

Proposed 2025–27

# Budget and Policy Highlights

Gov. Jay Inslee

Office of the Governor  
December 2024

***Pictured on front cover:***

*Photo by Marc Osborn: Taken on the Willapa Hills State Park  
Trail in Chehalis, Washington.*

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# Protecting progress, maintaining momentum

*Governor Jay Inslee's 2025–27 budget protects the state's progress on tackling homelessness, strengthening behavioral health, improving education, and fighting climate change. This forward-focused approach puts working families first.*

*Photo by Scott Malagold:  
The sun breaks through the clouds  
over Diablo Lake, Summer 2024.*

# Message from the governor

My Fellow Washingtonians,

As I present my final budget proposal as your governor, I reflect on the remarkable progress we have made together and the values that guide our shared future.

Over the past 12 years, Washington emerged from the Great Recession to lead the nation in clean energy, quality education, and greater access to health care, child care, and economic opportunity. We've pioneered groundbreaking programs such as Paid Family and Medical Leave and WA Cares. Through landmark initiatives such as the Climate Commitment Act, we've tackled the climate crisis head-on, placing those most affected at the center of our efforts.

These 2025–27 budget proposals build on that work and protect the progress we're making.

Washington's strong economy has created extraordinary wealth for a few, while rapid growth and rising costs have made it harder for working families to piece together child care, housing and health care. Urgent needs in education and behavioral health continue to demand our attention. As we work to address a budget gap, we must also be ready for the incoming federal administration to follow through on its plans to cut funding for important social programs.

As legislators consider options for closing this sizable budget gap, I urge them to heed the lessons of the past when deep cuts left millions of hard-working Washingtonians bearing the costs. This is not the time to retreat from our efforts – it's time to be resolute in our commitment to moving forward.

We approached balancing the budget first by looking for savings in our own operations. We've paused nonessential programs, delayed expansions, rightsized state agencies to work nimbly, and implemented a statewide spending freeze.

Even with these actions, protecting our progress on the issues Washingtonians care about requires additional revenue. That's why this budget includes targeted tax adjustments on the wealthiest multi-millionaires and businesses in Washington to ensure those with the greatest means contribute their fair share.

Washingtonians have always risen to the challenges we face, and I am confident that we will do so again. This budget will maintain progress toward a stronger, more equitable state. As I prepare to leave office, I am deeply grateful for what we have accomplished together and remain optimistic about the road ahead.

Very truly yours,



Jay Inslee



# Economic and revenue outlook

Washington operates under a four-year balanced budget requirement, meaning the state cannot spend more than it earns over that period. Meeting this requirement is becoming more difficult.

Much of the state's ability to fund essential services relies on four key taxes: retail sales, business and occupation (B&O), property, and real estate excise. Together, these taxes account for 96% of the General Fund State (GF-S) revenue. Currently, costs to deliver essential public services are outpacing revenue growth. The strength of this revenue collection is closely tied to broader economic factors covered in this outlook like consumer purchasing power, employment rates, housing supply, and population growth. Inflation is expected to grow in the next two biennia by 2% on average.

## **Rising costs and declining purchasing power**

The gap between what Washingtonians earn on paper (nominal disposable income) and what they can actually buy with that money (real disposable income) is expected to grow over the next few years. Currently, nominal disposable income per person is growing at about twice the rate of real disposable income. This disparity is expected to persist through the 2025–27 and 2027–29 budget cycles. This loss of purchasing power will make it harder for many families to maintain their standard of living or buy taxable goods and services. With sales tax contributing about half of the state's General Fund revenue (around \$27 billion per biennium), any drop in consumer spending creates significant pressure on the state's budget.

## **Employment growth across all sectors**

Washington's total employment is projected to be 3.85 million in 2024. Employment is expected to increase slowly through 2027. In 2027, the unemployment rate is expected to peak at 5.00% due to slower job creation before slowly declining.

The employment rates of nonfarm jobs are also important considerations for the state's economy and

revenue outlook. These jobs are not subject to seasonal fluctuations, making them stronger indicators of long-term economic health. Overall, Washington's nonfarm payroll employment is expected to grow steadily from 3.61 million jobs in 2024 to 3.72 million in 2027 (1.90% increase) and 3.78 million in 2029 (1.70% increase). These positions, spanning manufacturing, construction, and services, help drive both consumer spending and business activity. When employment growth slows, consumer spending and housing demand often dip, affecting both sales and real estate excise tax revenues.

## **Housing shortages and affordability challenges**

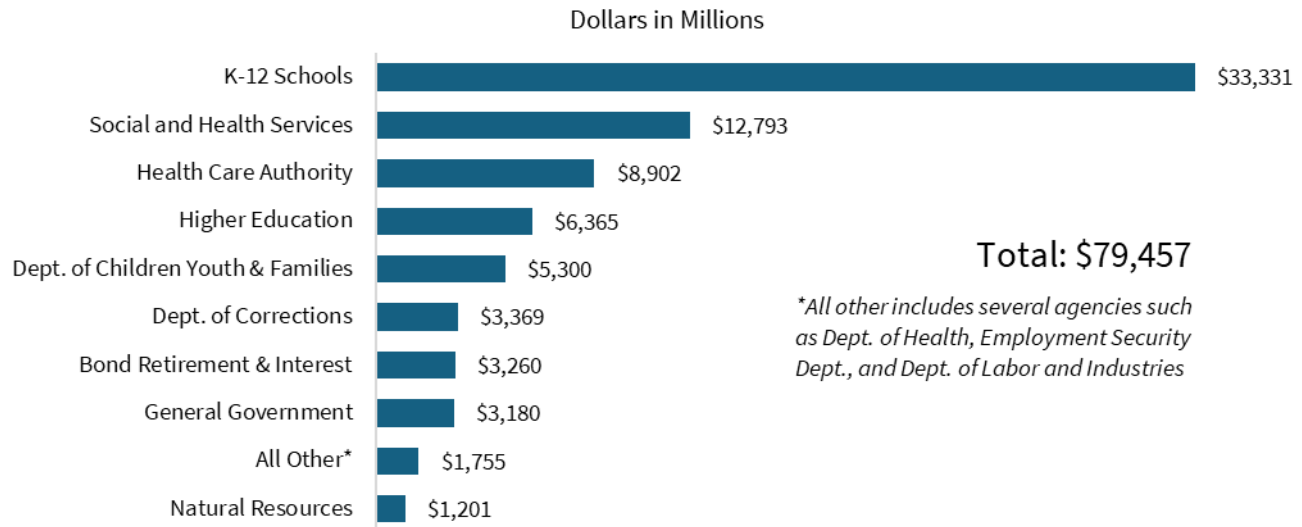
Housing supply continues to lag behind population growth, contributing to ongoing shortages and affordability challenges. During the 2023–25 biennium, the adult population is expected to increase by 166,595, while the housing stock increases by just 51,212 units. Without further action, this gap will continue through 2027–29. The Washington State Department of Commerce estimates the need for approximately one million more housing units to be built by 2044.

Housing and utilities are nearing 20% of household spending, up from a long-term average of around 18.8%, according to the Bureau of Economic Analysis. Although “housing starts” (the point when construction on new homes, apartments, and other residential units actually begins) are set to improve in the coming years, they will remain below pre-COVID levels, especially for multi-unit buildings. Rising mortgage rates, which jumped from 6.31% in 2023 to 7.03% in 2024, further erode affordability and may reduce real estate excise tax revenue until rates begin to ease.

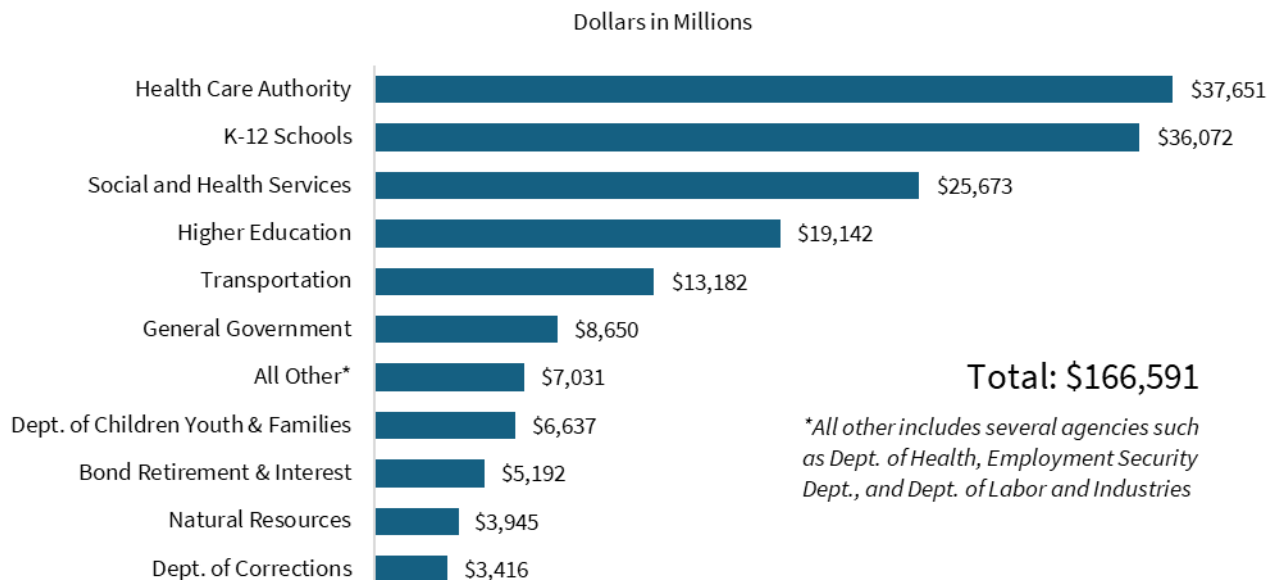
Governor Jay Inslee's 2025–27 budget will respond to the challenges outlined in this outlook by making strategic investments in essential services that will ease the burdens on working families and support the long-term strength of Washington's economy.

