

January 21, 2022

Senator Rolfes, Chair, Ways & Means Committee

Senator Wilson, Ranking Member, Ways & Means Committee

Senator Frockt, Vice Chair, Capital, Ways & Means Committee

Senator Robinson, Vice Chair, Operating & Revenue, Ways & Means Committee

Senator Honeyford, Ranking Member, Capital, Ways & Means Committee

Senator Brown, Assistant Ranking Member, Operating, Ways & Means Committee

Senator Schoesler, Assistant Ranking Member, Capital, Ways & Means Committee

Senator Lias, Chair, Transportation Committee

Senator King, Chair, Transportation Committee

Representative Ormsby, Chair, Appropriations Committee

Representative Stokesbary, Ranking Member, Appropriations Committee

Representative Tharinger, Chair, Capital Budget Committee

Representative Steele, Ranking Member, Capital Budget Committee

Representative Fey, Chair, Transportation Committee

Representative Barkis, Ranking member, Transportation Committee

Dear Legislative Budget Leaders:

As you work to develop supplemental updates to the 2021-23 biennial budgets, we understand the numerous challenges and opportunities facing the state. The continuing economic uncertainty caused by the pandemic has been offset by strong economic performance, federal funding assistance, and investments. The federal infrastructure funding included in the Infrastructure Investment and Jobs Act also provides new resources to support critically needed investment opportunities.

Washington's 281 cities are committed to working alongside you as we navigate these challenges and opportunities together. Cities will continue to encourage and support economic recovery and the economy of our state in a sustainable manner. Cities are home to the majority of residents and businesses in our state, and act as the centerpiece for our communities and our economy. Your budget and policy leadership helps ensure that our cities remain the strong backbone of our great state.

As you prepare your supplemental budget adjustments and look for the most robust opportunities to spend the state's resources, we ask for your support for the following programs and proposals. We believe they are the key to success for both the state and its cities, and the well-being of all Washingtonians.

### **Fully funded Public Works Assistance Account**

Year after year, infrastructure funding persists as one of cities' most significant needs. The Public Works Assistance Account (PWAA) is a crucial funding source in our efforts to provide the necessary infrastructure for our communities. Cities appreciate the investment made in the current budget, but applications for funding still far outpace the monies available. Further, more than \$1 billion has been diverted from the PWAA over the last decade. With the new federal infrastructure package, cities ask that the state take advantage of the federal investment in infrastructure and the state's additional revenue to fully fund the account. Infrastructure investments are needed to address aging systems that cannot keep up with current population growth, environmental needs, or support our state's growing economy. Absent an adequately funded PWAA, cities are forced to rely on traditional financing mechanisms. Unfortunately, but unavoidably, those financing mechanisms disproportionately impact rate-paying residents least able to afford the necessary public services.

### **Funding for cities in response to the *Blake* decision**

Cities need direct funding to administer diversion programs related to misdemeanor drug possession cases handled by law enforcement and adjudicated in municipal courts. We appreciate the initial investments to create therapeutic court models in our municipal courts; however, the funding fell far short of the overall costs of *Blake* for cities. In 2021, \$5 million was appropriated for therapeutic court grants, but a total of \$9.4 million in requests was received. We are asking for an additional \$5 million to fund more therapeutic court grants this biennium. Another key need for cities is adequate funding to create a robust diversion tracking database to allow local jurisdictions to track the mandatory diversions issued in each city and county in the state. This database will also help identify service gaps in our communities by indicating which facility, if any, a person was diverted to. Additionally, cities need funding to help create regional response teams to assist with the behavioral health crises occurring on our streets and in our communities. Cities are asking for \$5 million to help establish more regional based response teams across the state.

### **Criminal Justice Training Commission resources**

Cities support the majority of police reform legislation passed in 2021. Now, state investments are needed to help train approximately 7,000 city employed law enforcement officers. The CJTC has requested \$1 million to fund a training application to allow law enforcement to receive much of their training on their smart phone or computer. This will allow timely training to take place. Additionally, cities support fully funding the CJTC Basic Law Enforcement Academy (BLEA) so they can provide 20 BLEA classes in 2022 and 22 classes in 2023.

