



**Updated: February 28<sup>th</sup>, 2026**

**Operating Budget Proposals:** The operating budget funds the day-to-day operations of state government. Both House and Senate proposals rely on new revenue, program reductions, and transfers of revenue from other accounts. Additionally, both invoke an exception to the four-year balanced budget requirement and instead have proposed a two-year budget, citing economic uncertainty. Additional Details can be found here: [House Operating Proposals](#) and [Senate Operating Proposals](#)

**Spending and revenue:** Over the biennium, the House proposes to spend \$79.9 billion and the Senate proposes to spend \$79.4 billion, both increases from the adopted \$77.8 billion 2025-2027 operating budget.

Both House and Senate proposals rely on revenue that would be generated from legislation that is still under consideration. Those bills include:

- Millionaires Tax ([SB 6346](#))
- Repeal of B&O Tax Exemption for Data Center Equipment ([SB 6231/ HB 2708](#))
- Repeal of B&O Tax Exemption for Prescription Drugs ([SB 6228/HB 2707](#))

**Fund Transfers:**

- **Budget Stabilization Account (Rainy Day Fund):** Both House and Senate proposals include transfers from the Budget Stabilization Account to the General fund. The House proposes to transfer \$880 million; the Senate proposes to transfer \$750 million.
- **PWAA:** Both House and Senate proposals include transfers from the Public Works Assistance Account to the General fund. The House proposes to transfer \$75 million; the Senate proposes to transfer \$375 million.
- **Climate Commitment Account:** The House proposal includes a fund transfer of \$330 million from the Climate Commitment Account to fund the Working Families Tax Credit; The Senate proposal does not include this fund transfer.

The chart below reflects changes included in the supplemental budget that may be relevant to port districts and our priorities. This is *not intended to be* a comprehensive list of the full 2025-27 Biennial Budget. Because the supplemental budgets *amend* what was adopted last year, if there are no changes to items we were tracking in the adopted biennial budgets, we did not include those items in these charts.

See our [Final 2025 Legislative Report](#) from the end of last session for a more detailed chart. Each item can be found on the page number of the bill marked in parentheses.

<b>Supplemental Operating Budget</b>	<b><u>Governor's Proposed Z-0559</u></b>	<b><u>House Proposed SHB 2289</u></b>	<b><u>Senate Proposed ESSB 5998</u></b>
Total Outlook Funds Budgeted:	\$1.16 billion	\$2.07 billion	\$2.28 billion
Commerce, Office of Econ. Development and Competitiveness (OEDC) – Tariff resilience	\$400,000 (pg. 63)	\$400,000 + progress report due in November (pg. 66)	\$400,000 (pg. 67)
Commerce, statewide economic development and competitiveness strategic plan, SSB 6289	X	\$150,000 (pg. 68)	\$325,000 (pg. 69)
Commerce, LSRD “energy portfolio study” changes	Increased funds to \$800,000 (pg. 66)	Increased funding to \$800,000 (pg. 70)	\$500,000 (p.71) – consistent with 25-27 adopted budget
Commerce, federal clean energy tax assistance	X	Reduced by \$5M (pg. 74)	Reduced by \$2.6M (pg. 76)
DOR funding to implement the millionaires tax (SB 6346)	X	\$9.3M (pg. 91)	\$9.2M (pg. 94)
UTC, Ecology funding to implement emerging large use facilities/data center regulations HB 2515	X	\$328,000 and \$406,000 (pg. 104, 358)	X
Derelict Vessel Removal Account Transfer to General Fund	\$5M	\$2.5M (pg. 516)	\$2M (pg. 531)
Ecology MTCA Operating Account Reduction	X	\$8M (pg. 350)	\$5.3M (pg. 361)
DFW recreational offset study of LSRD removal *due to loss of fed funds.	X	\$350,000 (pg. 371)	\$350,000 (pg. 382)
Rainy Day Account Transfers	X	\$880M to general fund, and repayment June 30, 2029 from pension funding stabilization account (pg. 516)	\$750M (pg. 529)
Manufacturing Cluster Acceleration Account transfer to General Fund	X	\$2.8M (pg. 516)	\$2.8M (pg. 530)
Govs request permit streamlining SB 5968 implementation	X	X	\$77,000 (pg. 21)

