

February 27, 2020

Senator Christine Rolfes
Chair, Ways & Means Committee

Senator John Braun
Ranking Member, Ways & Means Committee

Representative Timm Ormsby
Chair, Appropriations Committee

Representative Drew Stokesbary
Ranking Member, Appropriations Committee

Senator David Frockt
Vice Chair, Ways & Means Committee

Senator Jim Honeyford
Assistant Ranking Member, Ways & Means Committee

Representative Steve Tharinger
Chair, Capital Budget Committee

Representative Richard DeBolt
Ranking Member, Capital Budget Committee

Senator Steve Hobbs
Chair, Transportation Committee

Senator Curtis King
Chair, Transportation Committee

Representative Jake Fey
Chair, Transportation Committee

Representative Andrew Barkis
Chair, Transportation Committee

RE: *Supplemental Budgets proposals and their impacts on cities*

Budget Leaders:

On behalf of Washington's 281 cities we want to acknowledge the hard work and effort that you have put into developing the supplemental budget proposals. Thank you for your service and commitment to the people of our state.

We recognize that you are in both the enviable position of having additional resources to work with and the challenging position of knowing that the State's budget must be sustainable into the future. Cities are very appreciative of many of the provisions that have been proposed for funding. Additionally, there are some areas where we would respectfully request that you consider adding to the budget.

Housing and homeless response

We appreciate the leadership in both chambers in making major investments in housing and homeless crisis response. Cities are supportive of the major investments in the Housing Trust Fund and permanent supportive housing operations investments in the House proposal, and the homeless sheltering response and Housing and Essential Needs funding levels in the Senate proposal. These public investments are especially critical because we are still scratching the surface of the need and it doesn't appear that action will be taken to expand opportunities for cities to work with the private market to spur housing development through expansion of Multifamily Tax Exemption (MFTE) Program.

Please work with us as you finalize the approach to funding sheltering. Cities want an opportunity to access funds for shelter expansion and creative local approaches directly. The House proposal provides funds only to the counties and we want to build a more joint approach like that offered in the Senate.

Strategic watershed approach to the culvert corrections

AWC has made it an ongoing priority to work with the state to develop a comprehensive and strategic approach to the fish passage issue. Cities fully support the state addressing its responsibilities under the injunction. However, without a strategic approach to correcting critical barriers downstream and upstream of the injunction culverts, the state will not achieve our shared salmon recovery goals.

You may want to learn more about this challenge through a visual data story at www.wacities.org/culverts. We are pleased to see the House proposals move towards the approach of collaboratively building a strategic plan. We ask that both the policy and funding be included in the final supplemental budget.

Increase shared cannabis revenue

Cities appreciate the long partnership of revenue sharing to fund critical community services. We appreciate that the House proposal raises the amount of cannabis revenue shared with local governments by \$3.5 million bringing the current annual amount to \$18.5 million. While this may be a small amount for the state's budget, it is significant to our small communities. Cities request that the final budget include the necessary increase to fully fund the \$20 million in revenue sharing that was agreed to in 2015.

Funding for twenty-one Basic Law Enforcement Academy Classes

Cities appreciate the investment in additional academy classes. Recruitment and hiring of new officers have become increasingly challenging, due in part to delays in accessing the state's basic law enforcement academy.

Medication Assisted Treatment assistance

One of our top legislative priorities is providing medication assisted treatment (MAT) to incarcerated individuals. We are appreciative of the House funding our request for a \$50,000 budget proviso to build a scalable model to implement MAT in local jail facilities. We ask that this funding be included as part of the final supplemental budget.

Funding to offset new PERS 1 costs

Cities value our current and former public servants and appreciate the desire to provide a cost of living adjustment (COLA) for PERS 1 retirees. However, the COLA results in an increase in the public employer rate for local government creating \$13 million in additional costs for this biennium. This is in addition to the \$175 million local governments already contribute to fill the funding gap in the PERS 1 system. Cities respectfully request that the Legislature help backfill this unfunded cost for cities with additional shared revenues.

Local Revitalization Financing for economic development

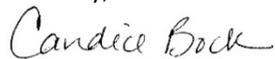
Economic development efforts benefit all communities – including the State. Cities are committed to building robust economic opportunities. HB 2804 reopens and refunds the existing Local Revitalization Financing program providing up to \$15 million per year in State investment to help build public infrastructure to support development opportunities. We are very grateful to see that the House has included this proposal. The most recent Department of Revenue summary shows that participating cities reported generating over \$600 million in State revenue in 2018. We respectfully request that this bill is included in the final supplemental budget.

Support for Local Government Transportation Resources

Cities understand the enormous constraints the Legislature faces in responding to the losses associated with Initiative 976. Both budgets rightly prioritize safety-related projects, investments in vulnerable populations and compliance with court decisions. We appreciate the transportation budget proposals for seeking to minimize reductions to the Transportation Improvement Board and Freight Mobility Strategic Investment Board which are critical to cities.

Again, thank you for your diligence in crafting a supplemental budget. Cities are appreciative of the many new investments that the Legislature is considering. Thank you for considering these requests. We are eager to work with you to advance our shared goals to serve our residents. If you have any questions, please feel free to contact me.

Sincerely,



Candice Bock
Government Relations Director

c: Senator Andy Billing, Majority Leader
Senator Mark Schoesler, Minority Leader
Representative Pat Sullivan, Majority Leader
Representative J.T. Wilcox, Minority Leader