### **GMA & comprehensive planning support**

The state has increasingly turned to local government to help address critical long-term challenges through the value of local long-range planning and community development—particularly in the arenas of housing, climate change, and salmon recovery. Most cities are facing challenges with staffing and capacity to deliver on their current expectations and scope of work, let alone the additional responsibilities. With the next comprehensive update cycle on the horizon, this is the time to make targeted investments. Please support the Governor's proposed \$19.3 million investment. To provide one example, in 2020 the Legislature passed **HB 1220**, which included significant enhancements of requirements for housing-related planning. Cities support the requirement; however, it was not funded and under current law, it remains voluntary until the state provides

sufficient financial support. We agree that these topics are deserving of additional work and attention, but cities need more resources to do the quality work we all want to see.

#### **Utility assistance for customers**

The COVID-19 pandemic has put a significant financial strain on customers of municipal utilities, resulting in millions of dollars in arrearages. While many cities offer payment plans and other assistance programs without disconnection in services or increased rates, municipalities will need adequate state funding to help provide financial relief to utility customers. The Governor's proposed budget includes \$100 million for utility assistance; however, this amount does not cover the full scope of customer needs. Surveys conducted in the fall of 2021 show customer need is closer to \$276 million. We urge the Legislature to provide no less than the Governor's proposed \$100 million in assistance.

#### **Support for a systems approach to correct fish-blocking culverts**

Throughout the previous decade, cities have focused on developing and funding a comprehensive statewide approach to culverts in partnership with several state agencies. A coordinated strategy will have the most positive impact on fish passage and salmon recovery. Cities request that you support a long-term and comprehensive approach to fixing culverts that provides funding to address state, local government, and private culvert barriers to correct them on a systemwide basis. Put simply, if cities cannot fix our culverts downstream of state barriers, the fish are not going to get where they need to go. We ask that you begin the investment with at least \$25 million per year for local governments in any transportation package, and that the package recognize the ongoing need to correct locally owned barriers beyond the timeline of that package.

#### **Maintained investment in local government transportation systems**

Strong state spending on our transportation infrastructure is vital for maintaining our current assets, rebuilding our economy, and creating jobs. The state budget provides necessary resources for local governments through direct distributions, local projects, and agencies such as the Transportation Improvement Board (TIB) and the Freight Mobility Strategic Investment Board (FMSIB). Numerous studies affirm that both state and local governments spend too little on transportation systems—before accounting for potential losses from the current pandemic. We urge that you commit to maintaining and providing new transportation investments to meet residents' needs and provide a jump-start to our economy.

#### **Rapid acquisition of affordable housing and other homeless support services**

Thousands of Washingtonians are living unhoused and the pandemic has made the problem worse. We see it in our communities throughout the state and many cities have taken proactive steps to help alleviate the crisis. Recognizing the underlying reasons for this crisis are complex and there are no easy solutions, we are encouraged by Governor Inslee's comprehensive proposal to address the challenge. Cities ask that you support his proposals. We especially want to highlight the \$343 million for rapid capital acquisition and \$48.6 million for the associated behavioral health services to help keep people housed.

#### **Local Records Grant funding allocation**

In 2017, the Legislature created a dedicated funding source for the Local Records Grant Program administered by the State Archives. This has been an important program to provide technical support to local government to improve management of public records. Through an apparent oversight, the dedicated funds for the grant program that were not distributed in 2020 due to the pandemic were not reallocated for the 2021-23 budget.

Cities ask that this oversight be corrected in the supplemental budget to ensure the additional funding of grants to meet demand for this important program.

Thank you for your ongoing support for the cities and towns of Washington. City leaders appreciate your commitment to collaboration as we work together for the best interests of our residents. We look forward to continuing this strong partnership.

Sincerely,

A handwritten signature in cursive script that reads "Candice Bock".

Candice Bock

Government Relations Director

cc: David Schumacher, Director, Office of Financial Management  
Scott Merriman, Legislative Liaison, Office of Financial Management