

February 10, 2023

Senator Rolfes, Chair, Ways & Means Committee

Senator Wilson, Ranking Member, Ways & Means Committee

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

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

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

Senator Liias, 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 the 2023-25 biennial budgets, there are many areas where it is critical to have a strong funding partnership between the state and cities. Cities understand the numerous challenges and opportunities facing the state budget as city leaders are experiencing many of those same pressures at the local level. We know that positive revenue forecasts are often offset by increasing costs and continuing economic uncertainty. Higher inflation has impacted every aspect of our ability at both the state and local level to provide services to our residents.

Washington's 281 cities remain unchanged in our commitment to work alongside you as we navigate these challenges and opportunities together. 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. Together our investments in our communities build a stronger state.

As you prepare your budget, we ask for your support for the following programs and proposals. We believe they are the key to the success of both the state and its cities, and the well-being of all Washingtonians.

#### **Public Works Assistance Account**

Year after year, infrastructure funding persists as one of cities' most significant needs. The Public Works Assistance Account is a crucial funding source in our efforts to provide the necessary infrastructure for our communities. Cities appreciated the investment made in previous budgets, but applications for funding still far outpace the monies available. Noting this, cities request that the legislature provide \$400 million in funding, as recommended by the Governor. Cities also ask that the legislature honor the sunset of diverted revenues scheduled to occur this year and return them back to the account. Infrastructure funding is needed to address aging systems that cannot keep up with current population growth, environmental needs, or support our state's growing economy. It is also a key source for financing system expansions which will help support our needed growth in housing stock. Absent an adequately funded public works

assistance account, cities are forced to rely on traditional financing mechanisms. Unfortunately, but unavoidably, those financing mechanisms disproportionately impact rate paying citizens least able to afford the necessary public services.

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

Proposed legislation responding to the *Blake* decision would make drug possession a gross misdemeanor with a focus on diverting individuals to treatment programs. Cities support this approach but will need direct funding assistance to establish and administer diversion programs related to proposed legislation. Diversion programs cover many different approaches including alternative response teams, arrest and jail alternatives, specialized municipal courts, and other approaches that prioritize treatment over criminal justice system involvement. Depending on the size and scope of the program, each approach requires different levels of investments from around \$350,000 to start up and operate a Law Enforcement Assisted Diversion program to \$1 million a year to operate a specialized municipal court program. Costs for establishing diversion programs include staffing, training, resources, and contracts with service providers and many cities do not have the resources to establish these programs. Cities ask for at least \$25 million in additional investments into state funding to assist cities in responding to the need to establish and manage diversion programs, adjudicate cases appropriately in municipal courts, and establish and expand therapeutic courts to focus on helping individuals break the cycle of substance use and criminal activity.

### **Public safety assistance funding**

Cities ask that the state continue to fund the public safety assistance funds first allocated in the 2021-2023 budget. The state provided \$20 million in funding for cities to help offset the costs of new criminal justice legislation and support law enforcement. As cities across the state struggle to fill law enforcement positions and respond to increasing crime, the need for this support is greater than ever. Public safety is a shared responsibility, and the state can help local efforts by making this funding ongoing for the next biennium.

Cities are exploring different options for responding to individuals needing behavioral health support including alternative response programs like co-responder approaches. These programs cost around \$150,000 to establish. We are asking for an additional \$4 million in funding to expand the current grant program to help cities establish and expand these programs that provide an alternative to a traditional law enforcement response and focus on connecting individuals with services.

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

Cities ask for ongoing state investments to train our law enforcement officers. The CJTC campus is in need of upgrades, and it is time to explore new training location options to better support modern law enforcement training needs. Cities support fully funding the CJTC Basic Law Enforcement Academy (BLEA) so they can provide adequate BLEA classes to train new officers. Additionally, we ask for sufficient funding to develop regional BLEA training opportunities that will make it more efficient to train new officers and reduce the impact of having to travel to the CJTC main campus.

