



Budget comparison: 2025-27 operating, capital, and transportation budget proposals

Selected key impacts to cities in the 2025-27 operating, capital, and transportation budget proposals.

✔ indicates AWC's preferred approach

Operating budget

State-shared revenues

✔ **Senate & House:** Funds state-shared revenues at expected levels.

Public Works Assistance Account transfers (see capital budget for more details)

Senate: Sweeps \$165 million in FY 2026 from PWAA to General Fund. Indicates intent to restore \$165 million to PWAA from General Fund in FY 2027.

House: Sweeps \$288 million from PWAA to General Fund.

Model Toxics Control Account (MTCA) transfers

Senate: Sweeps \$100 million from MTCA Operating, Capital, and Stormwater accounts to the General Fund.

✔ **House:** No MTCA transfer.

Public safety funding

Senate: Does not include any additional public safety funding.

✔ **House:** \$25 million for public safety grants.

Basic Law Enforcement Academy

Senate & House: Reduces the number of Basic Law Enforcement Academy (BLEA) training classes & reinstates the 25% cost share.

Pensions

✔ **Senate:** Lowers employer contribution rates and reduces unfunded liability surcharges.

House: Lowers certain employer contribution rates but does not address unfunded liability surcharge.

Housing & homelessness assistance

Senate: Significant backfill of local homelessness revenues—total housing & homelessness spending: \$741.8 million

✔ **House:** Significant backfill of local homelessness revenues—total housing & homelessness spending: \$774.2 million

GMA planning grants

Senate: Total planning grants of \$38.2 million. Cuts \$8.7 million in grants for GMA climate and salmon recovery planning.

✔ **House:** Total planning grants of \$42.2 million. Cuts \$2 million for GMA planning grants.

Behavioral health

✔ **Senate & House:** Investments in behavioral health, including a substance use public health campaign, buprenorphine distribution, street medicine teams, medications for opioid use disorder (MOUD) in jails, and more. Preserves the \$2 million Alternative Response Team Grant Program.

Public defense funding

✔ **Senate:** \$900,000 for grants to cities. Additional \$2 million for public defense grants for cities.

House: \$900,000 for grants to cities.

Municipal Research Services Center (MRSC)

✔ **Senate:** \$6.8 million to fund services at current levels. Does not include MRSC's request for \$500,000 additional funding to keep pace with inflation.

House: \$6.1 million is a reduction funding from current levels and does not include request for additional funding.

Capital budget

Public Works Assistance Account (PWAA)

Senate:

- Operating budget diverts \$165 million in FY 2026 to General Fund. Indicates intent to restore \$165 million from General Fund in FY 2027.
- However, **SB 5804** would divert all three PWAA dedicated funding sources and use them to back bond funding in the General Fund for state-owned culvert projects. This would all but defund the account indefinitely.
- Temporarily “backfills” the account with new bond revenues to cover previously awarded projects.
- Funding for future projects is uncertain.

House:

- Operating budget diverts \$288 million to general fund.
- Temporarily “backfills” the account with new bond revenues to cover previously awarded projects.
- Funding for future projects is uncertain.

Housing

✓ **Senate:** \$600 million to Housing Trust Fund.

✓ **House:** \$598 million to Housing Trust Fund. AWC prefers the level of investment in manufactured home communities and the additional \$90 million for Connecting Housing to Infrastructure (CHIP) Program.

Broadband

✓ **Senate and House:** \$114 million as match dollars for Broadband Equity, Access, and Deployment (BEAD) grants and administration.

Culvert replacement for fish barrier removal

✓ **Senate:** \$44 million for Fish Barrier Removal Board to fund identified local barriers.

House: \$27 million for Fish Barrier Removal Board to fund identified local barriers. AWC requests funding to match the House to continue prioritization strategy.

Transportation budget

Gas Tax increase

✓ **House:** 9 cent gas tax increase, indexed to inflation. 6% of increase goes to cities and counties.

Senate: 6 cent gas tax increase, indexed to inflation. Does not include any revenue sharing with cities.

Transportation Improvement Board

House: \$310.8 million

✓ **Senate:** \$310.8 million plus \$20 million increase for complete streets.

Right of way encampment response

✓ **House:** \$9 million to continue to address homeless encampments on state-owned rights-of-way in coordination with, and direct funding to, local governments and social service organizations, focused on housing individuals.

Senate: \$8 million to address homeless encampments on WSDOT-owned rights-of-way in coordination with local governments and social service organizations to direct people to housing and prevent future encampments.