

February 3, 2025

Senator Robinson, Chair, Ways & Means Committee  
Senator Gildon, Ranking Member, Ways & Means Committee  
Senator Trudeau, Vice Chair, Capital, Ways & Means Committee  
Senator Stanford, Vice Chair, Operating & Revenue, Ways & Means Committee  
Senator Schoesler, Ranking Member, Capital, Ways & Means Committee  
Senator Liias, Chair, Transportation Committee  
Senator King, Ranking Member, Transportation Committee

Representative Ormsby, Chair, Appropriations Committee  
Representative Couture, 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

#### Legislative budget leaders:

As you work to develop the 2025-27 biennial budgets, AWC looks forward to working with you to address the state's challenges and find opportunities to build strong cities and towns that support our great state. We recognize ongoing fiscal constraints but know that there continue to be opportunities to partner in areas like public safety, behavioral health, infrastructure, housing, and climate change. Cities and towns are facing similar constraints as they see the cost of providing services outpace the growth in revenue. Washington's 281 cities and towns are committed to working alongside our state partners as we navigate these opportunities and challenges.

Cities recognize that we need to come to the state with solutions on how to fund these priorities. That is why we are supporting efforts to adjust the arbitrary limit on property tax revenue growth, close loopholes for the self-storage industry to fund affordable housing needs, and address both short and long-term revenues for transportation such as a preservation focused retail delivery fee.

As you prepare your budget proposals, we ask for your support for these programs that are crucial to our cities and towns.

- **Enhancing public safety** – We support the proposal to dedicate \$100 million for public safety. We respectfully request that new funding be allocated to the Municipal Criminal Justice Assistance Account (MCJAA) to help cities, particularly those experiencing higher crime rates, with public safety needs. Cities need reliable ongoing funding to both maintain and increase the number of police officers on the street along with prosecutors, courts, and public defenders needed to ensure a functioning system and the MCJAA is the best existing tool for achieving that goal. We ask that you look to solutions that would not require matching funds that would create barriers to access for lower income communities, do not place undue burdens on small cities to access, and provide ongoing, sustainable funding.

Additionally, cities request a permanent solution to funding multi-jurisdictional drug task forces in the wake of the loss of the Byrne-JAG grants. We appreciate the one-time backfill in the 2024 supplemental budget, and ongoing funding is needed to maintain these critical efforts to address the flow of fentanyl and other harmful illegal drugs into our communities.

- **Developing law enforcement training capacity** – Cities support continued efforts to expand capacity at regional academies. Cities also ask that the state to permanently maintain the historic practice of fully funding the BLEA tuition for new recruits. That tradition ended during the Great Recession when the state passed off 25% of the tuition costs to the local government but was restored in the 2025 FY. We ask that full funding of BLEA continue in the 2025-27 biennium.
- **Investing in infrastructure** – Retain full funding, \$400 million, for the Public Works Assistance Account (PWAA). With the cost of infrastructure projects increasing and the need for infrastructure repairs and expansion growing, now is not the time to divert even more funding from this highly regarded, keystone program for local infrastructure funding. Existing diversions from previous legislative decisions currently total over \$160 million. Further reductions to the PWAA will result in fewer loan repayments to the account, causing a compounded decrease in funding for the PWAA for years to come. Given the state’s drastic need for new housing, Washington cannot fall short in providing adequate infrastructure to spur and support development. To that end, we also ask for increased funding for the Connecting Housing and Infrastructure Program and the proposed Supporting Housing Affordability Infrastructure Program. Additionally, recognizing that many smaller cities and towns struggle to access state and federal grant opportunities, we encourage the state to create a specific technical assistance program to help small communities access available funding opportunities.
- **Addressing indigent defense** – The State Supreme Court is exploring changes to indigent defense caseload standards that could have a significant impact on the number of public defenders cities must fund, potentially increasing costs by \$150 to \$200 million annually. This conversation highlights that the state provides very little financial support for municipal public defense. Cities ask the state to be a larger fiscal partner in providing these constitutionally mandated services. Cities are responsible for about 65% of all misdemeanor cases and about 54% of all criminal cases total; however, cities receive only 10% or about \$1 million of the state funds currently dedicated to indigent defense. That number should be right sized to ensure that misdemeanor cases are addressed in a meaningful way.
- **Increasing access to behavioral health** – Cities support continued investments in behavioral health services, facilities, and workforce. Cities have had great success with alternative response programs like co-responder and CARES teams. We ask for continuation of the \$2 million per year in grant funding to support these programs. They are a critical part of the continuum of behavioral health services and help keep individuals in crisis out of the criminal justice system.
- **Investing in local government transportation systems** – In the face of a major revenue shortfall in Washington’s transportation budget, the state must act quickly to identify new revenue sources to fund the statewide transportation system. The shortfall also impacts cities and towns, whose local revenue generation power is structurally limited and share of state funding is diminishing. AWC calls for the Legislature to adopt new, sustainable sources of transportation funding with direct distributions to cities, to support the costs of maintenance, preservation, and operations at the local level.