### **Affordable Housing and Homelessness**

This is poised to be a big year for our collective efforts around addressing homelessness and tackling the challenge of providing needed market rate and affordable housing. AWC is actively engaged in conversations on how we can support targeted statewide standards for zoning and density, supporting a suite of regulatory reform proposals to get housing approved more quickly, and supporting key infrastructure investments to support housing. We need to match progress on those fronts with progress on the resources needed to build affordable housing. We support Governor Inslee's housing referendum proposal and applaud the Governor for proposing a solution that begins to address the extreme gap in our ability to finance the projected units of housing affordable to the lowest income families. By state law passed in 2021, cities are being asked to plan for over one million new homes in the next twenty years and that over half of them will need to be affordable to levels that the private sector will never deliver. That is almost ten times the total number of units in the Housing Trust Fund portfolio. We need to make big and bold investments to meet that need. If the Governor's proposal cannot move forward, we ask for you to prioritize traditional investments and creating new revenue tools to

address this challenge. In particular, within the operating budget, please protect our homelessness response system from massive cuts by backfilling reduced document recording fee revenues. Within the capital budget please prioritize the Housing Trust Fund, affordable home ownership, land acquisition resources, and the Connecting Housing and Infrastructure Program (CHIP).

### **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 capacity and staffing to deliver on their current expectations and scope of work, let alone the additional responsibilities. We are supporting or working to get to support on a number of proposals that will drive planning costs. Our position of support on those proposals is contingent on them coming with the necessary resources to do the job right.

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

Cities are focused on developing and funding a comprehensive statewide approach to culverts, in partnership with several state agencies. This strategy will have the most positive impact on fish passage and salmon recovery. Cities request your support for a two-pronged approach on culvert funding. First, please fully fund the upcoming capital budget request from the Fish Barrier Removal Board that builds upon years of collaborative work across state agencies, local governments, and other stakeholders. The state has largely taken care of your obligations to correct state owned barriers, but without a continued and increased commitment to a long-term and comprehensive approach to fixing culverts that provides funding to address local government and private culverts alongside the state's culverts and corrects them on a systemwide basis, we will not see the salmon recovery that we need. Without this systemic approach we will risk stranding billions of dollars of investments in the state barriers that endangered fish still cannot reach because local barriers remain.

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

Strong state spending on city transportation infrastructure is vital for maintaining our current assets, supporting multimodal efforts, and bolstering the statewide economy. 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, even before accounting for potential losses from the current pandemic and record inflation. We urge that you commit to maintaining and providing new transportation investments to meet residents' needs and provide ongoing support to our economy.

### **Funding for the Municipal Research & Services Center**

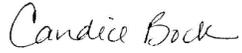
MRSC has served local governments in Washington for more than 80 years by providing invaluable legal and technical assistance. MRSC's services are made possible by pooling a small portion of the liquor taxes and revenues that would otherwise be distributed to cities and counties. MRSC is a critical lifeline for cities during the providing crucial advice, technical assistance, and resources specific to local governments. We urge support for their modest request for a \$600,000 funding increase necessary to maintain this important service.

### **Community-based access to behavioral health resources**

Cities are not traditionally direct behavioral health service providers, yet are often tasked with finding solutions for the impacts of the lack of available behavioral health resources. Cities support continued and expanded funding for greater access to behavioral health services, including substance use disorder treatment and dual diagnosis treatment facilities. Cities also support state investment in alternative response strategies; treatment facilities for adults and juveniles; treatment in jails; and staff such as social workers, treatment providers, and system navigators to help direct people to treatment.

Thank you for your ongoing support for the cities and towns of Washington State. 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,



Candice Bock  
Government Relations Director



Deanna Dawson  
Chief Executive Officer

cc: David Schumacher, Director, Office of Financial Management  
K.D. Chapman-See, Legislative Liaison, Office of Financial Management