

Federal & State Budget and Policy Update

Transportation Policy Board

February 12, 2026



Puget Sound Regional Council

DC Updates

- Appropriations bills pass!
- Surface Transportation Reauthorization
- Grant issues
- FY 27 Approps



Appropriations



- 11 of 12 appropriations bill enacted
- Short partial government shutdown ended on Feb. 3
- Homeland Security funding extended through Feb. 13



Transportation Funding in Approps Bill

- Senate won out over House & President – no drastic cuts
- \$25.1b for DOT discretionary funding overall
- \$22.2b for FAA
- \$64.3b for FHA, \$1.34b increase through reprogrammed funds
- \$16.5b for FTA
- PSRC's Household Travel Survey Earmark



2025 State Legislative Session



- Day 32
- Past both policy and fiscal cut off
- House of origin cut off Tuesday, February 17
- Budgets coming

Governor's Budget: Transportation Budget



Governor's Proposed Budget

- \$1b for 3 new ferries
- \$2.1b for maintenance & preservation

Press Release
Budget Summary (p.35)

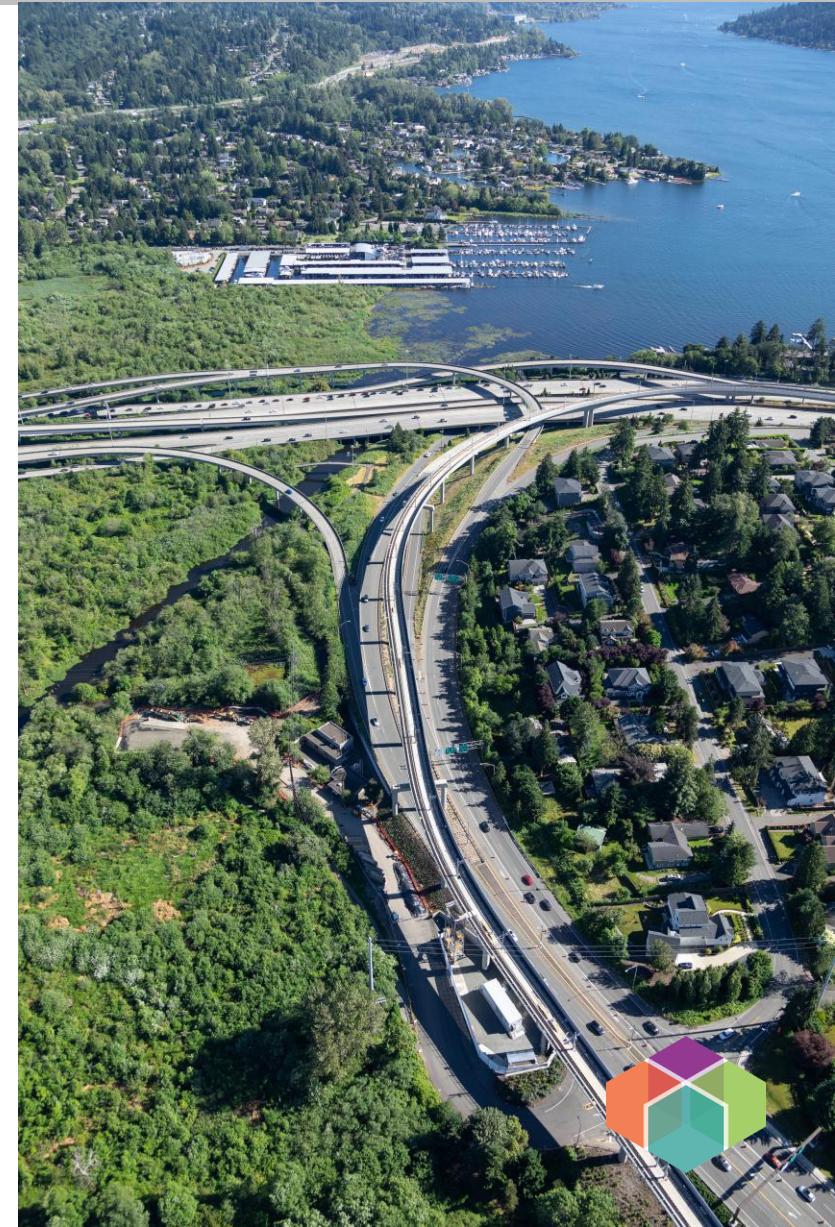


Supplemental Transportation Budget Support Letter

Please sign!



