

WASHINGTON PUBLIC PORTS ASSOCIATION

2022 LEGISLATIVE SESSION – RECAP

#WAPORTS : AGENDA

- ▶ 2022 Legislative Session
 - ▶ Session Highlights
 - ▶ 2022 Port Priorities
 - ▶ Other Policy Issues
 - ▶ Budget Action
- ▶ Looking Ahead to 2023
- ▶ Washington State Revenue Forecast

22 SESSION : HIGHLIGHTS

- ▶ \$5B in General Fund (Operating) Budget spending increases
 - ▶ Historic spending designed to address housing/homelessness
- ▶ Washington Cares (long term care program) delayed (18 mo)
- ▶ \$17B Move Ahead Washington Transportation Package passed
- ▶ Pickleball will become the official state sport (effective tomorrow)

22 SESSION : PORT PRIORITIES

- ▶ MTCA permits (passed)
- ▶ .09 program extension (failed)
- ▶ Derelict Vessel funding (passed)
- ▶ Remote Meetings (mixed)
- ▶ Small Works Procurement Threshold (failed)
- ▶ Infrastructure Spending

22 SESSION : OTHER POLICY PRIORITIES

- ▶ .09 program expansion/workforce housing (passed)
- ▶ Port “bathroom” bill (passed)
- ▶ Hydrogen & Fuel incentives (passed)
- ▶ Warehousing/Grain Terminal Tax Incentive (Gov veto)
- ▶ Emergency Powers Reform (failed)
- ▶ Prevailing Wage (CBA authority set wage) (heard by Supreme Court last week)

22 SESSION : BUDGET ACTION – OVERVIEW

- ▶ 3 budgets: operating, capital & transportation
- ▶ 2-year budget cycles
- ▶ Governor releases budget proposal in November
- ▶ Each chamber (house/senate) releases budget in February/March
- ▶ Appropriations required to spend money
- ▶ Policy legislation can give direction on spending; must be in budget

22 SESSION : BUDGET ACTION – SUPPLEMENTAL OPERATING BUDGET

- ▶ \$64.1B – up from \$59.1B in 2021 (2019-21 budget was \$52.4B)
- ▶ Funds majority of state government: education, health care, housing, human services etc.
- ▶ Most federal stimulus money (CARES, ARPA etc.)
- ▶ Supported \$2B transfer to transportation and \$650M to the capital budget

22 SESSION : BUDGET ACTION – SUPPLEMENTAL CAPITAL BUDGET

- ▶ \$1.5B in new spending (including additional bond authority and IJA funds)

▶ (Individual) Port projects		\$23.8M
▶ Core CERB		\$40M
▶ Broadband total:		\$100M
▶ State Broadband Office	\$50M	
▶ Public Works Board	\$25M	
▶ CERB	\$25M	

		\$163.8M

22 SESSION : BUDGET ACTION – TRANSPORTATION BUDGET(S)

- ▶ \$17B Move Ahead Washington new revenue transportation budget passed
 - ▶ \$5.4B raised by the Climate Commitment Act (2021)
 - ▶ \$57M/yr from the public works assistance account
- ▶ \$11.6B supplemental transportation package passed (\$11.8B passed in 21)



DECADES OF NEGLECT AND UNDERINVESTMENT IN OUR INFRASTRUCTURE HAVE LEFT THE LINKS IN OUR GOODS MOVEMENT SUPPLY CHAIN STRUGGLING TO KEEP UP...

WHITE HOUSE FACT SHEET – INFRASTRUCTURE INVESTMENT & JOBS ACT

INFRASTRUCTURE UNDER- INVESTMENT: IJA



Port infrastructure and waterway investments will double as an investment in environmental justice in and around port facilities by deploying zero-emission technologies and reducing idling and emissions which impair air-quality in adjacent neighborhoods and communities often which are historically disadvantaged

