

From: Holly Cocci

Sent: Tuesday, February 22, 2022 2:38 PM

To: City Council

CC: Briahna Murray

Subject: Blaine Legislative Report - February 22, 2022

Attachments: City of Blaine Legislative Report - Feb 22, 2022.docx

Good Afternoon,

Please see the attached legislative report which focuses on the various House and Senate budget proposals and the investment areas that pertain to the city's priorities or relate to general local government issues. If you have any questions, please let me know!

Thank you!

Holly

Holly Cocci

Government Affairs Consultant

Gordon Thomas Honeywell Government Affairs

Cell: (253) 509-2403

E-mail: hcocci@gth-gov.com

City of Blaine Legislative Report

The sixth week of session was filled with committee hearings on bills from the opposite chamber, a positive revenue forecast, and rollouts of the state's supplemental operating, capital and transportation budgets. Over the next several days, the legislature will work long days to meet the next deadline of February 24, where all bills need to be voted out of the opposite chamber's policy committee.

Session Cutoff Calendar

February 3, 2022	Policy Committee Deadline
February 7, 2022	Fiscal Committee Deadline
February 15, 2022	Chamber of Origin Deadline
February 24, 2022	Opposite Chamber Policy Committee Deadline
February 28, 2022	Opposite Chamber Fiscal Committee Deadline
March 4, 2022	Opposite Chamber Deadline
March 10, 2022	Session adjourns - Sine Die

Quarterly Revenue Forecast Update

Four times a year, the Washington State Economic and Revenue Forecast Council adopts a bipartisan revenue forecast that is then used to build and adjust the states biennial budgets. On February 16, the Washington State Economic and Revenue Forecast Council released updated forecasts, once again bringing budget writers good news - the state is expected to collect \$2.774 billion more in revenue over four years. Combined with the prior increases experienced since lawmakers adopted the 2021-23 budget, revenues have now exceeded expectations by \$10.5 billion. Additional details can be found [here](#).

Blaine's Legislative Priorities

The city met with the 42nd legislative delegation last week to touch base on the city's legislative priorities and share appreciation for their advocacy efforts.

Transportation Priorities

Two of the city's priorities heavily rely on the progress of further transportation investments. Currently, the Move Ahead Washington proposal includes authorization for an additional cent fuel tax for border communities but does not include funding for Marine Drive Reconstruction. As a reminder, there were very few local projects included in the package proposal.

Sales Tax Transportation Benefit District

[Senate Bill 5510](#), sponsored by Sen. Curtis King (R-Yakima), was voted out of the Senate on February 8 by a vote of 45-4. The revenue from this TBD creates further funding for preservation and

maintenance projects, which are often neglected due to a lack of local funding options. The bill has a public hearing in the House Transportation committee tomorrow. The city will sign in support.

East Blaine Water Pump Facility

The city requested \$500,000 within the capital budget to help construct a water booster pump station and related infrastructure to serve the current community and prepare for the residential growth that is occurring in East Blaine. Both the House and Senate Capital Budget includes the full funding for the water pump project! The city reiterated their appreciation for the inclusion of this project during the meetings with the 42nd legislative delegation last week. The Legislature will now focus their efforts on reconciling the differences between the two proposals and finalizing the budget prior to the end of session. With the project included in both proposals, it is highly likely the final budget will include the project as well. Further information on the capital budget proposals is included below in the “Budget Update” section.

Budget Updates

The House and Senate have released initial budget proposals for the supplemental Operating, Capital and Transportation budgets. The following summaries highlight areas within the budgets that pertain to the city’s legislative priorities.

Supplemental Operating Budget

Senate Proposal

The current biennial operating budget spends \$59.1 billion, and the Senate supplemental proposal increases the budget to \$63.7 billion. Below is a highlight of local government related appropriations from the Senate’s proposed operating budget.

Homelessness/Housing

- \$3.5 million is provided solely for implementation of [Senate Bill 5312](#) regarding transit-oriented development.
- \$11.3 million for the Landlord Mitigation Program and \$4.5 million for foreclosure assistance
- \$40.6 million right of way response and outreach.
- \$7.5 million to increase existing grantee contracts providing rental or housing subsidy and services for eligible tenants in housing and homeless programs.
- \$65,000 to the Health Care Authority and Department of Commerce to prepare an annual report on demand for permanent supportive housing.
- \$4.9 million to the Health Care Authority to establish a regional behavioral health mobile crisis response team program focused on supportive housing for individuals experiencing behavioral health conditions at risk of becoming homeless.
- \$8.04 million to the Health Care Authority and Department of Commerce to expand access to no barrier, low barrier, and transitional housing programs using a housing first model.

