

CITY COUNCIL STUDY SESSION

Draft 2020 State Legislative Agenda

Joyce Nichols, Director of Intergovernmental Relations, 452-4225
City Manager's Office

DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Staff is seeking Council feedback and direction on the Draft 2020 State Legislative Agenda, whether the preliminary positions are the right ones to include in the agenda and, if so, the relative priority.

RECOMMENDATION

N/A

BACKGROUND & ANALYSIS

Each year the City Council adopts two policy documents related to the State Legislature:

Legislative Agenda – A short list of priority items that will be the focus of the City's efforts in Olympia each year. A new document is produced each year for Council approval. The draft agenda (Attachment A) is used to communicate key issues of interest and concern to the City's legislative delegation. The issues proposed for inclusion in the Draft 2020 Legislative Agenda are those preliminarily identified by staff as the most important for the City to pursue during the 2020 legislative session or those that are likely to be pursued by others. While the City accomplished many of the items on the 2019 legislative agenda, some of the key priorities are carried over for issues that remain unresolved. In many cases, the proposed policy positions are protective of the City's authority and revenue base.

The Draft 2020 State Legislative Agenda is organized with policies regarding transportation, transportation technology and affordable housing and homelessness as the City's highest priorities. These policies have been updated to refine the City's transportation priorities, including support for funding the I-405 Master Plan projects and improvements to ensure reliability on the corridor for bus rapid transit that is scheduled to open in 2024. In addition, the policies include support for incentives and continued progress on the regulatory framework for smart mobility technologies, including electric/autonomous vehicles and shared mobility options in line with the Smart Mobility Interest Statement adopted by Council in 2018.

The affordable housing and homelessness section of the draft legislative agenda reflects strategies in the City's Affordable Housing Strategy and encourages state investments in treatment and prevention programs to address the root causes of homelessness.

For ease of review, staff is attaching the draft legislative agenda (in graphic format) as Attachment A, as well as two versions of the document, one clean version and one in track changes showing changes made between the 2019 and 2020 versions (Attachments B and C).

Statement of Policy – A comprehensive list of legislative positions covering a broad range of issues developed over time. These issues may or may not surface during the legislative session. The Statement of Policy is carried forward each year with changes to remove items that have been resolved or are no longer policy positions of the Council and to add new policies as appropriate. The Statement of Policy has grown over the years to encompass many policy issues and is used by City staff to provide policy direction as issues are considered by the Legislature. The revised Statement of Policy will be updated following adoption of the draft legislative agenda and placed on a future Consent Calendar.

2020 Legislative Session

The 2020 session of the State Legislature begins January 13. This year is a “short” session that runs for 60 calendar days. During short sessions, the Legislature typically updates the Operating, Capital and Transportation budgets. Legislative proposals that did not pass the Legislature during the 2019 session are able to be considered again this year.

Governor’s Proposals Begin the Budget Development Process

During a short session, one of the Legislature’s primary tasks is to develop supplemental operating, capital, and transportation budgets, which make amendments to the 2019-2021 budgets (FY July 2019-June 2021) enacted during the 2019 Legislative Session. The release of Governor Jay Inslee’s proposed budgets in December is the beginning of the budget development process.

The Legislature will hold hearings on the Governor’s proposed budgets during the early days of the legislative session. The House and Senate will then each begin developing their respective proposals, which will be released mid- to late- February. The House and Senate will then reconcile differences between the two proposals and adopt a final budget prior to the conclusion of the legislative session on March 13. Some of the highlights of the Governor’s proposals are included below:

Governor’s Proposed 2020 Supplemental Operating Budget

The Governor’s Proposed Supplemental Operating Budget is \$53.3 billion, an increase of roughly \$1 billion dollars from the enacted 2019-2021 Operating Budget. This increase in spending is partially funded by growth in the state’s general fund revenues, and partially through a transfer of funds out of the state’s “rainy day fund.” The Governor proposes to invest in solutions to the state’s homelessness crisis, increased early learning opportunities, and policies responding to climate change.

The Governor’s proposed strategy on homelessness uses revenue from the “rainy day fund” which is projected to be \$2.5 billion at the end of 2023. Transfers of revenue from this account require approval from 60 percent of each chamber. The Governor’s proposal is unlikely to garner the bi-partisan support needed to be approved. The Governor’s strategy proposes to make the following investments:

- \$66 million is allocated to a new grant program to reduce the point-in-time count of unsheltered individuals by 1,890;
- \$26 million for the Housing and Essential Needs Program to serve 2,300 more individuals;
- \$15.4 million to provide permanent supportive housing assistance for an additional 1,080 individuals;

- \$30 million to construct enhanced shelters that include laundry, bathrooms, and storage spaces; and
- \$4 million in grants for local governments to remove waste and contaminated materials associated with vacated homeless encampments.

Governor's Proposed 2020 Supplemental Capital Budget

The 2019-2021 Capital Budget appropriated \$3.18 billion in revenue derived from the sale of state construction bonds. The 2019 Legislature reserved \$75 million in bond revenue for appropriation in the 2020 Supplemental Capital Budget. The Governor's proposal would utilize this remaining capacity to make investments in residential rehabilitation centers for the developmentally disabled, storm water financial assistance, school seismic safety retrofit improvements, homelessness and other investments.

Governor's Proposed 2020 Supplemental Transportation Budget

The Governor's Proposed Supplemental Transportation Budget focuses on making adjustments to address the revenue shortfall resulting from the passage of Initiative 976. In November, the Governor directed the Washington State Department of Transportation (WSDOT) to delay work on projects not under construction until the Legislature addresses the funding shortfall. The Legislature will be reviewing the project lists as part of its work this session.

POLICY & FISCAL IMPACTS

The State Legislature addresses a range of policy issues of interest to the City. Council may wish to provide direction to staff regarding particular legislative proposals.

OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

- Draft 2020 State Legislative Agenda with graphics
- Draft 2020 State Legislative Agenda (clean version)
- Draft 2020 State Legislative Agenda in track changes

AVAILABLE IN COUNCIL LIBRARY

N/A