WHITE HOUSE FACT SHEET – INFRASTRUCTURE INVESTMENT & JOBS ACT

INFRASTRUCTURE INVESTMENT: IJA

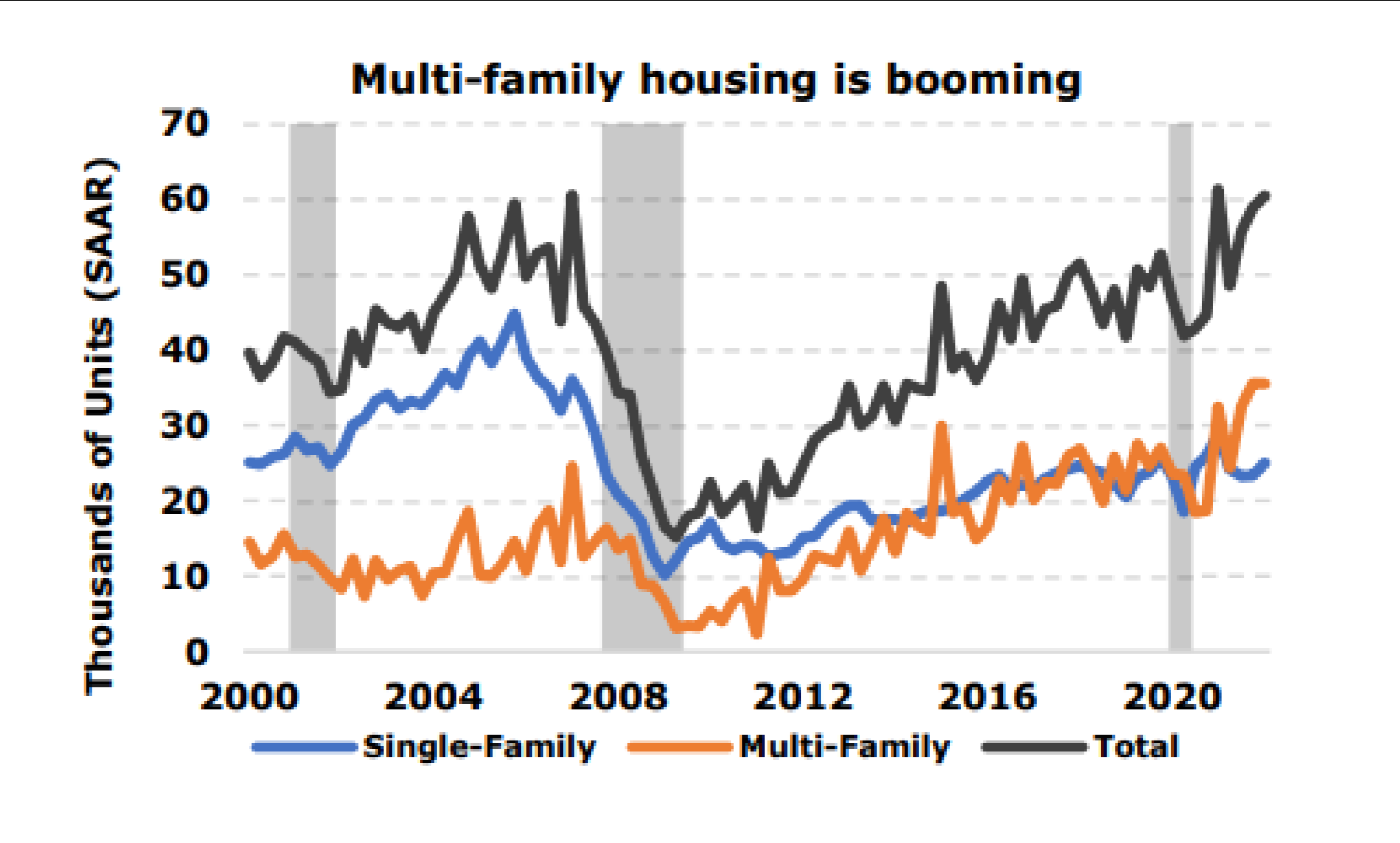
WA FORECASTS : ECONOMIC & REVENUE FORECAST COUNCIL

- ▶ Economic Forecasts updated monthly
 - ▶ Looks at a broad “basket” of state and federal economic indicators
 - ▶ Snapshot of actual General Fund receipts
- ▶ Revenue Forecasts updated quarterly
 - ▶ Actual data rolled up and presented to legislative budget writers as well as the Office of Financial Management (OFM) – which is the Governor’s budget shop
 - ▶ Revenue Forecasts directly influence development of budgets
 - ▶ There is a separate council which tracks transportation-themed revenue