# Governor's proposed 2025–27 budget

## 2025–27 biennial operating budget Funds subject to outlook



## 2025–27 biennial operating and transportation budgets All budgeted funds



# Governor's proposed 2025 supplemental and 2025–27 biennial budget balance sheet

General Fund-State, Education Legacy Trust Account, Opportunity Pathways Account, Workforce Education Investment Account, Fair Start for Kids Account,\* Budget Stabilization Account, and Washington Rescue Plan Transition Account

Dollars in Millions	FY 2024	FY 2025	2023–25	FY 2026	FY 2027	2025–27	FY 2028	FY 2029	2027–29
<b>Beginning Balance</b>	<b>5,287</b>	<b>4,884</b>	<b>5,287</b>	<b>1,407</b>	<b>182</b>	<b>1,407</b>	<b>497</b>	<b>986</b>	<b>497</b>
<b>Forecasted Revenues</b>	<b>32,672</b>	<b>33,719</b>	<b>66,390</b>	<b>34,981</b>	<b>36,450</b>	<b>71,431</b>	<b>38,090</b>	<b>39,804</b>	<b>77,894</b>
November 2024 Revenue Forecast	32,672	33,719	66,390	34,981	36,450	71,431	37,765	39,080	76,845
Addtl Revenue Based on 4.5% Growth Rate Assumption	0	0	0	0	0	0	325	724	1,049
<b>Other Resource Changes</b>	<b>1,176</b>	<b>548</b>	<b>1,724</b>	<b>2,667</b>	<b>3,748</b>	<b>6,416</b>	<b>3,104</b>	<b>3,071</b>	<b>6,174</b>
GFS Transfer to BSA (1%)	-314	-322	-636	-339	-389	-728	-403	-416	-819
ACFR Adjustments	51	0	51	0	0	0	0	0	0
Prior Period Adjustments	157	37	194	20	20	41	20	20	41
Enacted WRPTA Transfer	1,302	798	2,100	0	0	0	0	0	0
Transfer BSA to GFS	0	0	0	1,633	0	1,633	0	0	0
Transfer GFS to BSA	0	0	0	0	0	0	-816	-816	-1,633
Enacted Fund Transfers	-20	13	-7	0	0	0	0	0	0
Proposed Fund Transfers	0	9	9	988	83	1,071	69	69	137
Budget Driven Revenue	0	13	13	-20	-10	-30	-6	-5	-10
Revenue Legislation	0	0	0	385	4,044	4,430	4,240	4,218	8,458
<b>Total Revenues and Resources</b>	<b>39,135</b>	<b>39,151</b>	<b>73,402</b>	<b>39,055</b>	<b>40,380</b>	<b>79,254</b>	<b>41,691</b>	<b>43,861</b>	<b>84,565</b>
<b>Enacted Appropriations</b>	<b>34,670</b>	<b>37,275</b>	<b>71,945</b>	<b>34,670</b>	<b>37,275</b>	<b>71,945</b>	<b>37,680</b>	<b>38,096</b>	<b>75,776</b>
<b>Carryforward Level Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,560</b>	<b>-1,081</b>	<b>479</b>	<b>-1,099</b>	<b>-1,117</b>	<b>-2,216</b>
<b>Maintenance Level Total</b>	<b>0</b>	<b>621</b>	<b>621</b>	<b>1,924</b>	<b>3,012</b>	<b>4,936</b>	<b>3,401</b>	<b>3,656</b>	<b>7,056</b>
<b>Policy Level Total</b>	<b>0</b>	<b>298</b>	<b>298</b>	<b>1,111</b>	<b>986</b>	<b>2,097</b>	<b>939</b>	<b>1,070</b>	<b>2,009</b>
<b>Reversions</b>	<b>-420</b>	<b>-451</b>	<b>-870</b>	<b>-392</b>	<b>-309</b>	<b>-700</b>	<b>-217</b>	<b>-220</b>	<b>-437</b>
<b>Revised Appropriations</b>	<b>34,251</b>	<b>37,744</b>	<b>71,994</b>	<b>38,873</b>	<b>39,883</b>	<b>78,756</b>	<b>40,705</b>	<b>41,485</b>	<b>82,190</b>
<b>Projected Ending Balance</b>	<b>4,884</b>	<b>1,407</b>	<b>1,407</b>	<b>182</b>	<b>497</b>	<b>497</b>	<b>986</b>	<b>2,376</b>	<b>2,376</b>
<b>Budget Stabilization Account</b>									
Beginning Balance	652	971	652	1,255	0	1,255	390	1,620	390



Dollars in Millions	FY 2024	FY 2025	2023-25	FY 2026	FY 2027	2025-27	FY 2028	FY 2029	2027-29
GFS Transfer to BSA (1%)	314	322	636	339	389	728	403	416	819
Prior Period Adjustments	0	0	0	0	0	0	0	0	0
Transfer GFS to BSA	0	0	0	0	0	0	816	816	1,633
Transfer BSA to GFS	0	0	0	-1,633	0	-1,633	0	0	0
Appropriations from BSA	-21	-72	-94	0	0	0	0	0	0
Anticipated Reversions	1	0	1	0	0	0	0	0	0
Interest Earnings	24	35	59	39	0	39	10	43	54
<b>Budget Stabilization Account Ending Balance</b>	<b>971</b>	<b>1,255</b>	<b>1,255</b>	<b>0</b>	<b>390</b>	<b>390</b>	<b>1,620</b>	<b>2,895</b>	<b>2,895</b>
<b>Washington Rescue Plan Transition Account</b>									
Beginning Balance	2,100	798	2,100	0	0	0	0	0	0
Transfer Balance from WRPTA to GFS	-1,302	-798	-2,100	0	0	0	0	0	0
<b>Washington Rescue Plan Transition Account Ending Balance</b>	<b>798</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Reserves</b>	<b>6,653</b>	<b>2,662</b>	<b>2,662</b>	<b>182</b>	<b>887</b>	<b>887</b>	<b>2,606</b>	<b>5,271</b>	<b>5,271</b>
<b>Percentage of Reserves to Revenues and Other Resources</b>	<b>19.7%</b>	<b>7.8%</b>		<b>0.5%</b>	<b>2.2%</b>		<b>6.3%</b>	<b>12.3%</b>	
	14.4%	4.1%		0.5%	1.2%		2.4%	5.5%	
	2.9%	3.7%		0.0%	1.0%		3.9%	6.8%	
	2.4%	0.0%		0.0%	0.0%		0.0%	0.0%	

\* No revenue or expenditures for Fair Start for Kids Account (25H).

# Proposed fund transfers, revenue legislation, and budget driven revenue

Governor proposed - 2025 supplemental and 2025–27 biennial budget

(Dollars in Millions)	2023–25 Biennium GFS	2025–27 Biennium GFS	2027–29 Biennium GFS
<b>Proposed Fund Transfers To/From GFS (Excluding Transfers To/From BSA)</b>			
02K Death Investigations Account	(0.0)	(4.1)	-
10B Home Security Fund Account	-	(199.5)	-
131 Fair Account	-	3.5	-
25P Wildfire Response, Forest Restoration, & Community Resilience Account	-	(84.0)	-
441 Local Government Archives Account	-	(0.5)	-
532 Washington Housing Trust Fund	-	(2.0)	-
03K Industrial Insurance Premium Refund Account	4.1	-	-
03N Business License Account	0.2	-	-
058 Public Works Assistance Account	-	100.0	100.0
08H Military Department Rent and Lease Account	1.0	-	-
08N State Financial Aid Account	0.9	-	-
09R Economic Development Strategic Reserve Account	-	17.0	-
14R Military Department Active State Service Account	0.1	-	-
27B Electric Vehicle Incentive Account	-	69.0	-
300 Financial Services Regulation Account	-	9.4	7.0
364 Military Department Capital Account	0.4	-	-
404 Treasurer's Service Account	-	80.0	30.0
422 Enterprise Services Account	-	40.0	-
484 Administrative Hearings Revolving Account	2.0	-	-
493 School Employees' Insurance Account	-	2.6	-
600 Department of Retirement Systems Expense Account	-	3.1	-
721 Public Employees' and Retirees Insurance Account	-	18.2	-
816 Stadium and Exhibition Center Account	-	10.0	-
818 Youth Athletic Facility Account	-	8.5	-
819 Washington Law Enforcement Officers & Firefighters' System Plan I Retirement Account	-	1,000.0	-
<b>Subtotal</b>	<b>8.8</b>	<b>1,071.0</b>	<b>137.0</b>
<b>Revenue Legislation</b>			
Wealth Tax	-	3,380.0	6,911.0
B&O Tax Increase	-	1,045.0	1,580.0
Unclaimed Property Technical Corrections	-	4.6	6.2
Tribal Sales and Use Tax Compacts	-	-	(38.9)
<b>Subtotal</b>	<b>-</b>	<b>4,429.6</b>	<b>8,458.3</b>
<b>Budget Driven Revenue</b>			
578 Lottery Revenue Distribution Change BDR	0.7	(1.4)	(1.2)
501 Liquor Revolving Account BDR	12.8	(29.5)	(10.1)
Cannabis Revenue Distribution Change BDR	0.0	0.9	0.9
<b>Subtotal</b>	<b>13.5</b>	<b>(30.1)</b>	<b>(10.4)</b>
<b>Revenue Changes</b>	<b>22.3</b>	<b>5,470.4</b>	<b>8,584.8</b>