Support Supplemental
Transportation Budget
Investments



Revenue Proposals



- Tax on Millionaires [SB 6346](#) (Pedersen) / [HB 2724](#) **dead** (Fitzgibbon)
- Excise tax on payroll expenses [HB 2100](#) (Scott) / [SB 6093](#) (Saldaña)
- Advanced computing surcharge [HB 1839](#) (Reed)
- Enacting a tax on stocks, bonds, and other financial intangible assets [SB 5797](#) (Frame)
- Excise Tax on Cigarettes [SB 6129](#) **dead** (Robinson) / [HB 2382](#) (Parshley)



Roadway Safety

- Protecting vulnerable users of public ways [HB 2095](#) (Reed)
- Establishing Crash Prevention Zones [2174](#) **dead**(Klicker) / [SB 6066](#) (Torres)



Impaired Driving



SSB 5067 (Lovick)

Decreases the blood or breath alcohol concentration limit for operating a vehicle or watercraft from 0.08 to 0.05.



Regional Transit Authority Bond Issues

[SB 6148](#) (Liias)

Extends maximum term for bond issuance for a Regional Transit Authority from 40 years to 75 years



Free or Reduced Transit for College Students



Educational transit access grant program to reduce cost of public transportation for community and technical college students [**HB 2727**](#) (Taylor)

- Creates grant program at WSDOT to pilot program to provide free or reduced transit to CTC students
- Replaces [**HB 2550**](#) / [**SB 6252**](#)



Residential Development in Commercial Zones

SB 6026(Alvarado)/ **HB 2480**(Street)

- Requires residential development to be allowed in commercial zones
- Prohibits requiring ground floor commercial as condition of residential development in commercial/mixed use zones

Analysis



2025 Jobs Data - 12,900 Decline



- First time region has seen decline in jobs since 2008, excluding pandemic
- Construction & service industry sectors, including tech lost most jobs

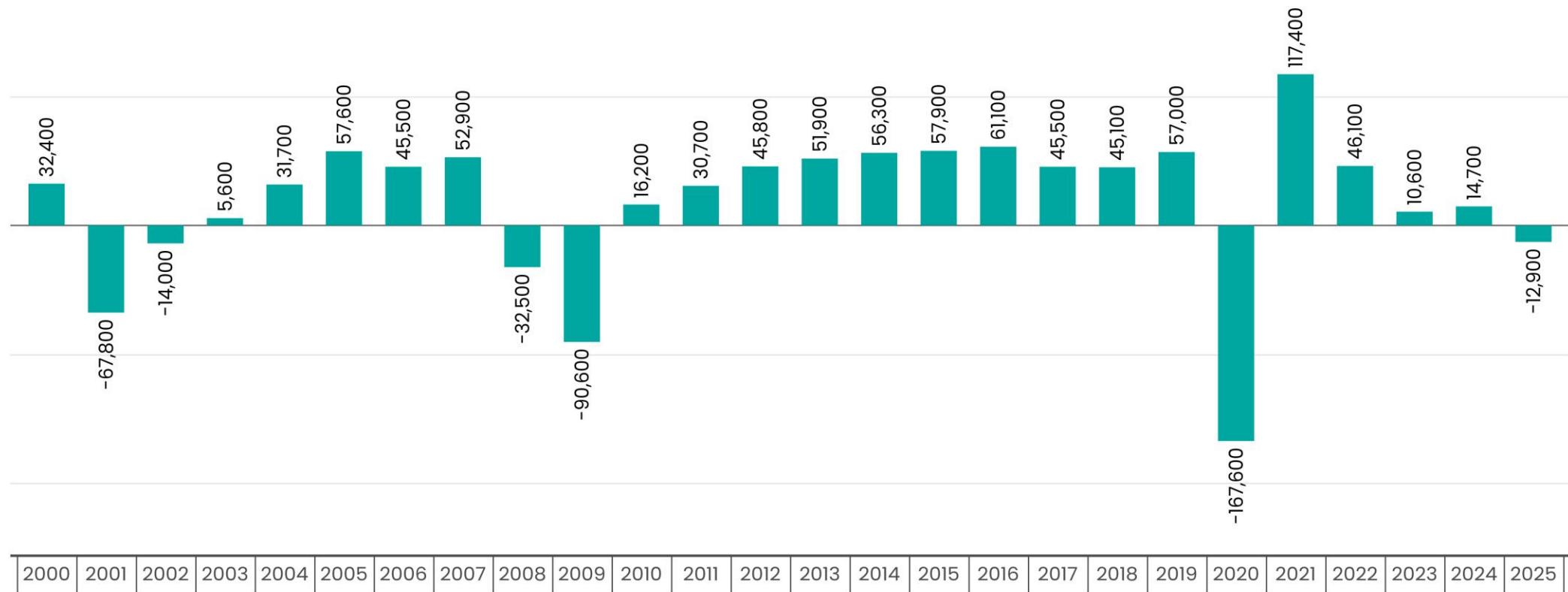
[Westneat Seattle Times](#)

[PSRC Blog Post](#)



Jobs Changes –

Job Change: Year Over Year



Source: Washington State Employment Security Department





Thank You!

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