Utilities

- \$50 million is provided solely for grants for public and private water, sewer, electric and natural gas utilities to address low-income customer arrearages compounded by the pandemic.
- \$25 million for the Low-Income Household Water Assistance Program.
- \$25 million Low-Income Household Energy Assistance Program.

Land Use/GMA

- \$10 million for planning grants to jurisdictions to update and implement comprehensive plans and development regulations.
- \$5 million is provided solely for a consolidated permit review grant program; and \$5 million is provided solely for a grant program for local governments to update their permit review process from paper filing systems to software systems capable of processing digital permit applications, virtual inspections, electronic reviews, and capacity for video storage.
- \$300,000 for the Governor's Office to convene a process, facilitated by an independent contractor, to study policy and spending proposals to improve riparian habitat for salmon and steelhead recovery. Preliminary recommendations are due to the legislature by Oct. 1, 2022 and final report by November 1, 2022.

Criminal Justice

- \$8.71 million is provided solely for 75% of the costs of providing 4.5 additional basic law enforcement academy (BLEA) trainings in fiscal year 2022 and 8.5 additional BLEA trainings in fiscal year 2023, bringing total classes to 19.5 in fiscal year 2022 and 23.5 in fiscal year 2023.
- *State v. Blake* Related Appropriations:
 - \$2 million for Administrative Office of the Courts (AOC) activities, including contracting with cities and counties for the disbursement of funds for resentencing costs; collaborating with clerks and administrators to prepare reports of cause numbers impacted by Blake; and issuing direct refunds to persons certified by courts as entitled to a refund.
 - \$46.5 million to reimburse individuals for legal financial obligations (LFOs) and collection costs paid to a Superior Court or District Court in connection with a sentence vacated pursuant to *State v. Blake*. This funding is in addition to \$23.5M appropriated in the 2021-23 biennial budget.
 - \$4.9 million for therapeutic courts to fully cover the costs of implementing Senate Bill 5476 from the 2021 legislative session.
 - \$20 million to reimburse individuals for legal financial obligations and collection costs paid to a Municipal Court.
 - \$23 million to reimburse cities for judicial, court clerk, prosecution, and defense costs incurred in resentencing impacted individuals.
 - \$5.2 million for local government grant program for emergency rapid response during a local or state declared disaster

House Proposal

The House supplemental proposal is \$65 billion for the 2021-23 biennium. Below is a highlight of local government related appropriations from the Senate's proposed operating budget.

Homelessness/Housing:

- \$55 million for eviction prevention rental assistance, which provides resources such as rental or utility assistance for households most likely to become homeless or suffer severe health consequences, or both, after an eviction

- \$78 million for the Department of Commerce to administer stipends to address immediate economic needs for eligible employees of homeless service providers that state agencies or local governments contract with to provide services.
- \$43.5 million is appropriated into the Apple Health and Homes Account for the Office of Health and Homes created in [House Bill 1866](#).
- \$40.0 million for the Home Security Fund Account to continue the Shelter Capacity Grant Program through the 2023-25 biennium. Under the program, the Department of Commerce provides grants to local governments to increase their net sheltering capacity.
- \$25 million for the Landlord Mitigation Program, which provides first-come first-served assistance to landlords for claims involving damages or lost rent for certain tenancies. Of the total amount provided, \$2 million is for claims brought pursuant to [Substitute House Bill 1593](#).
- \$101.2 million for the Department of Commerce to provide grants to local governments and nonprofits to transition individuals currently living on public rights-of-way to permanent housing solutions.
- \$8.04 million to the Health Care Authority and Department of Commerce to expand access to no barrier, low barrier, and transitional housing programs using a housing first model.
- \$50,000 to the Health Care Authority to study challenges to accessing behavioral health services in rural communities.

Utilities:

- \$150 million is provided for the Department of Commerce to administer grants to nonprofit organizations to provide utility assistance for low-income households. Households may receive assistance for electricity, natural gas, water, sewer, and garbage utility arrears.