WA FORECASTS : ECONOMIC & REVENUE FORECAST COUNCIL

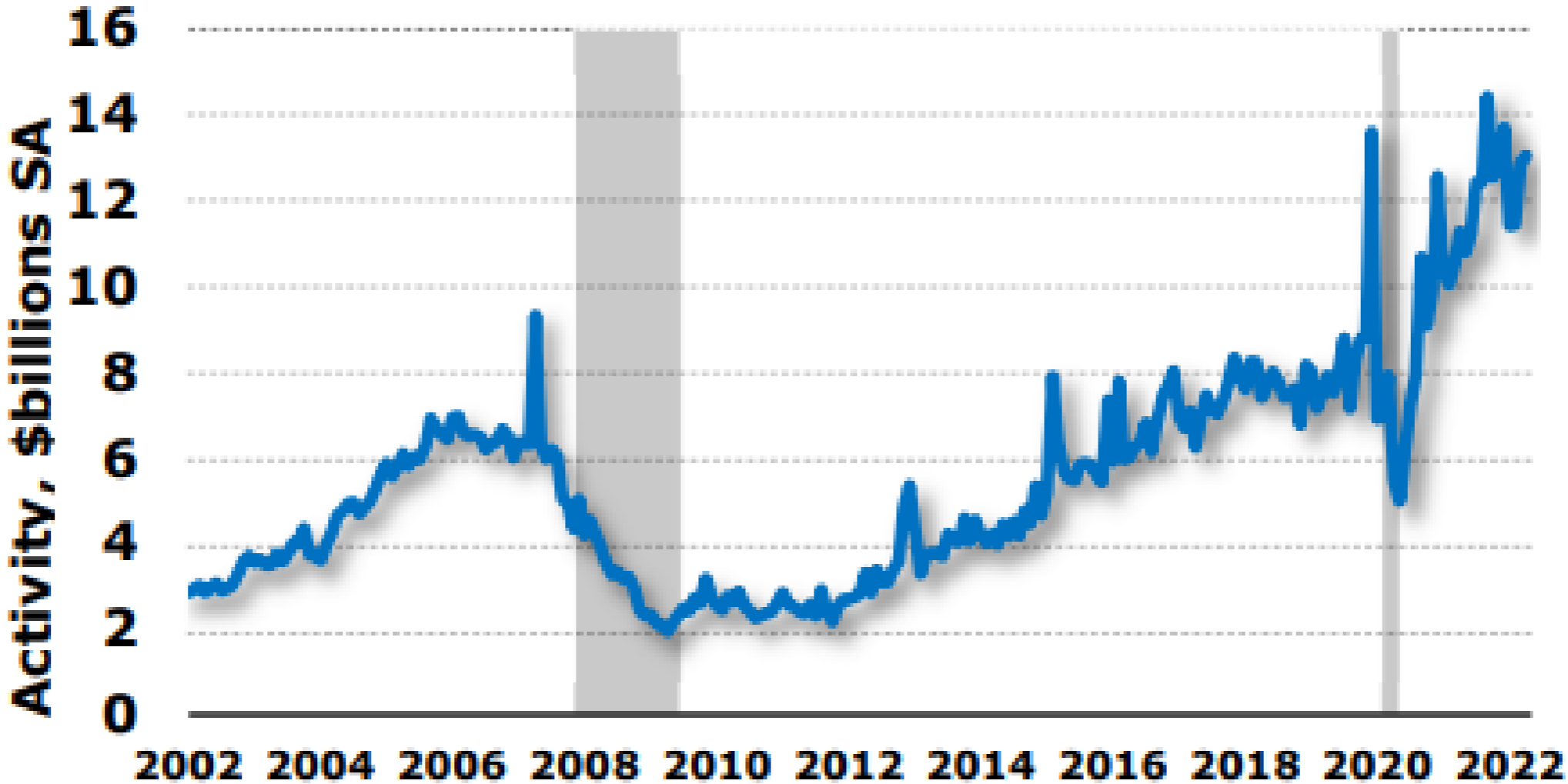
- ▶ Next Revenue Forecast will be released next week
- ▶ May 2022 Economic Forecast
 - ▶ Actual General Fund-State collections remain strong; 4/11-5/10 were 7.6% higher than February forecast (\$173.2M over forecast)
 - ▶ Housing remains strong - REET receipts were 39% higher than forecast
 - ▶ Peak Employment – WA is 1,400 jobs below peak reached in February, 2020
 - ▶ First quarter exports (WA exports) increased 29% year-over-year

