

# **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)



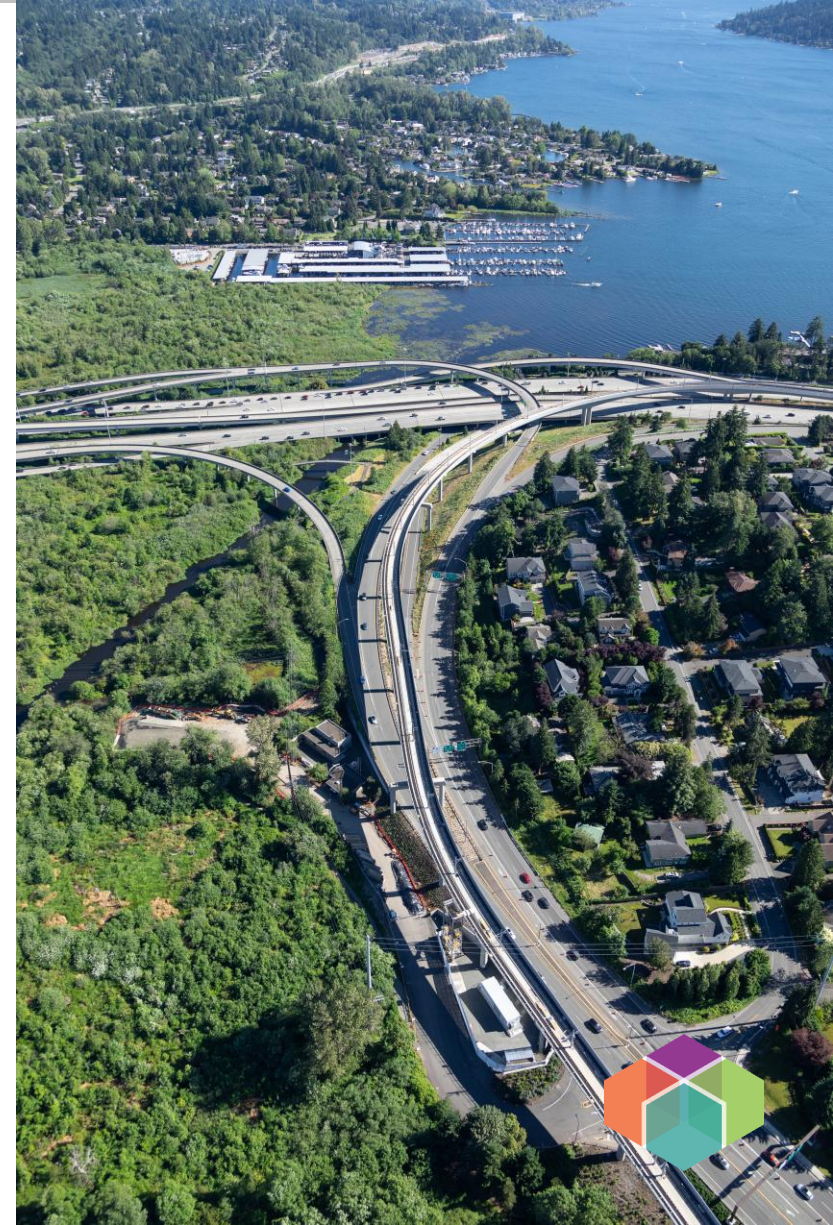


# Supplemental Transportation Budget Support Letter

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](#)

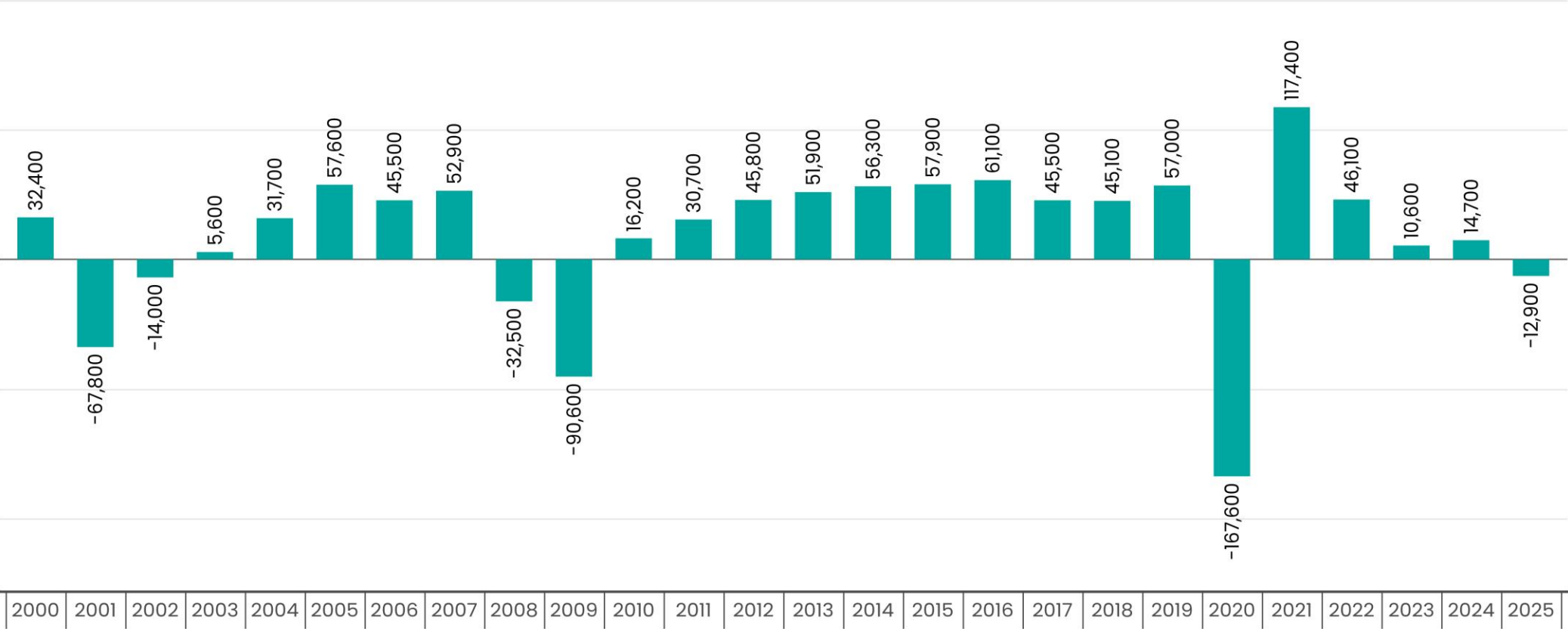
[PSRC Blog Post](#)





# Jobs Changes -

Job Change: Year Over Year



Source: Washington State Employment Security Department







# Thank You!

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