Dept. of Health commercial shellfish fee implementation	X	X	\$4.7M (pg. 287)
State Auditor review and performance audit of the commercial shellfish program	X	X	\$1M (pg. 29)
Commerce, local government, grants for permit review process update. 2SSB 5290	X	X	\$1M (pg. 65)
Commerce, general fund reductions from Industrial Symbiosis Grant Program.	X	\$461,000 (pg. 64)	X
Commerce, funding for local Clean Energy Permitting/Planning Grants	X	Reduced by \$2.5M (pg. 69)	Fully funded at \$5M but transfers \$490,000 from Commerce local govnt (pg. 65, 71)
Reduced staff and funding for Commerce and Agriculture under E2SHB 1216, Clean Energy Siting Council	X	3.2 FTE, \$851,000 .1 FTE, \$100,000	X
Dept of Health, reduced funding for Health Disparities Map and EJ Council	X	\$1.8M (pg. 275)	\$800,000~ (pg. 284) \$110,000 (pg. 285)
DNR, general funds for Derelict Aquatic Structures removed	X	\$477,000 (pg. 372)	X
Commerce, funding to implement SB 5982 Ports in CETA	X	X	\$79,000 (pg. 108)
Ecology, increases to coastal hazards activities	X	X	\$1M (pg. 363)
Commerce, Ecology, Agriculture green fertilizer implementation SB 5971	X	X	\$13,000 (pg. 78) \$21,000 (pg. 369) \$106,000 (pg. 393)
DRS, Port Pension Bill Implementation HB 2179/SB 5905	X	\$10,000 (pg. 88)	\$18,000 (pg. 91)
Certain ghg emission reduction related expenditures requiring the use of Ecology calculator	Included	Included	Included

**Transportation Budget Proposals:** The transportation budget supports state transportation agency operations, highway construction and preservation, ferries, and public transit. Ports have recently received investments in this budget for priority projects like the Puget Sound Gateway, US-12, and the Confluence Parkway. We have also secured grants from programs such as the Port Electrification Grant Program. The highway portion of the transportation budget is primarily funded through the gas tax, while other transportation-specific revenue inputs like truck weight fees help round out the budget. Details can be found here: [House Transportation Proposals](#) and [Senate Transportation Proposals](#)

**Spending and revenue:** The House proposes to spend \$16.5 billion; the Senate proposes to spend \$ 17 billion. Governor Ferguson proposed nearly \$3b in revenue relying on the issuance of bonds to grow the budget. The House proposal does not include new bond authorization, while the Senate proposes \$1.1 billion in new general obligation bonds and \$400 million in new bonding for the cost increase reserve account (Senate Bonding Proposal, [PSSB 6225](#)).

**Preservation, maintenance, ferries:** Governor Ferguson has made clear that his priority is funding overdue preservation and maintenance on the state system. His budget proposed spending an additional \$2b on preservation and maintenance, including bridges and paving projects.

- The House proposal includes a \$300 million increase in spending on preservation of existing infrastructure, \$100 million in reappropriations, and \$405 million for Program P (designing and maintaining roads/public transit)
- The Senate proposal includes a \$405 million increase in spending on preservation of existing infrastructure, \$40 million in reappropriations, and \$525 million for Program P (designing and maintaining roads/public transit)

Meanwhile, for maintenance projects, the House proposes an increase of \$35 million; the Senate proposes an increase of \$45 million. Neither budget fully pursues the [Governor's proposal to spend \\$1 billion for 3 new ferry vessels](#).