Cities also ask for continued support of the Transportation Improvement Board and Freight Mobility Strategic Investment Board to maintain our current transportation infrastructure systems. The current lack of investment means, in part, that city streets (as part of state highways) rated below 45 mph and freeway ramps have been deprioritized, creating significant safety concerns. We urge you to commit to maintaining and providing new transportation investments in these Boards to meet residents’ needs.

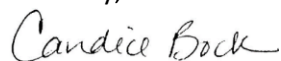
- **Planning for growth** – Cities are committed to thoughtful, community-based comprehensive planning under the Growth Management Act. We ask for the state’s continued support to fund this work and avoid unfunded or underfunded new requirements, particularly as many jurisdictions work to complete statutorily required updates passed by the legislature in recent years.
- **Backfilling homelessness response resources** – Due to a reduction in real estate transactions, the primary revenue stream for state and county response to homelessness—document recording fees—are reduced. In general, cities do not receive or manage these resources; however, it is critical that both state and local capacity is maintained.

Without action the state faces a drastic reduction in support for responding to our homelessness crisis at a time when homelessness is increasing year over year.

- **Preserving support for small cities and towns** – Through the City County Assistance Funds, the state has provided dedicated assistance to cities with low retail tax base since the early 2000s when the MVET was eliminated as the source for the sales tax equalization program. Most of the cities and towns receiving these funds are small or very small. The funding for this assistance account comes from a small share of the state’s REET. Decreased REET revenues resulted in a loss of about \$10 million for this critical assistance program. We are requesting funding to backfill a portion of the reduction.
- **Improving fish passage** – Please continue to increase funding for the Brian Abbott Fish Barrier Removal Board. We ask the state to keep a broad vision in mind as you tackle the fish barrier question. Salmon recovery does not improve when fish swim through a newly corrected state culvert only to run into a local barrier. We need comprehensive approaches like those from the Fish Barrier Removal Board and request the full funding amount requested by WDFW. We also support maintaining progress in the statewide barrier prioritization efforts by providing the agency funding to complete that effort—which was not included in Governor Inslee’s proposed budget.
- **Responding to the affordable housing and homelessness crisis** – Please continue your support for significant investments in the Housing Trust Fund. Cities are planning for hundreds of thousands of affordable homes that won’t be built without more public subsidy. Cities maintain their support for the Rights of Way Initiative that has been successful in helping transition those who are living unsheltered in state rights of way into more stable housing. Cities also ask that you expand this program to include local rights of way and look for opportunities to increase funding for emergency and transitional housing. AWC supports proposal from the Northwest Cooperative Development Center and South Sound Housing Affordability Partners to enhance infrastructure repair support for resident owned manufactured housing communities.
- **Protecting the environment** – Cities urge the state to unwind the General Fund transfer from Model Toxics Control Account (MTCA). Specifically, we support restoring \$50 million in General Fund for environmental programs and putting the \$50 million in MTCA back for its intended purpose of reducing toxic pollution.
- **Supporting PFAS treatment and mitigation** – The EPA has increased standards for PFAS contamination and detection of PFAS in our drinking water systems continues to occur. We ask that the state prioritize funding and technical support for impacted municipal drinking water systems.
- **Assisting communities with asylum seekers** – A recent increase in arriving asylum seekers has created significant impacts on some cities. Cities need state leadership and support to provide necessary services to this new population.

Thank you for considering these important funding proposals. We also ask that as you are reviewing legislative proposals you consider the fiscal impact on cities and towns and avoid those that create new unfunded or underfunded responsibilities. Thank you for your partnership and ongoing support for the cities and towns of Washington State.

Sincerely,



Candice Bock

Government Relations Director



Deanna Dawson

Chief Executive Officer

cc: Members of the Ways & Means Committee  
Members of the Appropriations Committee  
Members of the House Capital Budget Committee  
Members of the Senate Transportation Committee  
Members of the House Transportation Committee

AWC Budget Priorities

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K.D. Chapman-See, Director, Office of Financial Management