# Washington state budget timeline

For a complete guide to the state budget process, see: [ofm.wa.gov/budgetprocess](https://ofm.wa.gov/budgetprocess)

2024

**June 2024**

OFM issues budget instructions

**September 2024**

Agencies submit budget requests

**Fall 2024**

OFM reviews budget requests for governor's decisions

**November 2024**

Revenue and caseload forecasts

**Current Step: December 2024**

Governor proposes budget to Legislature

2025

**January 2025**

Legislature convenes

**February/March 2025**

Revenue and caseload forecasts

**April 2025**

Legislature passes budget

**May/June 2025**

OFM reviews, governor signs budget

**June-July 2025**

Agencies submit detailed spending plans

**July 1, 2025**

Supplemental budget takes effect

*Architectural illustration of the new 350-bed Center of Excellence  
being constructed at Western State Hospital, Lakewood, WA*

**“Mental illness and substance  
use disorder are medical conditions  
that require treatment. Washingtonians  
are depending on us to expand access to  
behavioral health care. It saves lives.”**

**— Gov. Jay Inslee**

# Behavioral health

## Sending proven interventions into action: **Expanding access to mental health and substance use disorder treatment**

*Following several years of trying to restore funding that was cut deeply during the Great Recession, Gov. Inslee launched a plan in 2018 to transform Washington's behavioral health system. The rebuilding and transforming is paying off. New facilities and various reforms have reduced wait times for certain behavioral health services from months to days. An innovative new teaching hospital at the University of Washington opened this year, and the state broke ground on a new forensic hospital in Lakewood. Thousands of people are able to find care in their own communities at new facilities.*

*Washington's growing population — combined with the urgent risks posed by opioids, such as fentanyl — require continued action. Any reductions will slow this progress. That's why Gov. Inslee's 2025–27 biennial budget continues delivering proven solutions and community-based care. This is especially important for communities disproportionately impacted by stigma and other barriers to accessing appropriate services.*

### **Opioid use disorder treatment in the ED**

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#### NEED:

**5%–8%**

Of patients who visit the Emergency Department (ED) for nonfatal overdose, 5% to 8% die in the following year.

#### PROPOSAL:

**\$1M**

More than 24,000 Washington ED visits were for nonfatal overdoses in 2022. Investment of \$1 million will provide EDs with real-time clinical guidance on prescribing medications for opioid use disorder (MOUD), and 24/7 follow-up appointment scheduling to connect these patients to treatment.

### **Community behavioral health supports**

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#### NEED:

**↑ 58%**

Demand for Community Behavioral Health Supports (CBHS) is estimated to increase by 58% in the current fiscal year.

#### PROPOSAL:

**\$106M**

Funding of \$106 million for Community Behavioral Health Supports will provide services for individuals transitioning from inpatient psychiatric care to community settings.

### **State hospital capacity**

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#### NEED:

**↑ 8%**

Demand for competency evaluation and restoration services is estimated to grow by 8% each year. Growth has spiked in the past, leading to 60% overall growth since 2018.

#### PROPOSAL:

**350+**

The new 350-bed Forensic Center of Excellence at Western State Hospital broke ground this year, and Washington continues to build capacity at other state and community facilities. In addition, legislation is proposed that will reduce demand for state services.



## **Continue filling gaps in behavioral health capacity**

Treatment for mental illness and substance use disorder requires a wide range of specialized services and care. When there are gaps in the system, people fall through them. That's why the state has been building and opening facilities that provide specialized care when and where people need it.

To meet needs and save lives, Governor Inslee's budget continues investments in state capacity to treat patients and in community-based care. This includes services at state-funded hospitals and behavioral health facilities, with new construction such as the Brockmann campus in Clark County and the Forensic Center of Excellence at Western State Hospital. The newly opened UW Behavioral Health Hospital provides care and treatment, while also serving as a teaching hospital to train future behavioral health practitioners.

With opioid-related deaths continuing to rise rapidly in Washington state, funds are urgently needed to apply proven strategies for connecting people to treatment and recovery. The 2025–27

operating budget adds \$22 million, all obtained through opioid-related settlements, to fund these services funding for these services. Examples include providing medications for opioid use disorder in emergency departments and schools. The state is also pursuing strategies to expand treatment and support more youth and young adults, pregnant people, and communities disproportionately impacted by the opioid crisis. Fern Lodge Behavioral Wellness in Stanwood, for example, will provide culturally sensitive healing and support through a partnership with the Tulalip Tribes. In the capital budget, a new \$20 million investment from the State Building Construction Account is added for a substance use disorder clinic in Poulsbo that will help serve the Suquamish Tribe and neighboring communities in Kitsap County.

An ecosystem of behavioral health care that spans prevention and early intervention all the way through treatment and recovery leads to a healthier, safer Washington. We're building on what works — making it easier to get the care that people need, at the right time and in the right place.

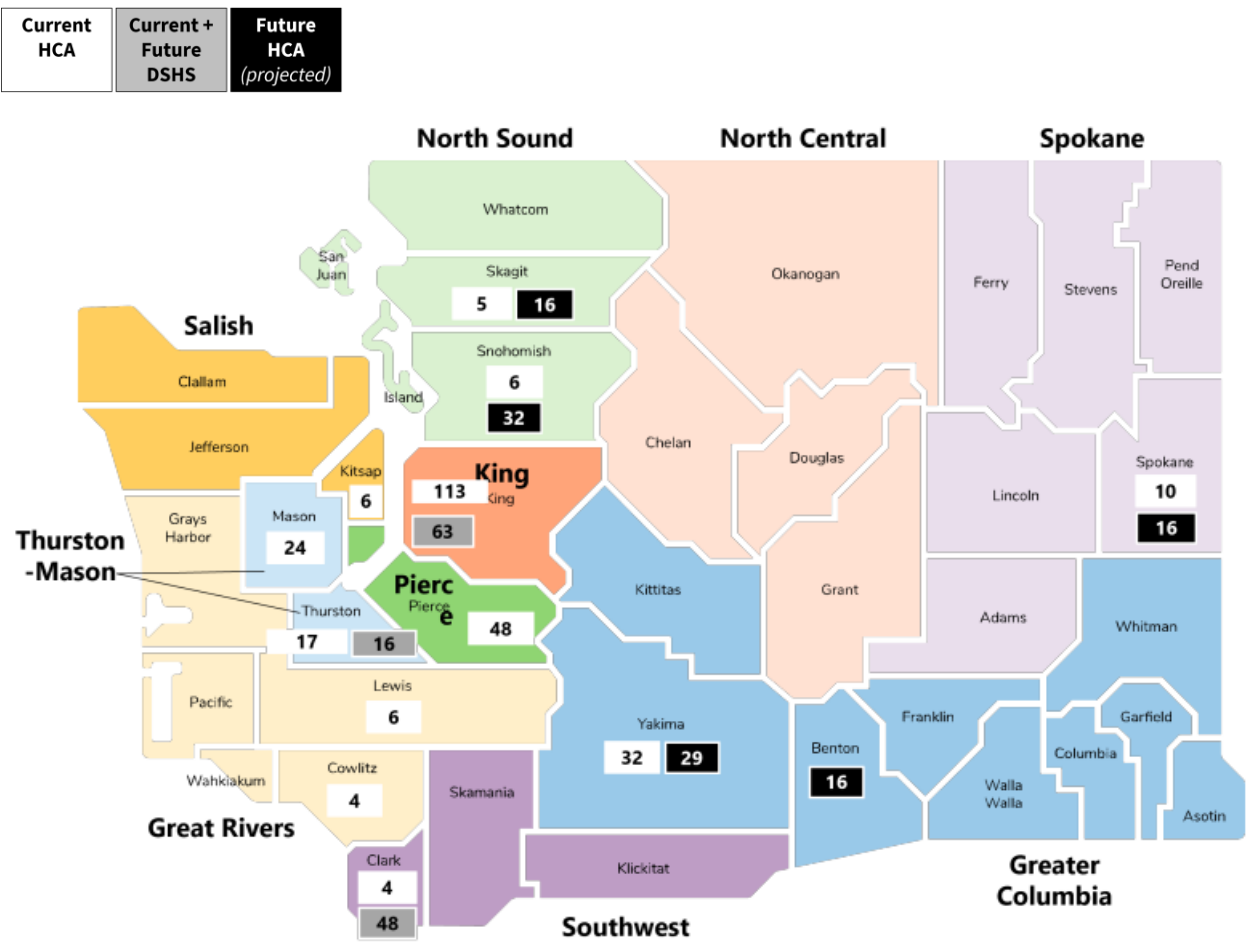
Community-based long-term civil commitment (LTCC) capacity

To better meet people’s needs, Washington state is building an ecosystem of community-based care while also increasing capacity at state-run facilities. This approach will help people connect with services earlier, closer to home, and at the appropriate level of care for their needs.

The map below shows the locations and estimated numbers of community-based long-term civil commitment (LTCC) beds by county, based on data available in November 2024. It includes:

- 275 beds currently contracted by the Health Care Authority (HCA) for fiscal year 2024
- 79 beds currently owned and operated by the Department of Social and Health Services (DSHS)
- 48 future beds planned at facilities owned and operated by DSHS
- 109 future beds projected for HCA contracts

The projected future total comes to 511 beds based on current plans. Counties still in need include Spokane, Benton, Chelan, Whatcom, Kitsap, Grays Harbor, and Clark.