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<b><u>Supplemental Transportation Budget</u></b>	<b><u>Governor's Proposed Z-0564</u></b>	<b><u>House Proposed PSHB 2306</u></b>	<b><u>Senate Proposed ESSB 6005</u></b>
Total Budgeted:	\$1.25 billion	\$1.08 billion	\$1.54 billion
Lower Columbia River channel maintenance	\$15M	\$7.5M, pg. 103 (additional \$7.5M included in House Capital Budget, pg. 82)	\$15M (pg. 115), in the Supply Chain Competitiveness Infrastructure Program

JTC Study, off-hour gate operations at NWSA terminals	X	\$200,000 (pg. 11)	X
JTC, carbon emissions reduction tracking tool for vehicle and vessel fuel conversion activities	X	\$640,000 (pg. 11)	X
JTC Study, freight and goods transportation system	X	\$100,000 (pg. 12)	X
WSDOT, Truck Parking Coordinator	X	X	\$800,000 (pg. 80)
Interstate storage yard tracks project (related to Amtrak Cascades service)	X	\$8M (pg. 103)	\$8M (p. 115)
Longview junction to Kalama, third mainline track (related to Amtrak Cascades service)	X	\$3M (p. 103)	\$3M (p. 115)
Fruit Valley Triple Track Extension (SW WA Regional Transportation Council priority)	X	\$1.2M (p. 102)	\$1.2M (p. 115)
Community Electric Vehicle Charging Infrastructure	\$13M (pg. 2)	X	\$29.7M (p. 3)
JTC study of in-state credit for ferry manufacture	X	X	\$100,000 (p. 16)
JTC study of WSF "terminal improvements, vessel procurement, and ferry asset preservation"	X	\$500,000 (p. 12)	X
West Coast truck charging and fueling infrastructure program, including hydrogen fueling along I-5	X	\$790,000 (pg. 12)	X
DOT analysis of bridge strikes in WA with recommendations by 9/1/2026	Withing existing resources (pg. 55)	Withing existing resources (pg. 59)	Withing existing resources (pg. 67)
City of Tacoma to support Communities for a Healthy Bay detecting	X	\$90,000 (pg. 74)	Within existing resources (pg. 59)

“derelict sunken vessels” that impact shipping lanes			
Pacific Northwest Hydrogen Association, technical assistance for hydrogen supply chain projects and market development	X	X	\$1M (pg. 50)

**Capital Budget Proposals:** The Capital Budget is the state’s construction budget and includes funding for financing infrastructure projects such as public schools, higher education facilities, parks, other public works. Ports often receive funding through the Community and Local Projects program. The House proposal appropriates \$910.6 million in total funds; and the Senate appropriates \$723 million in total funds. Additional Details can be found here: [House Capital Proposals](#) and [Senate Capital Proposals](#)

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<u>Supplemental Capital Budget</u>	<u>Governor's Proposed Z-0568</u>	<u>House Proposed PSHB 2295</u>	<u>Senate Proposed SSB 6003</u>
Total Budgeted:	\$613M additional	\$911M additional	\$727M additional
Dept. of Ecology MTCA-RAG 6-year timeline claw back fix	X	Language included Sect. 8012 (pg. 216)	Language included Sect. 8005 (pg. 159)
Port of Pasco Reimann Expansion Engineering Master Plan	X	\$258,000 (pg. 39)	\$258,000 (pg. 35)
Port of Pasco Industrial Symbiosis Analysis	X	\$258,000 (pg. 51)	X
Port of Ridgefield Waterfront Park	X	\$100,000 (pg. 39)	X
Port of Port Angeles Marine Trades Building	\$2M	\$2.05M (pg. 51)	\$2M (pg. 35)
Port of Woodland Land Transfer Costs	X	X	\$5,000 (pg. 70)
Commerce Clean Energy Fund Program competitive grants	Additional \$30M for tribes for	Additional \$10M (pg. 28)	X

	clean energy (pg. 18)		
Commerce WA State Green Bank	\$12.5M (pg. 25)	\$12.5M (pg. 32)	\$50M for "Washington Builds" named the nonprofit for the state green bank (pg. 46)
Lower Columbia River Dredge Project	X	\$7.5M (pg. 82)	X