



WASHINGTON PUBLIC PORTS ASSOCIATION

LEGISLATIVE REPORT

2024 Legislative Session & Supplemental Budget Preview

December 18, 2023

WPPA – Session Preview + Governor’s Budget

Washington’s 2024 Legislative Session will begin on Monday, January 8, 2024, and it is the second year of the two-year legislative biennium. Each biennium is made up of a “long session,” lasting 105-days, and a “short session,” lasting 60-days. As discussed during our Legislative Committee session at the Annual Meeting, short sessions in recent years have seen the same amount of bill introductions, however the timelines are condensed, resulting in an incredibly fast-paced and intense eight weeks.

In long sessions, lawmakers are tasked with passing the state’s biennial budgets: Operating, Capital, and Transportation. In short sessions, the legislature adopts supplemental budgets that are generally minor adjustments to the biennial budgets passed in long sessions. Most of the adjustments are based on minor modifications; significant new programs and spending are not typical. With that said, the release of the November [Economic Revenue Forecast](#) was strong, signaling about \$1.1 billion in addition revenue that could be incorporated into this year’s supplemental budgets.

Additionally, all bills that do not pass during the long session are technically “alive” again for the short session, although many are not revived the second year. Historically, short sessions see the introduction of at least 1,000 new policy bills in addition to bills from the previous year which leads to approximately 3,000-4,000 bills available for consideration.

Democrats will continue to control the agenda in Olympia with strong majorities in both the House (58-40) and Senate (29-20) for 2024. Notably, this interim the House Republicans selected a new leader, Rep. Drew Stokesbary (R-Auburn) and new deputy leader, Rep. Mike Steele (R-Chelan) after Rep. J.T. Wilcox (R-) and Rep. Joel Kretz (R-) announced their intentions to step down and allow for new leadership.

Caucus leadership in the House and Senate Democratic Caucuses and Senate Republican Caucus has remained unchanged. Click here to view the full list of leadership positions: [House Leadership](#), [Senate Leadership](#).

The session is anticipated to end on time and the focus will quickly shift to the upcoming 2024 elections. For the first time since 2012 there are four statewide seats open, including for Governor, Attorney General, Commissioner of Public Lands, and Insurance Commissioner which has resulted in a political shuffle of lawmakers seeking statewide office. Additionally, the recent announcement that Congressman Kilmer (6th CD) will not seek a 6th term has several eying the position.

Also adding to the intensity of the election year is the potential for six ballot initiatives that may qualify for the ballot including one to repeal Washington’s Cap and Trade Program. These initiatives vary in topic and scope, ranging from police pursuits to a “parental bill of rights” and a repeal of the capital gains tax.

Briefly below, we have provided you with an overview of Governor Inslee’s Budget proposal. The fiscal committees in each Chamber will hold hearings on his proposal in the first week, giving stakeholders the opportunity to tell lawmakers which elements of the budget they support, and which additions or removals should be made.

Lastly, WPPA's 2024 Legislative Priorities were adopted during our Annual Meeting. Our priorities can be found [here](#). Our team is ready to tackle the 2024 session. Below is reminder of your Olympia Team, and issues of focus this coming year:

- Aviation: Chris
- Broadband: Chris
- Economic Development: Chris
- Energy: Chris/Carly
- Environment: Carly
- Governance: Eric/James
- Labor& Workforce: James/Chris
- Marina: James
- Natural Resources: Carly
- Procurement/Prevailing Wage: Chris/James
- Recreation: James
- Tax: Chris
- Transportation: Chris/James

We are looking forward to starting this short session at a sprint and keeping your interests in front of us throughout. We hope to see you all on Ports and Maritime Day 2024, on February 1-2 here at the Capitol! This is a great time to ascend on the Capitol and meet with your elected officials on your port's top priorities for the upcoming year.

Governor Inslee 2024 Budget Proposal

Each year, prior to the start of session, the Governor Inslee releases his budget proposal for the legislature's consideration. This proposal includes a spending plan, highlights top priorities, and lays out the Governor's policy agenda for the upcoming session. This year's Inslee Administration budget proposal focuses on 5 top priorities: Behavioral Health, Fentanyl/opioid crisis, Housing and homelessness, Cap and Trade investments, and Education. [See the Governor's Budget Highlights document here.](#)

Top Budget Highlights:

- The Governor proposes new investments of \$941 million in climate and clean energy, with \$900 million from Climate Commitment Act revenues.
- Operating Budget Proposal spends \$70 billion, which is a \$1 billion increase in spending from the budget passed last year.
- No new tax increases are proposed however the budget does rely on funding from the capital gains tax (currently under litigation) and revenues from the Climate Commitment Act (cap-and-trade program, passed in 2021).
- Inslee proposes raising \$4 billion to address housing and homelessness by utilizing bonds. This, however, would be subject to legislator and voter approval by referendum.
- Significant spending and policy ideas to support climate priorities.
- The Inslee supplemental transportation budget focuses on staffing for both the Washington State Patrol and the Washington State Ferries. The budget also allocates more funding for

Over the duration of the session, the House and Senate will each produce their own budget proposals, and then the two chambers will negotiate their differences. Typically, House and Senate budget proposals are released in early February.

