

Federal and State Budget & Policy Updates

Regional Staff Committee

March 20, 2025

Updated
as of
3/19/2025



Puget Sound Regional Council



We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.

psrc.org/equity

Federal Updates



- Continuing resolution through Sept 30
- Budget Reconciliation – Tax Cuts and Jobs Act
- Staff reductions
- PSRC federal consultant presenting at 3/27 Executive board



Federal Resources

- [Federal Funding Issues Reporting Form](#)
- [Executive Order Summaries from Holland & Knight](#)
- [PSRC Federal News Post](#)



2025 State Legislative Session



- 2,187 bills introduced
- Chambers considering opposite house bills
- April 2 Opposite House Policy Committee Cut-off
- Budget Monday, March 24



2025 Legislative Session Budget Outlook

- Operating budget deficit of \$12–\$15 billion
- Transportation budget deficit of \$8 billion, \$1–\$1.8 billion in FY 25–27

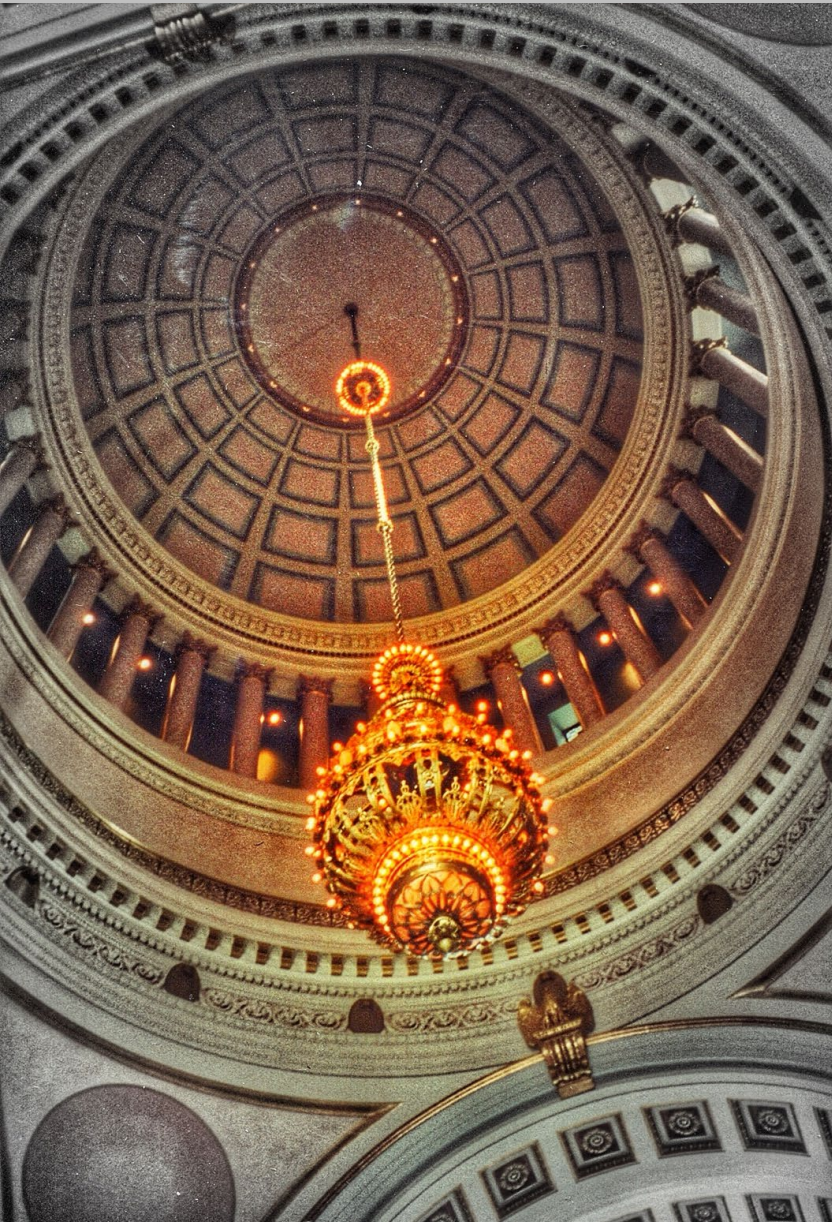
Budget Pressures:

- Lawsuits and tort claims
- Federal Funds ~ 30% of state budget
- Revenue Forecast March 18

[WA State Standard Article](#)



Governor and Legislative Proposals and Responses



- \$4 billion new Governor Ferguson [budget reduction plan](#)
- House Democrats: WA Budget Cuts
- Senate Republicans: [Save WA](#)
- Budgets week of March 24
- [Senate Democrats Revenue Proposal](#)

