

November 9, 2020

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

Dear Governor Inslee:

We wrote to you this summer when you and your agencies began working to develop the next biennial budget and we highlighted several priority programs and funding needs for cities. Given the challenges of 2020 and how the budget situation has evolved, we are reaching out again to highlight and reiterate the important budget items that remain crucial for cities.

Like the state, cities face the same economic uncertainties as city officials work to develop and adopt their 2021 budgets before the end of the year. As cities develop their budgets, they are counting on continued state support to meet the needs of Washingtonians – 65% of whom live in cities. We know the state is facing difficult budget decisions and we want to partner with you to meet the needs of our communities.

As you continue to prepare your budget, we ask for your support for the following programs and proposals because we believe they are the key to success for both the state and its cities.

Shared city-state revenue

Cities and the state have a long, successful partnership sharing revenue to fund critical community services. We ask that you continue to fully fund the criminal justice assistance distributions, as well as marijuana, liquor, and fire premium tax distributions. These revenues are generated in our communities and it makes sense to invest them back into our communities for local needs. We ask that if the state considers any increase in shared revenues, that it shares a proportion of that increased revenue with cities. We also specifically request sharing the full amount of marijuana distributions that the Legislature adopted but did not fully fund. The full commitment for the 2021-2023 biennium is \$40 million for cities and counties.

Public Works Assistance Account

Year after year, infrastructure funding continues 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. We ask you to fully fund the account and restore diverted revenues now instead of waiting until 2023. Infrastructure spending is one of the most powerful and reliable ways that government can support economic stimulus. Infrastructure investments have direct implications for economic stabilization and can produce a short-term multiplier effect rate as high as 2.2, particularly during recessions.

Law enforcement training

The state and local governments must come together to address meaningful changes in policing. A vital component of any reform is training. Cities need adequate state funding for mandated police training aimed at improving our police departments' ability to protect and safely interact with all Washingtonians. Additionally,

cities ask for full funding for the Criminal Justice Training Commission (CJTC) to ensure all newly hired law enforcement officers and corrections officers have timely access to basic training

Housing stability investments

Prior to the COVID-19 pandemic, communities throughout the state were already facing a housing affordability and stability crisis and an overburdened homelessness response system. Clearly, the crisis has become more acute. Data from this summer showed that nearly one in every three renters was not confident in their ability to pay the next month's rent. Cities are very concerned that many thousands more may be at risk of losing their housing in the coming months when the eviction moratorium expires.

To mitigate the likelihood of our residents losing housing, we ask for your support to strengthen and broaden the reach of the Eviction Resolution Program currently being piloted in seven counties. The program provides dispute resolution services and legal aid to support landlords and tenants in reaching agreement to keep people housed. We believe those protections should be available to renters statewide. We also hope you will support reinforcement of the Foreclosure Fairness Act counselors to assist homeowners at risk. We respectfully request that you exclude housing and homelessness investments from budget cuts and seek opportunities for additional targeted investments.

Funding for the Municipal Research & Services Center (MRSC)

MRSC provides 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 continues to be a particularly critical lifeline for cities during the COVID-19 pandemic by providing crucial advice, technical assistance, and resources specific to local governments. We urge continued funding for this important service.

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 that corrects them on a systemwide basis.

Maintain 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). Studies show that both state and local governments spend too little on transportation systems, and that's before accounting for potential losses from the 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 being a partner in exploring options that provide more stability and predictability for both government and taxpayers.


Thank you for your ongoing support for cities. City leaders appreciate your commitment to collaboration during this difficult time. We are particularly grateful for your willingness to share federal CARES Act CRF monies with cities. We assure you that cities are working hard to put those monies to good use. The funds help cover the unexpected expenses of a range of critical needs including PPE for our public safety employees and the public at large, supporting members of our communities who are in need of business assistance and food, plus housing and childcare support to name a few.

We look forward to continuing this strong partnership.

Sincerely,



Peter B. King
Chief Executive Officer



Candice Bock
Government Relations Director

c: David Schumacher, Director, Office of Financial Management
David Postman, Chief of Staff
Scott Merriman, Legislative Liaison, Office of Financial Management
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