Governor Inslee's 2024 Supplemental Budget Documents

- [Operating Budget Language, link.](#)
- [Transportation Budget Language, link.](#)
- [Capital Budget Language, link.](#)

Budget Areas of Potential Port Interest

Port Decarbonization: In the 2023-25 Budget, \$26.5 million was allocated for a competitive port electrification grant program. In his 2024 Supplemental Budget, the Governor proposes reducing that grant program by \$10 million and dedicating those funds for the Puyallup tribal port electrification project.

Model Toxics Control Act (MTCA): Revenue from MTCA funds ports through remedial action grants to do extensive cleanup improvement projects.

- In the 2023-25 Budget, there was a proposed \$50 million sweep in from the MTCA operating account to backfill the state's general fund. The Governor's proposal would approve that massive funding sweep in the next fiscal year.
- There is an additional \$2 million from the MTCA capital account dedicated for the Eastside Fire and Rescue Pilot PFAS Cleanup in Issaquah. This would be one of the first times MTCA has been used for this type of cleanup project.
- \$2.4 million from the MTCA operating account is allocated to the Department of Ecology to help develop a new state dredge and fill permit. This is the result of the recent Waters of the United States definition change in the [Sackett Supreme Court decision](#). This additional funding would support Ecology with the increased workload reviewing additional projects seeking state authorization.

Broadband: The Governor included a modest increase in funding to match federal funding of \$11.3 million. In addition, \$2 million is included for local government technical assistance to assist with pre-construction preparation for projects seeking Broadband Equity Access and Deployment funding.

Economic Development: The Governor included funding for several of WPPA's economic development priorities including the Innovation Cluster Accelerator Program (ICAP - \$2.678 million) and Hydrogen deployment.

Green Jobs and Infrastructure: The Governor proposes investing \$136.5 million (CCA) for grants to help communities address climate change and meet their energy and climate regulatory requirements through things like planning and development or construction of clean technology projects. Ports would be eligible for these grants.

Clean Energy Community Decarbonization: The Governor proposes \$100 million (CCA) in noncompetitive grants for planning, design, and implementation of capital projects and clean energy technologies that reduce greenhouse gas emissions. Ports would be eligible for this funding and must be in vulnerable, overburdened, and tribal communities.

Workforce: The Governor proposes an additional \$20 million to in part recruit and train qualified mariners from outside of the Washington ferries system to become qualified mates in Washington.

Assistance for Energy and Innovation Support: The Governor proposes a couple grant programs (CCA) where ports are eligible. These programs would provide direct assistance to access opportunities in energy, climate, and clean technology sectors. \$3.8 million to assist in access to federal tax incentives. \$8.1 to assist in federal grant application writing and reporting.

Culvert Removal: Remove fish passage barriers and support the department's work to meet the requirements of the 2013 U.S. v. Washington court injunction by including an additional \$150 million dedicated to removing fish passage barriers on WSDOT roadways. WSDOT recently updated their cost projections, nearly doubling the overall cost of removing state-owned barriers to \$8 billion by 2030.

Transportation project funding: The Governor's budget proposal lent additional clarity to the Move Ahead Washington packages project list. His 2023 transportation package named projects but did not articulate when they would occur – and this budget proposal at least indicates which projects will be funded in the upcoming biennium.

Climate: Several significant environmental policies have passed in recent years including the Clean Energy Transformation Act (100% Clean Energy), Clean Fuel Standard, Healthy Environment for All Act (HEAL Act), Building Efficiency Standards, and the Climate Commitment Act (CCA/Cap-and-Invest). The Governor and Legislature have been focused on implementing these policies and reinvesting revenue in their climate commitments. For the 2024 legislative session, Governor Inslee is proposing legislation to require transparency for oil industry profits and hold industry accountable for harm to consumers. Inslee also proposes new investments of \$941 million in climate and clean energy, with \$900 million from Climate Commitment Act revenues.

Recreation: The Governor's budget proposal includes \$1.2 million to "identify the offsets to the loss of recreation opportunities associated with the draw down of reservoirs if the lower Snake River dams are removed." This study builds on the nearly \$10 million appropriated during the 2023 legislative session that responded to the Murray-Inslee Study designed to evaluate how to replace the existing functionality of Snake River Dams. The loss of recreational opportunities was not included in the assorted studies funded during the 2023 session.



WPPA Phone: 360.943.0760

<https://www.washingtonports.org/>

Eric ffitch: effitch@washingtonports.org

Chris Herman: cherman@washingtonports.org

Carly Michiels: cmichiels@washingtonports.org

James Cockburn: jcockburn@washingtonports.org