Federal & State Budget and Policy Update

Transportation Policy Board

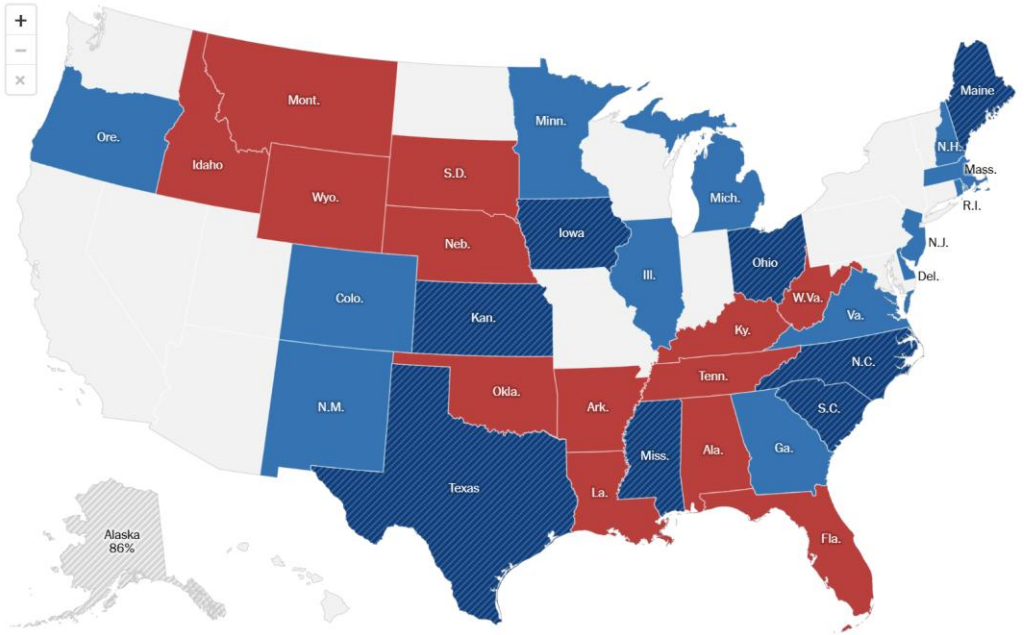
November 12, 2026

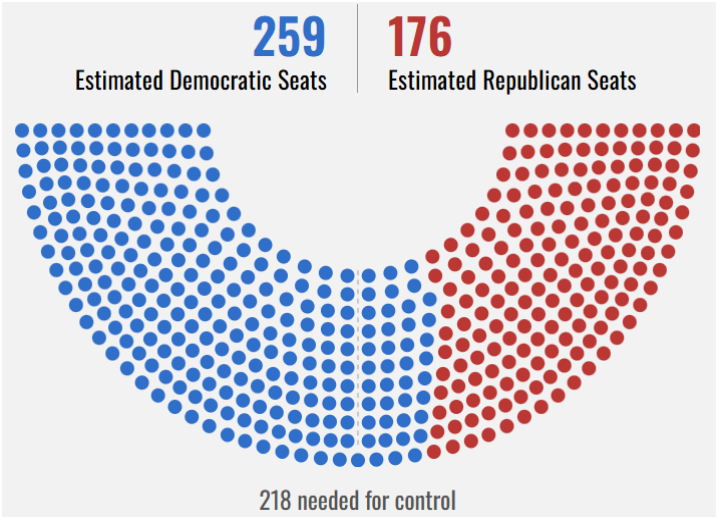


Puget Sound Regional Council

Federal Elections Update

- Democrats take control of the House of Representatives & Senate
  - 8 Senate seats gained
  - Flipped 43 House seats
- Key Democratic priorities: affordability, health care, undo tariffs, Iran war, corruption & oversight
- Rep. Larsen (WA-02) announced bid to lead House Transportation & Infrastructure Committee





State Updates



- 61.2% statewide voter turnout as of 11/11 per Secretary of State website
- Initiative 645 Income Tax Repeal failed
- House supermajority?
- PSRC Recommendations to the State Legislature

Highway Use Fee Proposal

- Based on vehicle fuel economy rating
- Annual fee based on fuel economy (MPG) rating of vehicle, more efficient vehicles pay higher fee
- More fuel-efficient vehicles pay less in gas tax, but have same impact on roadways
- Modeled on **Virginia Highway Use Fee**

Tomorrow: Listening Session with House Transportation Committee Chair Fey
Time: 9am
Email: Alyssa at Aquinn@psrc.org

Sign on: Continuum of Care Letter to Governor

- $146 million requested by Commerce in decision package to backfill CoC

[Sign letter to Governor Ferguson here]



Dear Governor Ferguson:

We appreciate your continued leadership and the investments made to address homelessness and expand access to affordable housing in Washington. We are local elected officials from the Puget Sound region writing to urge you to include $146 million in backfill funding for the Continuum of Care (CoC) program requested in the Department of Commerce decision package in your final budget.

The CoC program provides critical funding for permanent supportive housing, rapid rehousing and other services that help people remain housed. Recent changes to the program and ongoing litigation have created uncertainty for communities that depend on these resources. On September 24, the First Circuit vacated the district court's previous judgement, allowing the U.S. Department of Housing and Urban Development to proceed with its FY 2026 Notice of Funding Opportunity (NOFO), while the broader legal challenges continue. The FY 2026 NOFO significantly shifts funding away from permanent housing to temporary programs and caps the amount of bonus funding that Continuums of Care can receive for new projects.

For communities across the Puget sound region, the consequences of reduced CoC funding would be immediate. These programs provide housing and services for people with disabilities, people experiencing chronic homelessness and other individuals and families who would face significant barriers to remaining housed without this support. A disruption in funding will result in people losing housing and increase demand for shelter, outreach and other homelessness response services.

Local governments are already dedicating significant resources to homelessness response. This includes investment in shelter, supportive housing, prevention and other services. Those resources cannot replace federal CoC funding at the scale needed to maintain existing programs. This challenge will be exaggerated by the reductions in federal health care and food assistance. These federal reductions will increase financial instability and place more demands on local systems.

We appreciate the funding included in your budget to support communities facing these challenges, as well as your broader investment in affordable housing and h
prevention. Given the scale of the potential federal fundi
is necessary to preserve existing hous
changes.

Sign on: Keep WA Rolling



Letter to Governor & Legislative Leaders

Supports sustainable transportation financing strategy for:

- Maintenance & preservation
- Ferries
- Transit
- Jobs and economic development

Sign on here!

Deadline TODAY 11/12



Thank You!

Robin Koskey

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Puget Sound Regional Council