Land Use/GMA:

- A total of \$35 million is provided for cities and counties to implement GMA legislation and policy goals:
 - \$10 million for planning grants to jurisdictions to update and implement comprehensive plans and development regulations (under [House Bill 1220](#)).
 - \$5.4 million for grants to local governments for costs of implementing [House Bill 1099](#).
 - \$11.6 million to cities and counties to implement [House Bill 1117](#). \$276,000 is provided to the Department of Commerce to provide technical assistance for implementation of HB 1117.
 - \$7.5 million in planning grants for cities amending their comprehensive plans in the 2024 cycle to take actions that would allow middle housing types on at least 30 percent of land currently zoned as single-family residential.

Criminal Justice:

- \$19.2 million provided for 4.5 additional Basic Law Enforcement Academy classes in 2022 and 8.5 classes in 2023, increasing the total number of classes from 30 to 43 over the biennium. This will provide training to 390 additional new general authority law enforcement officers over the biennium. Additional funding is provided for the Criminal Justice Training Commission (CJTC) to admit into the law enforcement academy and deliver training to a maximum of 30

limited authority Washington peace officers in fiscal year 2023. Funding is also provided to the CJTC to develop and deliver a variety of other courses such as training on medicolegal forensic investigation; law enforcement interaction with persons with substance abuse; and implicit and explicit bias, cultural competency, and the historical intersection of race and policing in compliance with Initiative 940.

- \$3 million to AWC to assist cities with implementation of co-responder teams within alternative diversion models (i.e., LEAD, mobile crisis teams). AWC must prioritize applicants with demonstrated capacity for facility-based crisis triage and stabilization services. AWC and HCA must submit a report to OFM and the Legislature on the number of crisis stabilization and triage beds located in jurisdictions receiving money by Dec. 1, 2022.
- State v. Blake Related Appropriations:
 - \$4.5 million for therapeutic courts to fully cover the costs of implementing Senate Bill 5476 from the 2021 legislative session.
 - \$1.3 million to implement a triage team to provide statewide support to the management and flow of hearings for incarcerated individuals impacted by the Blake decision.
 - \$1.65 million to assist in resolving civil matters regarding LFO and vacated sentences due to the Blake decision.
 - \$440,000 to assist with processing the criminal records in accordance to the Blake decision.

General Government:

- \$397 million to the Office of Financial Management (OFM) for expenditure into the Paid Family and Medical Leave Insurance account. OFM may expend into the account only the amounts necessary to manage the account balance to minimize the likelihood of a premium surcharge in calendar year 2023.
- Establishes and funds a Joint Legislative Task Force on Broadband Deployment, including representatives from Commerce, WSDOT, the Utilities and Transportation Commission, AWC, WSAC, a rural telecommunications provider, and telecommunications infrastructure provider. A report is due to the Legislature by Dec. 1, 2022.
- \$50 million to the State Broadband Office to establish a Broadband Assistance Program, providing eligible households up to \$20 a month for the cost of broadband services. Households are eligible if they receive benefits through the federal affordable connectivity program.

Supplemental Capital Budget

Senate Proposal

On February 16, the Senate released a bipartisan supplemental capital budget that makes sizeable investments in housing (\$472 million), broadband (\$120 million), water (\$327 million), and seismic safety (\$115 million). In total, the proposal spends \$94.8 million in available bond capacity, \$561.6 million in ARPA State Fiscal Recovery Funds balance, and \$290.3 million for the initial available IJJA grants. Below are the investments made in various spending categories:

Housing:

- \$290 million is provided for the rapid conversion of property into emergency shelters, permanent supportive housing, transitional housing, and youth housing. The funding will be used for housing projects that move people from unsanctioned encampments and public rights-of-way into transitional and more permanent housing solutions, and for housing projects in rural areas.
- \$71 million is provided for the production and preservation of permanent affordable housing. The Housing Trust Fund program builds affordable housing units to serve a broad spectrum of vulnerable populations.
- \$86 million is provided to expand capacity for individuals in crisis, particularly the homeless, to have a short-term housing solution and receive care. This funding will create new capacity for 23-hour crisis triage facilities, crisis stabilization facilities, and youth residential crisis triage and stabilization facilities.
- \$25 million is provided for the Habitat for Humanity to build affordable housing units for lower-income individuals and families

