

Federal & State Policy Updates

Growth Management Policy Board

July 3, 2025

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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 - Reconciliation

- Reconciliation bill passed the Senate on Tuesday
- On House Floor for final passage
- Extends tax cuts, cuts Medicaid and SNAP
- Expands Housing Tax Credit

[A List of Nearly Everything in the Senate G.O.P. Bill, and How Much It Would Cost or Save](#) (NY Times)



President's Budget/FY 2026 Appropriations



- April 30, President Trump released a “skinny” budget
- May 30, the White House shared additional details for President’s FY 2026 budget request
- Makes cuts to HUD budget, eliminates programs & creates a State Rental Assistance Block Grant
- House Appropriations Committee is expected to mark up Transportation-HUD bill week of July 7

State Revenue Forecast

- Revenue down \$490m in FY 25–27 and \$638m in FY 27–29
- US & WA economies slowing, impacts of tariffs, federal employment/funding, geopolitical conflict, lower spending and higher interest and inflation rates
- New revenue adopted by legislature raises \$8b over 4 years creating a slight budget savings
- No special session – yet



Transportation Revenue Forecast



- \$11m increase from March 2025 for FY 23-25
- \$2.78b increase for FY 25-29
- Legislative changes are major driver of revenue changes

Learn More About State Revenue Forecast

Tax collections tumble again in latest Washington budget forecast (WA State Standard)

Revenue Forecast

Transportation Forecast





Thank You!

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