Transportation Budget: Expected Challenges

- Budget was balanced end of 2024 session
- Revenues down, costs increasing, culverts
- Solutions:
 - Reduce operating and capital
 - Increase Revenue
 - Combination

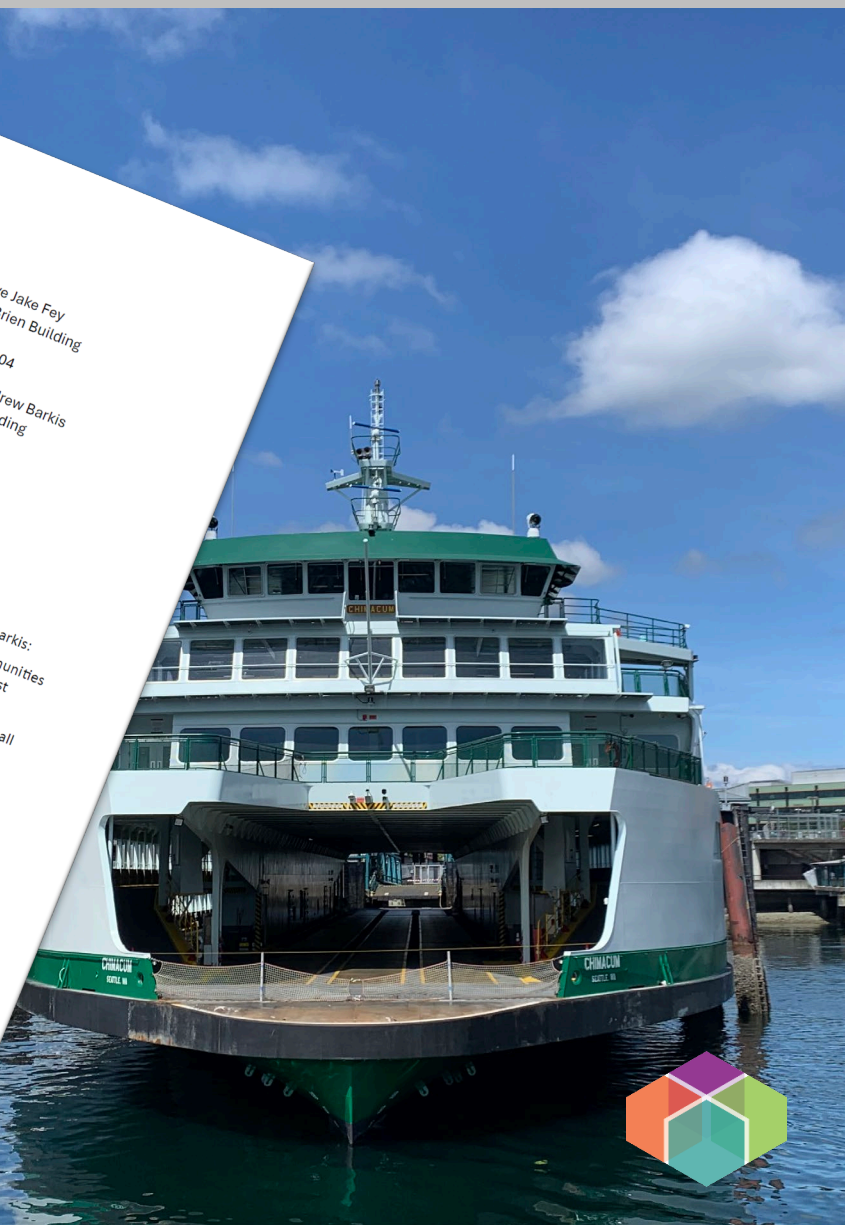
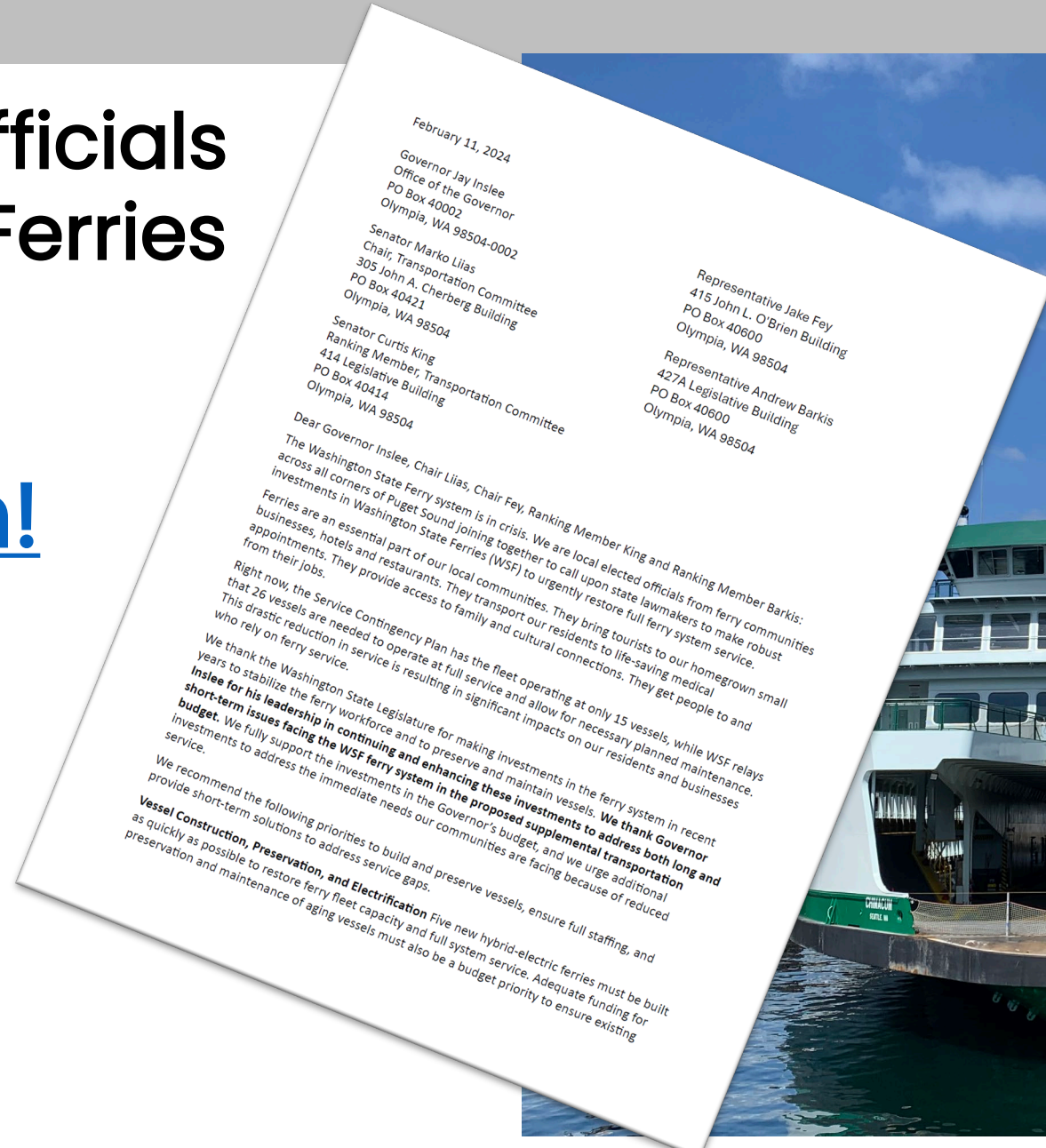
[House Presentation](#)
[Senate Presentation](#)