Map of current and future long-term civil commitment beds in Washington counties, provided by the Washington State Health Care Authority.

## Behavioral health budget highlight items

### Health Care Authority (HCA)

#### *Support Tribal opioid prevention and response*

Tribes and Urban Indian Health Programs are on the frontlines of opioid and overdose response. American Indian and Alaska Native people are five times more likely to die from synthetic opioids, like fentanyl, than the general population in Washington state. Funding is urgently needed to save lives. Governor Inslee's budget includes funding to support Tribal efforts to reduce opioid misuse, overdoses, and deaths. Tribes may use the funds for culturally relevant prevention, outreach, treatment, recovery support services, and other strategies to address and mitigate the effects of the misuse and abuse of opioid-related products.

*(\$16.4 million Tribal Opioid Prevention and Treatment Account)*

#### *Expand access to medication for opioid use disorder in emergency departments*

Washington state emergency departments had more than 24,000 visits for nonfatal overdoses in 2022. For people with opioid use disorder, these encounters are critical opportunities for intervention. Of patients who visit the emergency department for nonfatal overdose, 5%–8% die in the year following discharge, and 20%–30% of patients who die do so in the first month. Medication for opioid use disorder (MOUD) treatment in the emergency department reduces mortality rates by up to 63%, yet less than 9% of emergency department opioid overdose patients receive a prescription for buprenorphine. Emergency department bridge programs, which connect patients to follow-up care in and beyond the emergency department, are effective interventions that increase rates of MOUD initiation and decrease rates of mortality. Gov. Inslee's budget funds a statewide program that will make it easier

for emergency department clinicians to prescribe MOUD. It provides all Washington state EDs with real-time MOUD clinical guidance and 24/7 follow-up appointment scheduling. Enrollment is voluntary, free, and open to all Washington hospitals and pre-hospital systems.

*(\$758,000 Opioid Abatement Settlement Account)*

#### *Decrease housing instability for young adults exiting state care*

Many young adults between the ages of 18–25 are at high risk of homelessness when they leave inpatient behavioral health facilities. To support these young people through this critical transition, the 2024 supplemental budget funded two short-term housing programs, one on each side of the mountains. The governor's 2025–27 budget adds two more facilities, one in Northern Washington, and one in Southern Washington, to expand these services and help more of these young adults.

*(\$6 million GF-S)*

#### *Support personal care for people with behavioral health conditions in community living facilities*

Community Behavioral Health Supports (CBHS) is replacing Behavioral Health Personal Care (BHPC). This program helps individuals who have a significant mental health diagnosis and need additional support to live in a community setting, such as an adult family home, assisted living facility, or enhanced services facility. Services are provided by staff who assist clients with structure, safety, social engagement, and community activities. In many cases, this support helps individuals transition from an inpatient psychiatric setting to a community setting.

*(\$54 million GF-S, \$52 million GF-F)*

#### *Increase access to care by Certified Community Behavioral Health Clinics*

Certified Community Behavioral Health Clinics (CCBHCs) are designed to ensure access to

coordinated, comprehensive behavioral health care. CCBHCs are required to get people into care quickly and serve anyone who requests care for mental health or substance use — regardless of ability to pay, place of residence, or age. This includes developmentally appropriate care for children and youth.

CCBHCs must meet federal standards for services and are required to provide:

- Crisis services available 24 hours a day, seven days a week.
- Comprehensive services, so patients don't have to piece together the behavioral health support they need across multiple providers.
- Care coordination to help people navigate behavioral health care, physical health care, social services, and other relevant systems of care.

Funding will continue CCBHC expansion and develop a rate structure for providers in Washington state.

*(\$1.2 million GF-S)*

#### *Expand services for Trueblood class members*

The governor's budget provides funding to implement the Phase 4 settlement under *Trueblood, et al. v. Department of Social and Health Services, et al.* Funding is provided to increase outpatient competency evaluations and restoration, crisis stabilization and housing, and connections to behavioral health services.

*(\$59 million GF-S)*

#### *Serve more people at University of Washington Behavioral Health Hospital*

Since opening in July 2024, the new University of Washington Behavioral Health Hospital has been providing behavioral health services to individuals receiving inpatient psychiatric care for 90- and 180-day civil commitments. Funding is provided as the UW Behavioral Health Hospital builds up to utilizing

all 75 long-term civil commitment beds so that more people can receive the care and treatment they need.

*(\$18.5 million GF-F)*



*University of Washington Behavioral Health Hospital*

### **Department of Children, Youth and Families (DCYF)**

#### *Provide opioid use disorder education and treatment in juvenile rehabilitation settings*

Young people entering juvenile rehabilitation facilities come with increasingly complex behavioral health challenges, including opioid use disorder (OUD). The demand for MOUD treatment and overdose prevention has outpaced DCYF's current resources. Additional funds will enable medical personnel to provide MOUD education and treatment.

*(\$1.3 million Opioid Abatement Settlement Account)*

### **Department of Health**

#### *Leverage telehealth to connect people with opioid use disorder treatment*

Gov. Inslee's budget funds a statewide program that will help more Washingtonians connect with the treatment they need. Through a partnership between the Department of Health (DOH) and University of Washington Department of Emergency Medicine, this program will provide free, on-

demand telehealth visits 24 hours a day, seven days a week. Visits include support from Linkage to Care Coordinators, who will assist patients with connections to care within 72 hours of their first visit.

*(\$3.2 million Opioid Abatement Settlement Account)*

### *Raise awareness about opioid risks for people who are currently or were recently pregnant*

Washington state is home to 54 birthing hospitals and many doulas, lactation counselors, and community health workers who provide services to individuals during and after pregnancy. This budget provides funding for a communications campaign that raises awareness about perinatal behavioral health and opioid risks. It will provide high quality training materials to all 54 birthing hospitals, enhance Tribal lactation guidelines, and provide training for doulas and community health workers.

*(\$410,000 Opioid Abatement Settlement Account)*

## **Department of Social and Health Services (DSHS) (Capital Budget)**

### *Improve capacity and safety at state hospitals*

The governor's proposed budget funds construction, preservation, and maintenance of state hospitals. For Western State Hospital, funding includes the final phase of construction for the new 350-bed Center of Excellence. Gov. Inslee's proposal also funds projects necessary for health and safety at existing buildings at Western State Hospital and Eastern State Hospital. The investment addresses needs such as fire alarm replacements, water system assessments, and transformer repair.

*(\$333 million State Building Construction Account)*



*Illustration of the new 350-bed Forensic Center of Excellence being constructed at Western State Hospital, Lakewood, WA*

### *Improve safety and usability at state-funded behavioral health facilities*

In addition to state hospitals, Washington's behavioral health facilities provide care to people outside of hospitals. This capital budget invests in modernization and renovation to ensure that these facilities remain safe and available for those who need them. Funding will support projects such as construction of security enclosures and renovation of recreational yards.

*(\$45 million State Building Construction Account)*

## **Department of Commerce (Capital Budget)**

### *Expand capacity for community-based behavioral health care*

To get well, people need easy access to appropriate levels of care at the right time and in the right place. For most, the best place is in or near their community. Gov. Inslee's budget continues to expand access to behavioral health services by investing in community-based care. Funds will be used to award grants to community hospitals and providers for the establishment and expansion of services such as crisis relief centers, peer respite care, long-term facilities for youth and older adults, secure withdrawal management, and stabilization treatment. For example, funding will help to set up a substance use disorder clinic in Poulsbo to support regional needs.

*(\$107 million State Building Construction Account)*



## Behavioral health

### Summary of investments, 2025–27 biennial

This document highlights select investments proposed by the governor for opioid use disorder response and behavioral health. The chart below provides the full list of investments. For more details about the items in the chart, refer to the [Budget Recommendation Summaries \(Rec Sums\), organized by agency](#).

Focus Area	Items	Agency	Amount
<b>Opioid use disorder</b>	Tribal Opioid Prevention and Response	HCA	\$16,381,000
	Emergency Department MOUD	HCA	\$758,000
	Juvenile Rehabilitation MOUD	DCYF	\$1,302,000
	Telehealth Link to MOUD	DOH	\$3,150,000
	Perinatal Opioid Use Disorder Education and Awareness	DOH	\$410,000
<b>Total</b>			<b>\$22,001,000</b>
<b>Behavioral health</b>	Young Adult Discharge Program	HCA	\$6,000,000
	Community Behavioral Health Supports	HCA	\$106,395,000
	Certified Community Behavioral Health Clinics	HCA	\$1,236,000
	Trueblood Phase 4 Settlement Agreement	HCA	\$59,083,000
	UW Behavioral Health Hospital	HCA	\$18,538,000
	State v. Blake Projects and Programs	HCA	\$19,129,000
	Behavioral Health Personal Care Waiver	HCA	\$32,000
	SB5236 Staffing Requirements	DSHS-BHA	\$1,031,000
	Trueblood Legislation	DSHS-BHA	\$1,028,000
<b>Total</b>			<b>\$212,472,000</b>
<b>Capital</b>	State Hospitals	DSHS	\$333,000,000
	Behavioral Health Facilities	DSHS	\$45,000,000
	Behavioral Health Community Capacity	Commerce	\$107,000,000
<b>Total</b>			<b>\$485,000,000</b>
<b>Grand Total</b>			<b>\$719,473,000</b>

**“I want to be clear about this: This funding won’t serve just a few people. The housing and shelter space we open now is going to be around for decades to come. It’s going to help countless people break the vicious cycle of poverty and homelessness.”**

**—Gov. Jay Inslee**



# Affordable housing and homelessness

## Building homes people can afford: Our investment in housing initiatives

Washington's population is rapidly growing, with an expected increase of more than 166,000 adults during the 2023–25 biennium. With housing stock expected to grow by 51,212 units over the same biennium, it's easy to see that bold investments are required to reverse the existing housing shortage and meet demands. Rising rental costs driven by the lack of affordable housing has increased eviction rates, generating record high numbers of people facing homelessness and housing instability in our communities. Marginalized groups face more barriers than their white peers in accessing housing services after decades of biased housing, employment, and government policies. Washington is dedicated to improving access and availability of affordable housing, while addressing the underlying causes and ongoing effects of our statewide housing shortage.

