

# Federal & State Policy Updates

## Growth Management Policy Board

June 5, 2025

Updated  
6/4/2025



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](https://psrc.org/equity)



# Federal Budget Updates



- Reconciliation
- President's Budget Release/FY 2026 Appropriations
- Recission
- Surface Transportation Reauthorization



# Budget Reconciliation – House

## Transportation

- \$10 million in cuts, rescinds unobligated funds
- Increases budget to coast guard border control, FAA air traffic control
- Includes a **\$250** EV fee and **\$100** hybrid electric vehicle fee

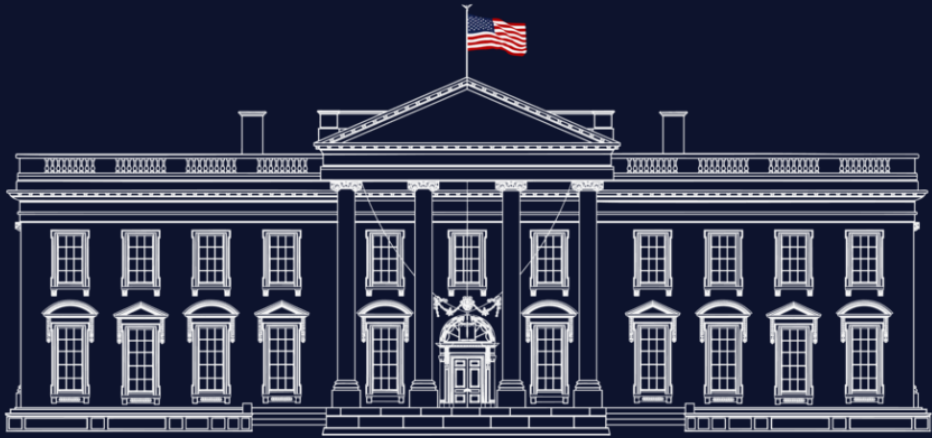
## Cuts to Other Programs

- Medicaid – nearly \$800 billion
- Food stamps – nearly \$300 billion
- Clean Energy Credits – phases out

[Complete List of Everything in the Republican Bill, and How Much It Would Cost or Save](#) (NY Times)



# President's Budget



## Increases:

- Defense and homeland security
- Transportation:
  - FAA air traffic control facility upgrades
  - Infrastructure for Rebuilding America Program (INFRA)
  - Rail Safety
  - Port Infrastructure

## Reductions \$163b non-defense discretionary

- Climate and renewable energy
- Housing and Urban Development



# 2025 State Legislative Session



- Over 2,300 bills introduced
- Legislators faced **\$12b-16b** budget deficit over 4 years
- Sine Die April 27
- Passed Operating, Capital and Transportation Budgets
- Governor signed budgets, some vetoes

# Operating Budget



- \$77.8b 2025–2027 biennial budget
- Cuts to early learning & childcare
- Education funding for special education and materials, supplies and operating cost increased
- \$100m for grant program to hire new police officers
- No state employee furloughs



# Revenue Bills

Raise \$9.4b over 4 years



<a href="#"><u>HB 2081</u></a>	B&O tax surcharge
<a href="#"><u>SB 5814</u></a>	Taxes on Services & Nicotine Products & Prepayment of Sales Tax
<a href="#"><u>SB 5813</u></a>	Capital Gains and Estate Taxes
<a href="#"><u>SB 5794</u></a>	Eliminating Tax Preferences
<a href="#"><u>HB 2077</u></a>	Tax on surplus generated by Zero Emission Fuel Program

[Five tax bills lawmakers passed to underpin Washington's next state budget](#) (WA State Standard)



# Capital Budget

## \$605m Housing Trust Fund

[Set asides \(link to full list\):](#)

- **\$215m** Multifamily
- **\$95.75m** Apple Health and Home Permanent Supportive Housing
- **\$72.5m** Homeownership
- **\$50m** Intellectual & Developmental Disabilities Community
- **\$27.5m** Mobile/Manufactured Home Infrastructure & Repairs
- **\$50m** Preservation
- **\$10m** Rapid Capital Acquisition

Other housing related investments:

- **\$100m** for Connecting Housing to Infrastructure
- **\$8.2m** for 3 TOD projects
- **\$11m** affordable housing cleanup program

Significant investments in:  
Education, Natural Resources,  
Climate, Behavioral Health and  
Human Services





# Transportation Budget

- \$15.5b for the 25–27 biennium
- Addressed \$8b deficit over 6 years
- [Transportation Budget one-pager](#)
- [Transportation Revenue Summary SB 5801](#)



# Housing Stability



## Rent Stabilization

[HB 1217](#) (Alvarado)

Signed by the Governor

- Limits rent increases to 7% plus consumer price index not to exceed 10%
- Limits rent increases to 5% for manufactured/mobile homes
- Limits security deposits, move-in fees and late fees





An aerial photograph of Everett, Washington, showing the city, harbor, and surrounding mountains. The city is densely packed with buildings and houses, with a large harbor area containing many boats and a bridge crossing the water. The background features rolling hills and mountains under a clear sky.

# Thank You!

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