Notably, here is how the Senate and House Proposals compares to Governor’s proposal for Housing:

	<i>Senate Proposal</i>	<i>House Proposal</i>	<i>Governor’s Proposal</i>
Rapid Capital Fund	\$290 million	\$400 Million	\$335 million
Housing Trust Fund	\$71 million	\$101.5 million	\$100 million
Crisis Stabilization Fund	\$86 million	\$72 million	\$60 million
Habitat for Humanity	\$25 million	-	-
Total Investment	\$472 million	\$573.5 million	\$495 million

Government Operations and Local Government Support:

- \$120 million is provided for broadband planning and broadband infrastructure deployment under the Broadband Equity, Access, and Deployment Program as part of the IJA. \$15 million is provided as state match for Community Economic Revitalization Board, Public Works Board, and State Broadband Office allocations.
- \$69 million is provided for the Weatherization Plus Health Program through the IJA. This program upgrades low-income homes with energy-efficient improvements and leverages utility and other matching funds.
- \$44.5 million is provided to cover the costs that reflect the inflationary cost increases of materials and supply chain issues. \$39.5 million of this amount is available at the Office of Financial Management to provide relief to projects that are actively in construction. \$5 million is provided to Commerce to provide relief to local and community projects as well as community relief projects.
- \$16 million is provided for expanded behavioral health services in communities.
- \$5.3 million is provided for additional access to oral health care at community health centers.

Clean Water:

- \$236 million is provided for projects that plan, design, acquire, construct, and improve water pollution control facilities and related non-point source activities to meet state and federal water pollution control requirements. Of the total, \$200 million is an investment of early loan

repayments into the Clean Water State Revolving Fund, and \$33 million is provided from the IIJA.

- \$500,000 is provided for the Department of Ecology, in collaboration with partner agencies, to develop local capacity and private investments in advancing implementation of stormwater retrofits statewide, especially among historically underserved communities.
- \$4.9 million is provided for new investments in stormwater cleanup: the 6PPD Tire-Wear Particle Stormwater Project Partnership and the Port of Port Angeles Stormwater Project.

Other Natural Resource Investments:

- \$2 million is provided for the Farmland Protection and Land Access grant program, which provides farmland conservation easements to protect farms from development and make them more affordable to underserved and first-time farmers and ranchers.
- \$3 million is provided for the Voluntary Stewardship Program. This program offers counties and farmers options for protecting critical natural areas in places where agricultural activity is conducted.
- \$2.3 million is provided to repair or replace 13 structurally deficient bridges on forest roads.

K-12 Education:

- \$123 million is provided to implement the School Seismic Safety Grant Program under Substitute Senate Bill (SSB) 5933 and for completing the 2019-21 seismic retrofit program. SSB 5933 provides increased grant funding for schools in high seismic hazard areas, built before 1998 and not retrofitted to 2005 seismic standards.
- \$30 million is provided to complete design and begin construction of a new career and technical education facility at the West Sound Technical Skills Center in Bremerton.
- The School Construction Assistance Program is reduced from \$730.6 million to \$540.7 million for 2021-23. The \$189.9 million savings reflects lower than anticipated demand to qualified school districts for the construction, renovation, and modernization of K-12 school facilities in fiscal year 2023.

Higher Education:

- WWU: \$3M is provided to Western Washington University to continue their 2021-23 classroom upgrades as well as for inflationary costs related to the Electrical Engineering and Computer Science Building.

Additional details on the Senate proposal can be found [here](#) and a summary can be found [here](#).

House Proposal

On February 21, the House released a supplemental capital budget that makes sizeable investments in housing and homelessness, water, education, and behavioral health. In addition to the \$77.4 million in bonding capacity, the proposal authorizes \$1.42 billion using the following funding sources:

- \$637 million from a General Fund-State deposit into the Capital Community Assistance Account;
- \$263.8 million from the federal Infrastructure Investment and Jobs Act (IIJA);
- \$203 million from the state Water Pollution Control Revolving Account;
- \$120.7 million from the state Public Works Assistance Account;
- \$100 million from the new Apple Health and Homes Account created in [House Bill 1866](#);

- \$29.8 from the state Drinking Water Assistance Account;
- \$24.9 million from the federal American Rescue Plan Act; and
- \$38.2 million in other fund sources.