### Housing shortage

NEED:

**1.1M**

Homes needed  
by 2044

PROPOSAL:

**80,000**

Total affordable units created by  
investments in the Housing Trust  
Fund between 1986–2027

### Affordability crisis

NEED:

**↑ 50%**

[Average rental cost increase  
statewide in the last decade](#)

PROPOSAL:

**\$4.2M**

For foreclosure prevention services

### Homelessness

NEED:

**198,000+**

[People in Washington facing  
homelessness or housing instability](#)

PROPOSAL:

**5,000+**

Additional affordable units created in  
the governor's 2025–27 capital budget

### Expanding affordable housing with vital interventions

Housing costs are increasingly burdening working families, making it difficult for adults to absorb essential costs such as child care and groceries. Almost half of Washington renters spend more than 30% of their income on housing costs, with a quarter of Washington renters paying more than 50% of their income on housing costs. Washington's rapidly growing population is outpacing available housing, generating a housing shortage and need for 1.1 million more homes in the next 20 years. Almost

650,000 of these houses will need to be affordable for low-income households.

In 2023, there were more than 16,500 evictions filed in Washington, largely due to unpaid rent. Rising rents have left more than 198,000 people unstably housed or at risk of becoming homeless.

The proposed 2025–27 budgets continue and add investments for building more affordable housing units, while incentivizing local governments to help by making it easier to get building permits and lowering fees for new utility connections.

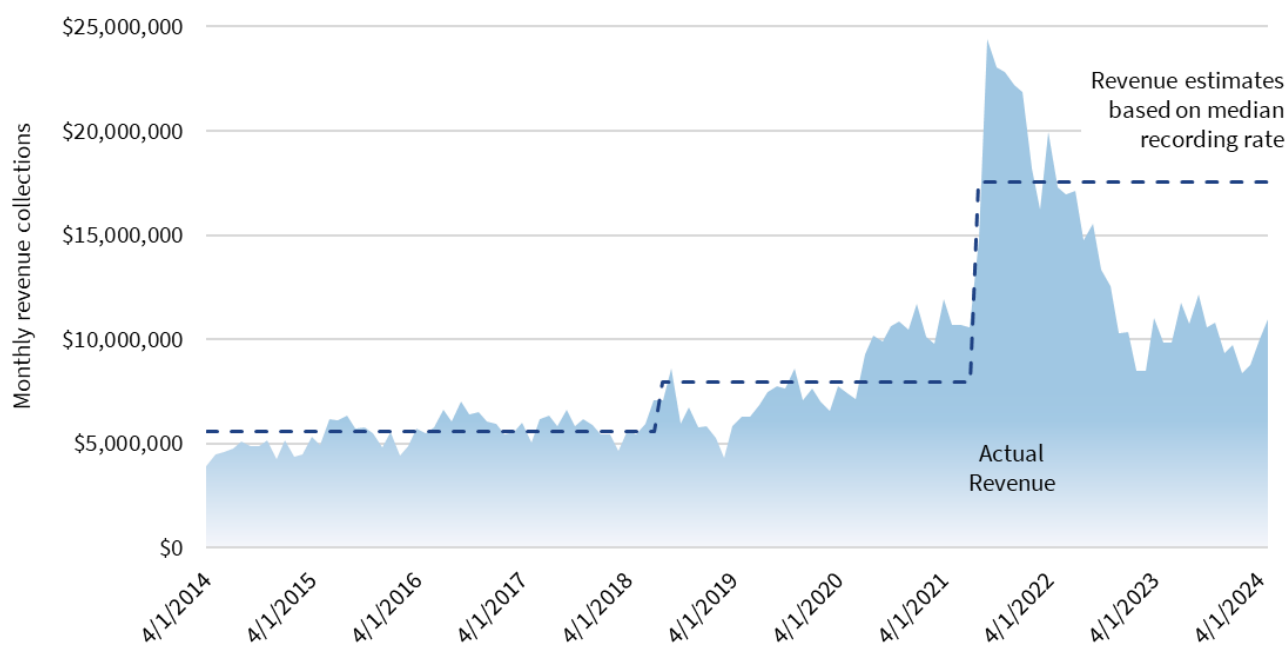
Continued capital budget investment in the Housing Trust Fund will support developing and preserving affordable housing for marginalized populations who have a harder time finding homes. This includes Tribal communities, individuals with intellectual and developmental disabilities, and Medicaid-eligible individuals who qualify for housing support through the Apple Health and Home Permanent Supportive Housing program.

The operating budget continues the work of Consolidated Homeless and Youth Homeless Grants programs, which successfully prevent adults and youths from becoming unhoused. In 2023 alone, the Consolidated Homeless and Youth

Homeless Grants programs helped more than 19,500 households. Through the Department of Commerce's Office of Homeless Youth, an impressive 92% of youth who accessed prevention services in the last year remain housed today.

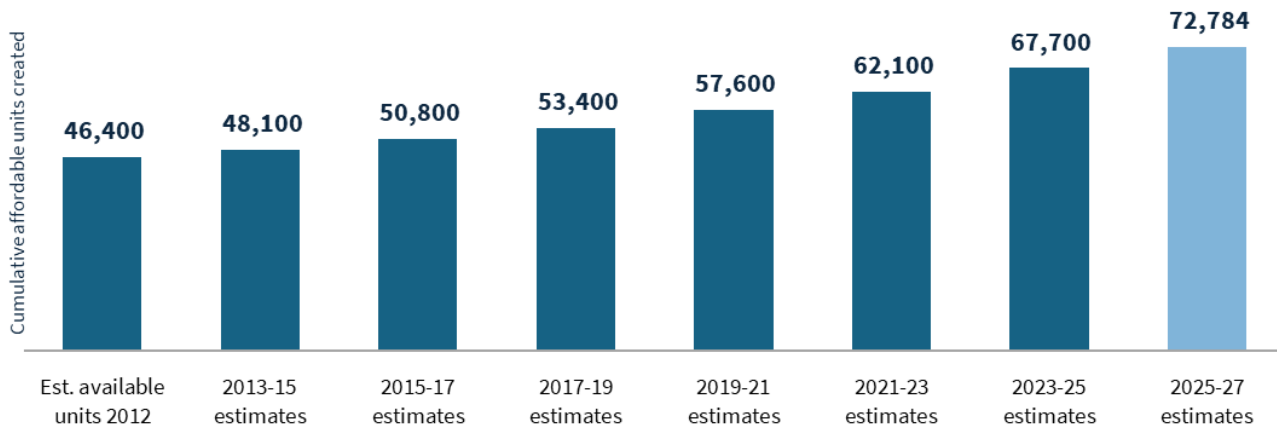
A number of housing programs depend heavily on revenue from document recording fees, which have declined rapidly in recent years due to reduced property transactions. The proposed operating budget addresses a shortfall created by falling fee collections, maintains crucial intervention programs at existing service levels, and provides stability to those at risk of homelessness.

### Document recording fee revenues fell short of historical median collection



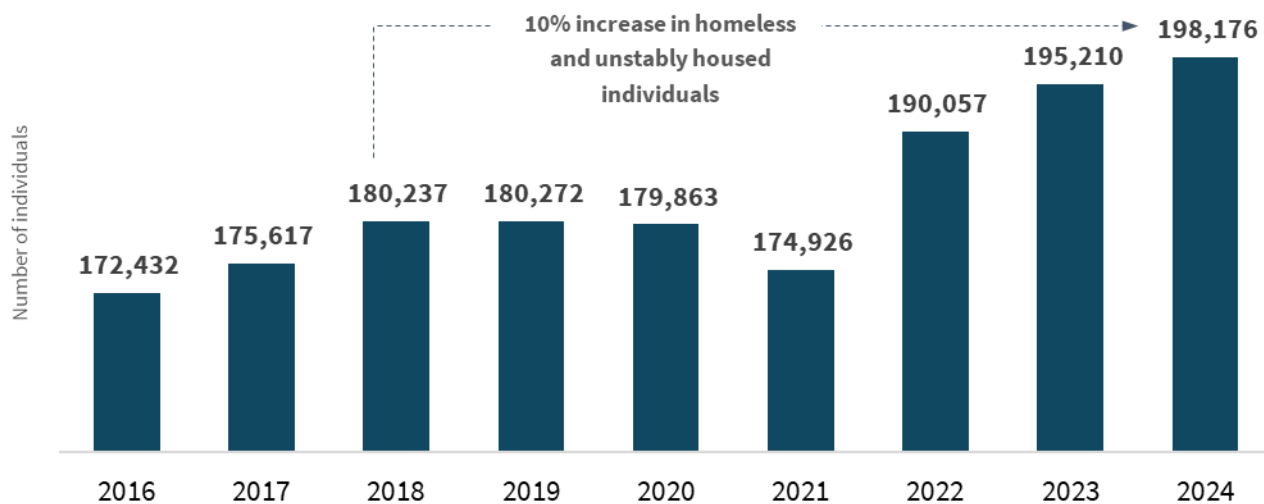
Source: Department of Commerce

### Governor's 2025–27 capital budget creates over 5,000 additional affordable housing units



Sources: Department of Commerce and Office of Financial Management

### Washington's homeless and unstably housed population increases by 10% over six years



Sources: Department of Commerce and Office of Financial Management



## Affordable housing and homelessness budget highlight items

### Department of Commerce (Operating Budget)

#### *Maintain Consolidated Homeless Grant, homeless youth grants, and the Office of Homeless Youth*

The Consolidated Homeless Grant program is largely funded through document recording fee revenues. The program assisted 19,500 households in 2023 by supporting counties and nonprofits' homeless crisis response systems. Homeless crisis response systems respond to the immediacy and urgency of homelessness by ensuring that everyone has a safe place to live.

