical conditions than what we have observed in recent years.

Wildfire Resilience Is an Equity Issue

A suite of research studies shows that low-income and disadvantaged communities are disproportionately impacted by wildfire and wildfire smoke. Low-income Californians are [more likely to lose their homes](#) to wildfire and many Californians are underinsured, impacting their ability to rebuild. Non-English speakers are also [less likely to receive critical information](#) about evacuation orders or how to protect themselves from smoke and wildfire, and manufactured housing and mobile homes are extremely vulnerable to wildfire.

Exposure to wildfire smoke [disproportionately harms](#), across the largest area, low-income communities and vulnerable residents including outdoor workers, people with chronic health problems, people already exposed to poor air quality, children, and the elderly. However, wildfire risk reduction – including forest management that involves increased use of prescribed burning – is predicted to [reduce asthma-related hospitalizations](#) and emergency room visits.

Wildfire Resilience Has Significant Co-Benefits

In addition to reducing wildfire risk, wildfire resilience projects deliver a suite of co-benefits that significantly increase the return on investment. For example:

- Wildfire risk is a driving force behind California's precarious property insurance market and the state's high electricity costs. Until we meaningfully invest in reducing wildfire risk, costs will continue to rise, insurance policies will continue to be cancelled and electricity will continue to be shut off.
- Reducing smoke from catastrophic wildfire can reduce devastating health impacts, especially for sensitive populations, while also reducing health care costs.
- From 2008 to 2018, [over 50,000 Californians died](#) from the impacts of wildfire smoke. [Trinity County](#) has the nation's highest smoke-associated death rate.
- Avoiding wildfire protects California's air quality. In 2020, wildfire smoke [increased air pollution](#) to levels that hadn't been seen in over 20 years. Communities in areas with poor air quality can't afford additional exposure to toxic particulates.
- California's water system is threatened by wildfire, which can degrade source watersheds, introduce toxic contaminants into our water supply, destroy water

storage and delivery infrastructure, wrack up major costs, reduce snowpack and more. Investments in wildfire resilience are also investments in our water stability.

Strong Support for Reauthorizing Cap-and-Trade and Increasing Wildfire Resilience and Nature-based Solutions Funding

Because of the Legislature's past leadership, Californians are benefitting from a wave of private and non-profit sector leadership, engagement, and innovation that helps communities manage their exposure to wildfire, safeguards critical natural resources, maintains natural areas for recreation and renewal, and makes wildfire detection and response more effective. Wildfire resilience is not a technical problem: in small towns and large cities, across California's diverse ecosystems, we know what we need to do to reduce wildfire risk. The current challenge is scaling implementation to a level that meaningfully addresses the risk across the state. **With long term funding, the most promising interventions can be expanded and targeted effectively, and we can break California's cycle of destructive wildfire.**

California has the plans and strategies to deploy nature-based climate solutions and can do so in the form of proven and regionally appropriate wildfire resilience activities, alongside other actions that restore and protect ecosystems for climate benefits. With a strong funding commitment from Cap-and-Trade revenues, we can implement those strategies at a much larger scale, address the wildfire crisis, and deliver a host of benefits to Californians. We know the state faces mounting cost pressures to address wildfire risk across our natural systems, built environment, and growing wildfire response needs. Our coalition believes Cap-and-Trade is the best positioned funding stream for long-term investment in wildfire resilience investments given the direct tie-in to greenhouse gas emissions reductions.

Without these investments, Californians continue to exist within a cycle of crisis that is devastating our communities and landscapes. **Now is the time to break the crisis cycle. Increasing Cap-and-Trade wildfire resilience funding will position California to address the threat of catastrophic wildfires and build a better future for all Californians.** Thank you for considering our request.

Sincerely,

Steven Frisch, President
Sierra Business Council

Michael Jarred, Associate Director
The Nature Conservancy

Lucy Blake, President
Northern Sierra Partnership

Matt Horton, VP of Research and Policy
Los Angeles Economic Development
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