

September 9, 2021

Governor Jay Inslee  
Office of the Governor  
PO Box 40002  
Olympia, WA 98504

Dear Governor Inslee:

As you and your agencies work to develop supplemental updates to the 2021-23 biennial budgets, we are aware of the numerous challenges and opportunities facing the state. The continuing economic uncertainty caused by the pandemic has been offset by strong economic performance and federal funding assistance and investments. There is also the possibility of a federal infrastructure package that will support critically needed investment opportunities.

Washington's 281 cities are committed to working alongside you as we navigate these challenges and opportunities. Together we can continue to drive economic recovery in a safe and sustainable manner. Your budget and policy leadership helps to ensure our cities remain the strong backbone of our state.

As you continue to 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 the current budget, but applications for funding still far outstrip the monies available. With President Biden and Congress focused on a federal infrastructure package, cities ask that the state take advantage of a federal investment in infrastructure to fully fund the account. Cities also ask that you restore diverted revenues now instead of waiting until 2023. 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 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**

Cities need direct funding to administer diversion programs related to misdemeanor drug possession cases handled by city law enforcement and adjudicated in municipal courts. The initial investments to create therapeutic court models in our municipal courts is appreciated; however, they fall far short of the overall costs of *Blake* for cities. A key need for cities is adequate funding to create a robust diversion tracking database that allows local jurisdictions to track diversions issued in each city and county in the state.

### **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. With the next comprehensive update cycle on the horizon, this is the time to make targeted investments. For instance, in 2020 the legislature passed HB 1220 which included significant enhancements of requirements for housing-related planning. Cities supported the requirement; however, it was not funded and under current law 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 of work we all want to see.

### **Utility assistance**

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.

### **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. Second, as part of any comprehensive investment or revenue package to address state-owned culverts, please commit 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.

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

Strong state spending on our transportation infrastructure is vital for maintaining our current assets, restarting and 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.

In addition to these expenditures, we want to express our interest in exploring additional revenue options at both the state and local levels. AWC recognizes the importance of both the state and cities having adequate revenues to keep up with the services required by our residents. City leaders also acknowledge the need to look for revenue options that are less regressive and more equitable. We are committed to partnering to explore options that provide more stability and predictability for both government and taxpayers.

### **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 re-allocated 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.

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

Sincerely,



Peter B. King  
Chief Executive Officer



Candice Bock  
Government Relations Director

cc: David Schumacher, Director, Office of Financial Management  
Jamila Thomas, Chief of Staff  
Scott Merriman, Legislative Liaison, Office of Financial Management  
Senator Christine Rolfes, Chair, Ways & Means Committee  
Senator Lynda Wilson, Ranking Member, Ways & Means Committee  
Representative Timm Ormsby, Chair, Appropriations Committee  
Representative Drew Stokesbary, Ranking Member, Appropriations Committee