The Office of Homeless Youth provides housing services for youth and young people who are unhoused or at risk of becoming unhoused. The proposed funding continues important and successful interventions, such as temporary residences, basic needs assistance, family reconciliation services, transitional living programs, and rental assistance homelessness diversion programs. These programs provide homeless youth a safe place to live and protect youth from becoming unhoused in the first place.

The proposed funding continues both programs without reducing services to these vulnerable populations.

*(\$198 million General Fund-State)*

#### *Preserve permanent supportive housing operations, maintenance, and services*

Affordable permanent supportive housing is more important than ever. This budget takes critical steps to address homelessness by funding the operations and regular maintenance of over 7,200 affordable

permanent supportive housing units. These efforts support housing in the state's Housing Trust Fund portfolio and extend to units outside the fund by covering service costs and providing financial assistance to certain tenants.

The proposed funding replenishes lost document recording fee revenues and maintains services for both programs.

*(\$52 million GF-S)*

#### *Protect foreclosure prevention services*

The Foreclosure Fairness Program provides vital support to homeowners facing foreclosure, offering free housing counseling, civil legal aid, and lender mediation services.

This budget ensures the program will continue to keep residents in their homes by addressing the declining revenues that support this program and replacing one-time federal funding.

*(\$4.2 million GF-S)*

#### *Streamline local project permit reviews*

Legislation passed in 2023 updated the Local Project Review Act by consolidating, streamlining, and improving local permit review. This governor-requested legislation speeds up housing development. The governor's proposed budget maintains grant funding to keep this strategic approach going.

*(\$1.5 million GF-S)*

#### *Fund homeless health care services study*

This budget funds a study to address a gap in health care services for unhoused individuals who require medical care — which shelters cannot legally provide — but do not require emergency room treatment. It will inform policy makers on how to address the gap.

*(\$250,000 GF-S)*

## Department of Social and Health Services

### *Continue housing new arrivals*

The budget proposes \$25 million for the Office of Refugee and Immigrant Assistance to continue serving newly arriving individuals in the state who do not qualify for federal refugee resettlement services. A total of \$25 million is provided for this purpose, of which \$13.3 million is provided for housing services.

*(\$13 million GF-S)*

## Department of Commerce (Capital Budget)

### *Make historic investment in Housing Trust Fund*

The Housing Trust Fund (HTF) program provides financial assistance for developing new affordable housing units and preserving existing units. This program assists local governments and nonprofits by providing housing funds to meet basic needs for thousands of low-income individuals and families. This historic investment preserves over 1,300 existing affordable units and creates approximately 5,100 new affordable housing units.

The Housing Trust Fund provides financial support to marginalized communities, including a new allocation for developing additional affordable housing units for Tribal communities, who have consistently faced increased barriers to accessing affordable housing.

The funds also continue the construction of new affordable housing for people with intellectual and developmental disabilities, creating new opportunities for low-income homeownership, and accommodating the Apple Health and Home Permanent Supportive Housing program.

Apple Health and Home Permanent Supportive Housing pairs highly vulnerable, Medicaid-eligible individuals with housing supports. The 2022 program operates in coordination with the Health Care Authority and Department of Social and Health Services. This investment continues funding

for the rapid acquisition or construction of permanent housing, rental support, and other wrap-around services for program participants.

This investment also provides \$20 million for the Rapid Capital Housing Acquisition program for the Department of Commerce to quickly purchase and convert properties into suitable enhanced emergency shelters, permanent housing, youth housing, or shelter for people experiencing sheltered or unsheltered homelessness.

*(\$536 million State Building Construction Account)*



*Governor Jay Inslee at the YWCA Denny Apartments ribbon-cutting ceremony*

### *Extend affordable housing through Connecting Housing to Infrastructure Program*

The Connecting Housing to Infrastructure Program (CHIP) supports affordable housing development by funding utility connections and reducing related fees for affordable and multifamily units.

With the proposed new funding, CHIP will expand on its previous successes by assisting in the creation of over 5,850 new affordable housing units. Vulnerable populations struggling to access affordable housing will benefit from local governments incentivized to invest in affordable housing.

*(\$65 million State Building Construction Account)*

### *Creating the Supporting Housing Affordability Infrastructure Program*

This budget funds the Supporting Housing Affordability Infrastructure Program, which will work in tandem with the Connecting Housing to Infrastructure Program to address root causes of housing instability in Washington.

The proposed funding creates a pilot program to help local governments cover costs like impact fees

and other requirements for new affordable housing projects. These projects include transportation, parks, schools, or fire facilities that benefit low-income households. This investment helps create 700 new affordable housing units.

*(\$10 million State Building Construction Account)*

## Affordable housing and homelessness

### Summary of investments, 2025–27 biennial

This document highlights select investments proposed by the governor in this budget area. The chart below provides the full list of investments. For more details about the items in the chart, refer to the [Budget Recommendation Summaries \(RecSums\), organized by agency](#).

Focus Area	Items	Agency	Amount
<b>Capital</b>	Historic <a href="#">Housing Trust Fund</a> Investment	Commerce	\$536,000,000
	<a href="#">Connecting Housing to Infrastructure Program</a> Extends Affordable Housing Incentives	Commerce	\$65,000,000
	Creating Supporting Housing Affordability Infrastructure Program	Commerce	\$10,000,000
	Low-Income Home Rehabilitation Grant Program	Commerce	\$6,000,000
	Affordable Housing Cleanup Grant Program	Ecology	\$9,654,000
<b>Total</b>			<b>\$626,654,000</b>
<b>Operating</b>	Maintain Consolidated Homeless Grant, Homeless Youth Grants, and Office of Homeless Youth	Commerce	\$198,525,000
	Maintain <a href="#">Landlord Mitigation Programs</a>	Commerce	\$6,816,000
	<a href="#">Preserving Permanent Supportive Housing Operations, Maintenance, and Services</a>	Commerce	\$52,293,000
	Protecting Foreclosure Prevention Services	Commerce	\$4,239,000
	Streamlined Local Project Permit Reviews	Commerce	\$1,500,000
	Homeless Health Care Services Study	Commerce	\$250,000
	Hope and Home Housing	Commerce	\$1,700,000
	Housing New Arrivals	DSHS	\$13,346,000
			<b>\$278,669,000</b>
<b>Grand Total</b>			<b>\$905,323,000</b>



**“Washingtonians demand our continued action on pollution and climate change, and that’s what these proposals do.**

**Our residents believe in the promise of this work for a cleaner, healthier, and more prosperous future.**

**We intend to deliver for this generation and those to come.”**

**—Gov. Jay Inslee**





# Climate and energy

## Putting climate dollars and people to work across Washington: Building Washington’s clean and healthy future

*Washington has enacted nation-leading policies to reduce pollution and help communities grapple with the effects of increasingly severe weather and sea rise. Environmental justice and equity are the center of these policies. Our clean energy economy is putting thousands of people to work and creating new industries on both sides of the state.*

### Frontline communities

NEED:

**2.4 years**

People who live in Washington communities overburdened with air pollution die 2.4 years earlier than the state average life expectancy

PROPOSAL:

**40%**

of CCA investments in 2025–27 benefit vulnerable populations in overburdened communities

### Weatherization

NEED:

**\$300**

Amount each year a family can save on energy bills in a weatherized home

PROPOSAL:

**7,000**

Low-income households get safety and energy efficiency upgrades

### Energy needs

NEED:

**x2**

Our power needs will nearly double by 2050.

PROPOSAL:

**\$120M**

Invested in 2025–27 in clean energy siting, development, and transmission.

## Helping communities and addressing the climate crisis

Washington stands as a national leader in fighting climate change, enacting policies that will reduce the harmful pollution that contributes to dangerous extreme weather and health impacts, while building a clean energy economy. In 2021, Gov. Inslee signed the Climate Commitment Act (CCA) into law. The CCA created a market-based cap-and-invest program to require the state's largest polluters to reduce greenhouse gas pollution. The CCA is being put to

work across Washington to benefit families, schools, workers, and more.

Climate action benefits families and communities in Washington, with projects all over the state that are improving Washingtonians’ health and quality of life and creating jobs and economic growth through innovative businesses.