Washington State Ferries

50 Local Elected Officials Support Fund Our Ferries State Letter

Federal Sign-on!
State Sign-on!



Road Usage Charge



- [HB 1921](#) (Fey) / [SB 5726](#) (Ramos)
- Phased Approach
- 2.6 cents per mile, increased over time linked to fuel tax
- Odometer reporting
- Use restricted to maintenance and preservation protected by the 18th amendment
- 10% road usage assessment to support alternative transportation

[PSRC News Post](#)



Traffic Safety

Safe System Approach [SB 5581](#) (Shewmake)

Would prioritize active transportation in WSDOT construction projects and programs by integrating shared-use paths, trails, roundabouts and Complete Streets principles.



Transportation Project Delivery

[HB 1902](#) (Richards) Streamlining Permitting for Transportation Projects

Requires WSDOT, in consultation with Dept. of Ecology, to convene work group to develop recommendations to streamline permitting of transportation projects



Project Delivery

Procurement & Delivery Models

[SB 5773](#) (Liias)

Creates Statutory framework for implementation of public private partnerships for transportation projects to reduce costs and deliver projects faster

[Sen. Liias Press Release](#)



Passenger Rail

Intercity Passenger Rail

HB 1837 (Reed) / SB 5667 dead
(Valdez)

- Establishes targets for WSDOT for minimum trip times, roundtrips per day and trip reliability
- ~~2-3~~ hours ~~45~~20mins travel time
Seattle /Vancouver, B.C. and ~~2.5~~ 2
hours 45mins Seattle to Portland
- Requires WSDOT to provide yearly updates on meeting targets