General Government/Infrastructure:

- \$100 million in federal funding for broadband infrastructure grants, including:
 - \$50 million to the State Broadband Office
 - \$25 million to the Public Works Board
 - \$25 million to the Community Economic Revitalization Board (CERB)
- \$120 million from the Public Works Assistance Account for competitive sewer, drinking water, solid waste, and stormwater projects.
- \$42.5 million to CERB for capital construction projects and assisting communities in financing publicly owned economic development infrastructure improvements.

Natural Resources:

- \$15 million for the Salmon Recovery Funding Board.

Affordable Housing, Homelessness, and Behavioral Health:

- \$300 million for rapid capital housing acquisition and conversion. The funding will be used for housing projects that move people from unsanctioned encampments and public rights-of-way into transitional and more permanent housing solutions.
- \$100 million for the Apple Health and Homes rapid permanent supportive housing program (established in [House Bill 1866](#)).
- \$101.5 million for the Housing Trust Fund.
- \$3.3 million for grants to local governments and PUDs to assist in funding utility connections or improvements for new affordable housing projects.
- \$60 million is provided to community hospitals or other community providers to expand and establish new capacity for a minimum of ten 16-bed crisis triage and stabilization facilities for adults.
- \$26 million is provided for community-based projects for a variety of behavioral health services, including long-term civil commitments, triage, crisis diversion, detox, and adolescent services.
- \$12 million is provided for grants to community hospitals or other community providers to expand and establish new capacity for at least two residential crisis stabilizations facilities for youth.
- \$2 million is provided for a competitive grant program to expand enhanced services facilities.

Additional details on the House proposal can be found [here](#) and a summary can be found [here](#).

Supplemental Transportation Budget

The House and Senate Supplemental 2022 Transportation Budget proposal combine changes from the 2021 supplemental transportation budget with the 2021-23 initial spending from the Move Ahead transportation package. If the Move Ahead package was not integrated, the 2022 Supplemental transportation Budget would include very few, if any, new appropriations.

Both the House and Senate Supplemental Transportation Budget proposals appropriate about \$12 billion – this reflects relatively few differences from last session. The spending from the Move Ahead proposal is being included in Senate Bill 5975/House Bill 2119.

For the 2021-23 Biennium, the House and Senate proposes to make the following investments (these are in addition to what was already approved in the 2021-23 budget adopted during the 2021 session):

- \$47 million for highway system maintenance and \$209 million for highway system preservation.
- The Senate proposal includes \$2.5 million for I-5 planning and environmental linkage study, which will serve as the next step toward a statewide I-5 master plan. The House proposal does not include this funding.
- The Senate proposal includes \$268 million for I-405/SR 167 corridor improvements, with total spending on the I-405/Renton to Bellevue project at \$461 million for the biennium.
- The Senate includes \$480 million for the Puget Sound Gateway project, while the House includes \$473 million.
- The Senate proposal allocates \$4 million for WSDOT to address the risks to safety and public health related to homeless encampments on state rights-of-way, while the House proposal allocates \$5 million, with an additional \$2 million for encampments around SR167/509.
- The Senate proposal allocates \$10 million for stormwater retrofits and improvements, but the House does not.
- The Senate proposal includes language to express the Legislature’s intent to provide \$80 million over 16 years for the Main Streets Preservation project for preservation work on state highways that are also main streets, but the House does not.
- Both proposals include \$6.9 million for Bike and Pedestrian projects with prioritization for projects for overburdened communities.
- Both proposals include \$6.8 million for Safe Routes to School.
- Both proposals include \$5.6 million for Bike and Pedestrian Grants.
- The Senate includes \$3 million for Complete Streets projects through the Transportation Improvement Board and the House includes \$3.4 million.
- Both proposals include \$50 million for Ultra-High-Speed Rail held in reserve status until utilization as a match for federal funds.
- Both proposals allocate \$29.8 million for Transit Support Grants.
- Both proposals allocate \$14.1 million for Special Needs Transportation Grants.
- Both proposals allocate \$4.7 million for Green Transit Grants.
- Both proposals \$4.7 million for Transit Projects with prioritization for projects for overburdened communities.
- Both proposals enable transit, rail and ferries to allow youth 18 years of age and younger to ride free.
- All major transportation accounts show a positive balance through the next five years. This has not been the case since 2019.