Experts at the Washington State Department of Commerce estimate our power needs will nearly double by 2050. Nearly one million more people live in Washington today than in 2013. More people are switching to electric vehicles and electric heating

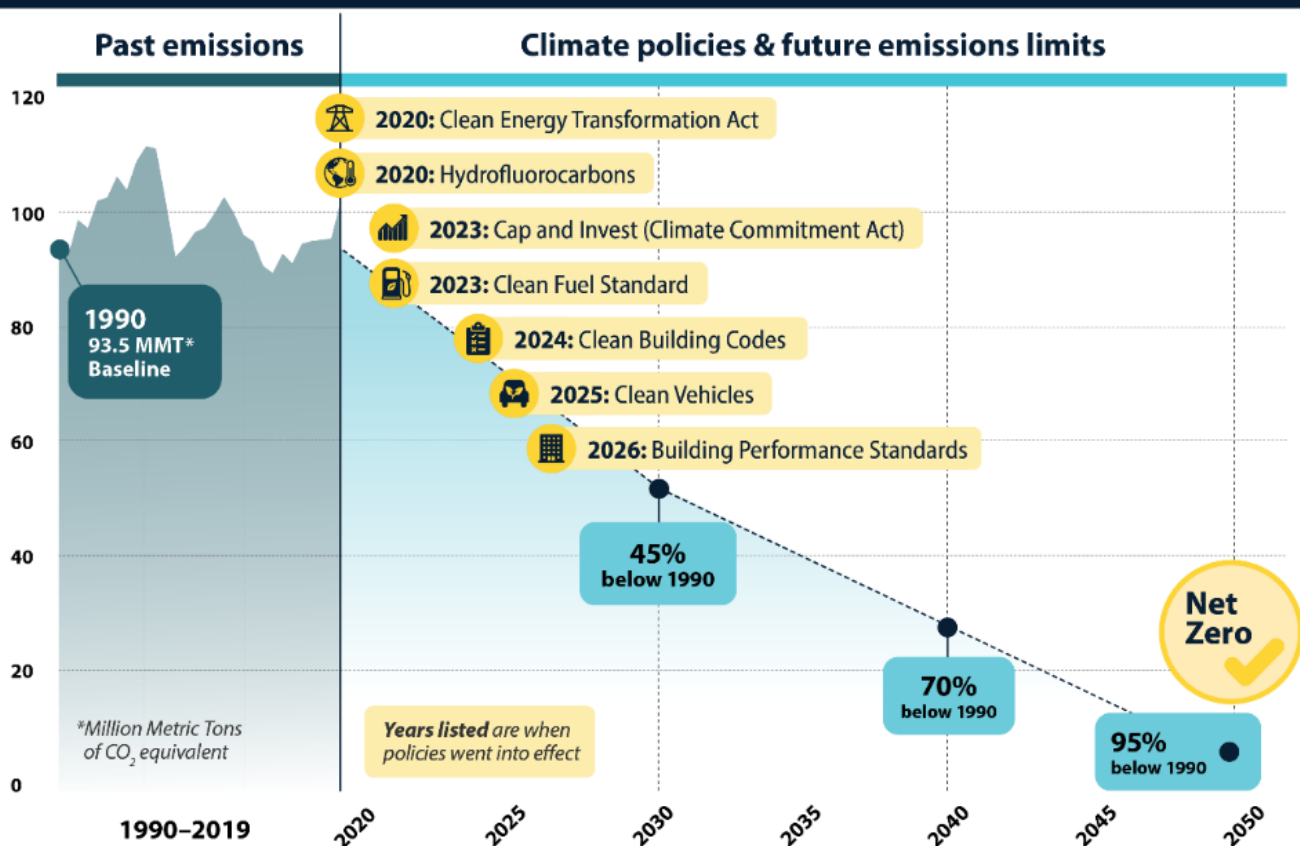
systems. The rise of AI and other technology advancements is a growing factor in energy demand. Extreme weather strains our grid during cold snaps and heat waves.

We need more energy. We can meet a significant portion of energy needs by using what we already have more efficiently. Building efficiency standards and weatherization help us do this. The rest requires us to build and connect to more clean energy sources.

Inslee is proposing building on previous investments, with plans to invest in five key areas:

- [Advance environmental justice and reduce the impacts of climate change on those it hurts the most](#)
- [Decarbonize the building sector](#)
- [Develop clean energy infrastructure and jobs](#)
- [Advance clean transportation and electric vehicles](#)
- [Make Washington more resilient to the effects of climate change](#)

## How Washington is cutting pollution 95% by 2050



## Climate and energy budget highlight items

### Environmental justice

#### *Help Tribes mitigate and adapt to the effects of climate change*

Climate change affects each Tribe uniquely, depending on their geography, culture, and economy. Funding assistance to Tribes will help them mitigate and adapt to the effects of climate change. This includes supporting relocation for Tribes located in areas of heightened risk due to anticipated sea-level rise, flooding, or other disturbances caused by climate change.

*(\$50 million Climate Commitment Account)*

#### *Protect children's health and improve school air quality*

School buildings struggle to keep up with rising temperatures and wildfire smoke, adversely impacting our children's health. Grants to school districts will replace deteriorating heating, ventilation, and air conditioning (HVAC) systems, and undertake energy efficiency upgrades, air filtration enhancements, and general air quality improvements.

These investments will make it easier for kids to learn safely and comfortably. The program will prioritize school districts serving Tribes and vulnerable populations in overburdened communities.

*(\$25 million Climate Commitment Account)*

#### *Help affected communities participate in budgeting*

This budget continues implementation of a community participatory budgeting process where community members determine their own priorities and projects to achieve specific goals. The process and grants through the Department of Commerce will reduce health burdens in

overburdened communities through decarbonization and resilience projects, while supporting community members' participation in the process.

*(\$8.3 million Air Quality and Health Disparities Account)*

#### *Continued implementation of HEAL Act*

The Healthy Environment for All (HEAL) Act directs selected state agencies to work toward eliminating environmental and health disparities across Washington and fulfill requirements to embed environmental justice into agency decision-making. Agencies will receive \$5.4 million for this work, including funding to continue improving the Environmental Health Disparities Map. In addition, \$888,000 will support the Environmental Justice Council in its work to inform the state's environmental justice efforts and \$4 million will fund grants to communities to support their participation in engaging with agencies on the HEAL Act.

*(\$7.0 million Climate Commitment Account, \$1.2 million other)*

### Building decarbonization

#### *Invest in clean buildings*

Residential and commercial buildings are the second-largest source of Washington's greenhouse gas emissions and our fastest growing source of emissions, accounting for 25% of emissions statewide.

Building owners need assistance to make energy-use improvements to their buildings through heating and cooling equipment, building-envelope measures, and other site-level improvements. These improvements also help building owners meet Clean Buildings Act requirements.

Rebates are funded to help low- to moderate-income households and small businesses electrify and access critical cooling equipment, which saves on energy bills. A grant program will help public

building owners conduct energy audits and invest in building energy improvements, such as better insulation, window replacements, and HVAC upgrades. In addition, funding is provided to 11 state agencies and institutions to support 32 projects that assist in building decarbonization efforts.

(\$110.0 million *State Building Construction Account*, \$30 million *Climate Commitment Account*, \$6.1 million other funds)

#### *Facilitate safety and energy efficiency upgrades for low-income households*

The Weatherization Plus Health program maximizes state, federal, and local utility funding to improve the health and safety of more than 7,000 low-income and vulnerable households in hard-to-reach markets. This program also helps homeowners, tenants, and multifamily households make sound energy efficiency investments through consumer education.

(\$20 million *State Building Construction Account*, \$16 million *Climate Commitment Account*)



*New energy-efficient heat pumps funded by the Climate Commitment Act, like this one at an adult family home in Walla Walla, are helping residents save on their monthly bills.*

#### *Provide grants for more energy efficient multifamily housing*

Multifamily building owners and their occupants can save on energy bills with energy use

improvements to their buildings. This grant program funds heating and cooling equipment, building-envelope measures, and other site-level improvements.

(\$25 million *Climate Commitment Account*)

#### **Clean energy development and transmission**

##### *Develop clean energy and pursue federal funding support*

Investments focus on grid modernization, research development and demonstration, and clean energy technology innovation and transformation. This funding increases capacity for clean manufacturing projects and related workforce development. It also assists Washington-based entities to successfully apply for federal funding opportunities.

(\$125 million *State Building Construction Account*, \$5 million *Climate Commitment Account*)

##### *Create Clean Energy Development Office at Commerce*

Washington must double clean electricity use by 2050 to reduce burning fossil fuels and meet our climate targets. Siting clean energy and transmission is a complicated new challenge that requires new tools and support. The establishment of the Clean Energy Development Office (CEDO) will provide the information, planning, and support needed to accelerate development of clean energy projects and transmission, while protecting the environment, overburdened communities, and Tribal rights, interests, and resources, and bringing benefits to communities that host clean energy projects.

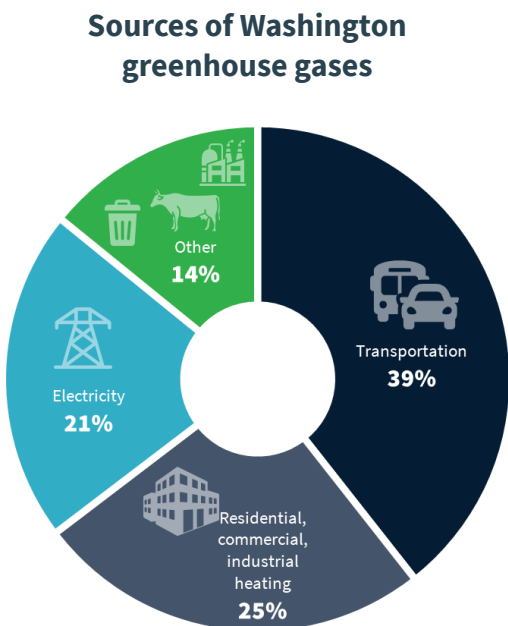
(\$4.9 million *Climate Commitment Account*)

##### *Work with Tribes and overburdened communities to identify lower-conflict areas for clean energy and transmission*

As Washington accelerates the deployment of clean energy generation, transmission, and storage to

reduce pollution, the state must take proactive steps to engage Tribes and overburdened communities in identifying and reducing conflict over where to site these projects. The proposed budget includes funds for engagement of a Tribal collaborative and participating Tribes to identify areas with higher and lower potential for avoiding conflicts when siting renewable energy generation and electrical transmission facilities. It also includes funding to engage with overburdened communities to create a framework and process to support input for the planning and development of transmission corridors.