WA FORECASTS : ECONOMIC & REVENUE FORECAST COUNCIL



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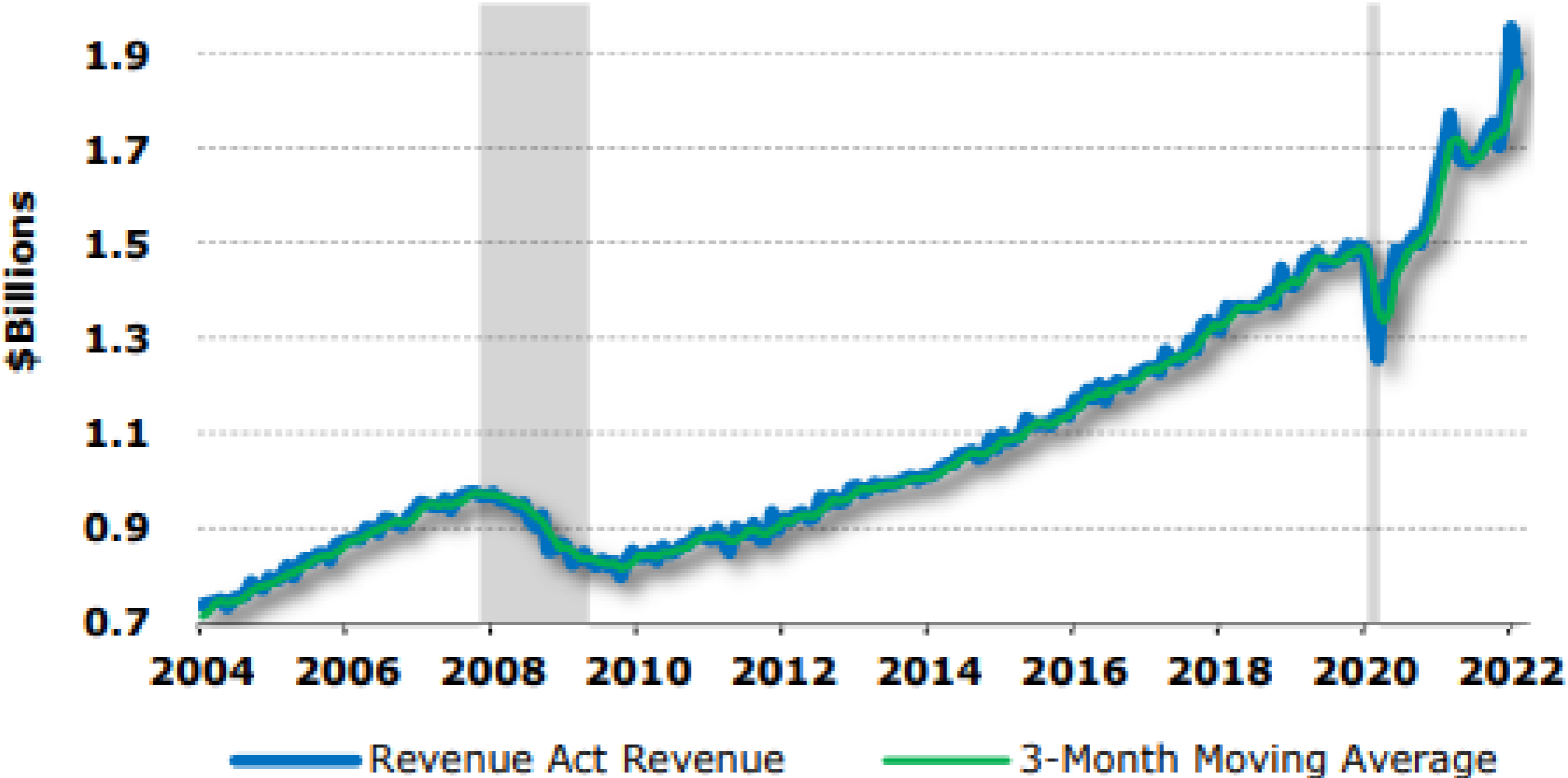
Estimated taxable REET activity remained strong in April



Source: ERFC, data through April 2022 estimated activity

WA FORECASTS : ECONOMIC & REVENUE FORECAST COUNCIL

Seasonally adjusted Revenue Act receipts



January 2004 through March 2022 activity
Current definition, adjusted for large payments/refunds and deferred 2020 payments

WA FORECASTS : ECONOMIC & REVENUE FORECAST COUNCIL

- ▶ Possible headwinds in the May 2022 Forecast?
- ▶ Inflation and supply chain delays are weighing on productivity and costs
 - ▶ First quarter GDP declined 1.4%
 - ▶ Crude oil was higher and gasoline prices increased \$.24/gal over the forecast period
 - ▶ Regionally – Seattle’s Consumer Price Index increased 9.1% year-over-year while the national increase was 8.2%



#WAPORTS :
QUESTIONS?

[HTTPS://ERFC.WA.GOV/](https://erfc.wa.gov/)