Housing Supply: Transit-Oriented Development

Promoting Transit Oriented Housing Development

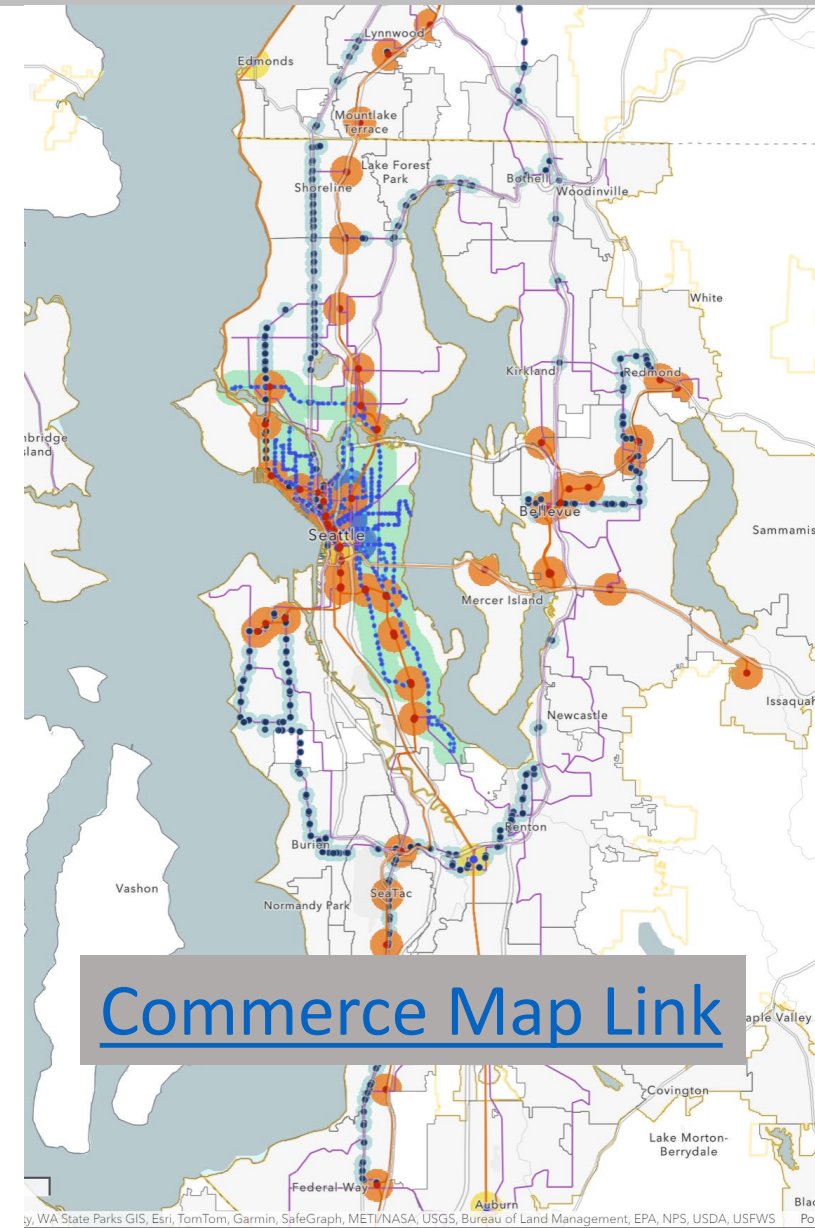
[HB 1491](#) (Reed)

Creates density requirement in station areas

- 3.5 FAR w/in .5m of rail (.25m in cites <15,000 people)
- 2.5 FAR w/in .25m of BRT

Authorizes 20-year tax exemption for residential buildings in station area

Requires Commerce to administer grant program to assist cities to implement the TOD requirements



[Commerce Map Link](#)

Housing Stability – Rent Stabilization

Rent stabilization [HB 1217](#)/ [SB 5222](#)

- Limit rent increases to no more than 7 percent per year
- Require 6 months' notice for a rent increase of 3 percent or more
- Establish fees count as rent for the purposes of calculating an increase
- Limit move-in fees to the equivalent of one month's rent or less
- Limit late fees to no more than 1.5% of the monthly rent



Housing Supply: Parking Requirements



Minimum Parking Requirements

[HB 1299](#) (Peterson) **dead** / [SB 5184](#) (Bateman)

Prohibits cities and counties from requiring:

- More than 0.5 parking space per residential unit
- More than 1 parking space per 1000 feet of commercial space
- Eliminates minimum parking requirements for several building types including affordable & senior housing and homes < 1200 sq ft





Thank You!

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Puget Sound Regional Council