(\$2.5 million Climate Commitment Account)



Source: Washington State Department of Ecology

### *State Transmission Development Authority*

The region's electricity demand is projected to grow 30% by 2035 and double by 2050. A newly proposed Washington Electric Transmission Authority would ensure that power is delivered from where it's generated to where it needs to be used by financing and constructing transmission infrastructure projects that maximize existing transmission capacity and build new transmission lines.

(\$3 million Climate Commitment Account)

### *Providing benefits to communities that host clean energy projects*

The Department of Commerce will develop and implement a pilot program that provides state matching funds to local governments in areas hosting clean energy projects, where a clean energy developer has entered into a community benefits agreement with the hosting community.

(\$3 million Climate Commitment Account)

### *Study offshore wind impacts*

Funding is provided to the Department of Ecology to work with Tribes and academic institutions to develop a science agenda to better understand potential ecological impacts of offshore wind.

Funding is also provided to the Department of Commerce to further our participation in the offshore wind supply chain.

(\$2.3 million Climate Commitment Account)

## **Clean transportation**

### *Offer electric vehicle adoption incentives*

Electric vehicles (EV) lower greenhouse gas emissions, and while more people are driving EVs, adoption rates must significantly increase to meet our statutory emissions requirements. Funding would continue a highly popular and effective



[incentive program](#) to provide low-income Washingtonians access to electric vehicles.

*(\$62.5 million Climate Commitment Account)*

### [Invest in electric vehicle charging](#)

Funding for the Washington Electric Vehicle Program will make it easier for more people to drive EVs by investing in community-based EV charging infrastructure. This will narrow gaps in charging access and keep pace with growing EV adoption.

Funding for charging infrastructure is also provided to five state agencies to help electrify the state fleet.

*(\$40 million Climate Commitment Account, \$13.8 million other funds)*



*These EV chargers at the Cowlitz Indian Tribe Transportation Center are powered by solar panels and funded in part by the CCA.*

### [Electrify school buses](#)

This grant program supports the transition of school buses to zero-emission fleets. Projects are prioritized that replace the oldest diesel-fueled vehicles, especially those used in or near vulnerable populations and overburdened communities.

*(\$15.6 million Model Toxics Capital Account)*

### [Electrify Washington State Ferries](#)

Washington State Ferries is converting three Jumbo Mark II vessels from diesel to hybrid electric. These

ferries serve the most densely populated urban areas in the central Puget Sound and produce 26% of the fleet's annual greenhouse gas emissions. Each conversion will reduce emissions by nearly 50,000 metric tons a year with the first vessel scheduled to sail in summer 2025.

*(\$87.1 million Carbon Emissions Reduction Account)*

The Department of Transportation (WSDOT) will also construct five new hybrid-electric ferries and is expected to select a vendor by June 2025. Given the long-term need for the ferry system to replace an additional 11 vessels, the governor's budget includes \$1.5 million for ferries to continue design work of the next clean-fueled vessel procurement process.

*(\$595 million in 2025–27 and a total of \$1.3 billion for all five vessels. Capital Vessel Replacement Account, Carbon Emissions Reduction Account, Move Ahead Washington Account, Puget Sound Capital Construction Account)*

### [Incentivize adoption of zero-emission large vehicles](#)

Medium- and heavy-duty vehicles, including buses, big trucks, and delivery vans, make up around 10% of the vehicles on Washington's roads but are responsible for 30% of the state's on-road greenhouse gas emissions.

Battery-electric and hydrogen fuel cell trucks and buses, collectively called zero-emission vehicles, eliminate toxic tailpipe pollutants compared with their conventional counterparts and reduce carbon emissions.

A point-of-sale voucher incentive program is funded to encourage faster adoption of zero-emission medium- and heavy-duty vehicles. This program also includes funding for the replacement of school buses powered by fossil fuels with zero-emission school buses.

*(\$83 million Carbon Emissions Reduction Account)*



*The new Silverdale Transit Center is slashing Kitsap County commute times. New electric buses drive over an inductive charging pad to re-energize, a feature sponsored by the Climate Commitment Act.*

### *Reduce carbon emissions from transit with Green Transportation Capital grants*

Green Transportation Capital grants provide funding to transit agencies for cost-effective capital projects that reduce carbon intensity. This can include battery and fuel cell electric vehicles and the infrastructure to support them.

*(\$48.4 million Climate Transit Programs Account, \$7.4 million Carbon Emissions Reduction Account)*

### *Provide more carbon-free options for bicyclists and pedestrians*

The Department of Transportation's Bicycle and Pedestrian Program is making it easier for residents to get out of their car and decarbonize by walking and biking. The objective of the program is to improve the transportation system to enhance safety and mobility for people who choose to walk or bike.

*(\$14.2 million Carbon Emissions Reduction Account, \$114.9 million Climate Active Transportation Account)*

Additional projects and programs that will reduce greenhouse gas emissions are described in the Transportation section of the highlights.



*Improved bicycle and pedestrian facilities make it easier and safer for families to choose carbon-free transportation options.*

## **Climate resilience**

Even as we work to reduce greenhouse gas emissions, communities and ecosystems will face near-term impacts from climate change.

Investments are made to mitigate impacts including sea-level rise, droughts, flooding, and increased wildfires.

### *Fund climate resilience projects*

Climate change compounds natural flooding and makes it harder to restore natural habitats. Without aggressive action, thousands of homes are at risk, roadways will close more frequently, communities will experience flood-related damages, and salmon populations will be imperiled. Various capital budget programs help communities prepare for and withstand the effects of climate change, including protections and investments in flood-prone areas, improvements in how water is delivered and applied on agricultural lands statewide, investment in climate smart forestry and carbon sequestration and the restoration of riparian areas.

*(\$37.8 million Natural Climate Solutions Account, \$336.5 million State Building Construction Account, \$70.9 million other)*

### *Implement climate resiliency strategy*

In 2024, the state updated its climate resiliency strategy, which proposes actions to help communities become more resilient to climate crisis impacts like drought, coastal changes, flooding, extreme heat, wildfires, and smoke. are provided to the Department of Ecology will hire staff to support, coordinate, and track state agencies' implementation of the strategy.

*(\$580,000 Natural Climate Solutions Account)*

### *Build climate resilience across sectors*

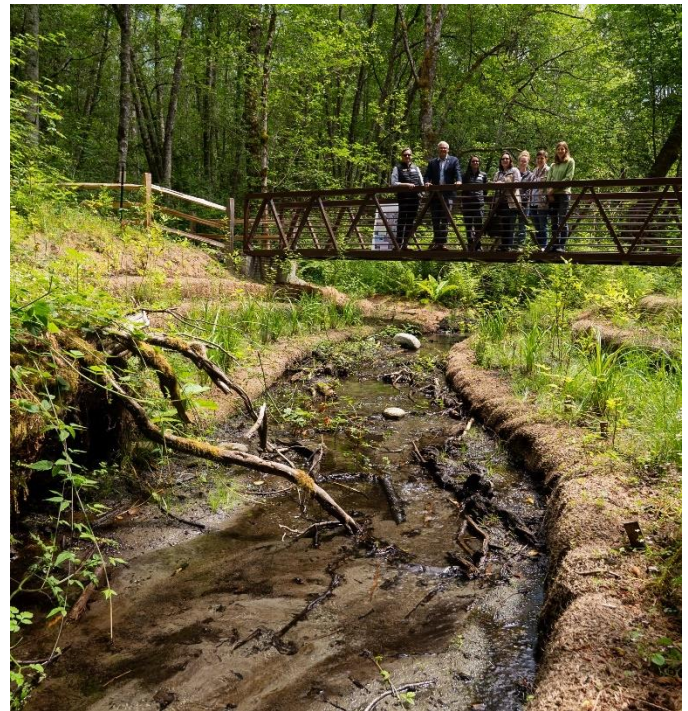
Climate change impacts Washington's agriculture sector. Planning will begin to develop a statewide livestock composting infrastructure to protect human health and reduce greenhouse gas emissions.

The Department of Health plays an important role in addressing the human health impacts from climate change. The department will support early warning systems and responses to extreme heat, wildfire smoke, and diseases transmissible from animals to humans.

Increasing habitat connectivity will help wildlife better survive climate changes. Additional funding will allow the Department of Fish and Wildlife (WDFW) to support WSDOT in implementing the Washington Wildlife Habitat Connectivity Action Plan.

Climate change will reduce snowfall, result in earlier snowmelt, and reduce summer streamflow. The Department of Ecology will study the impacts of climate change on water supplies and stream flows. The agency will also enact rules related to reclaimed water and instream flow in the Wenatchee River.

*(\$1.84 million Climate Commitment Account, \$2.1 million Natural Climate Solutions Account)*



*The Bainbridge Land Trust is benefitting from state grants to support its efforts to restore access to salmon habitat on Bainbridge. The Climate Commitment Act is now supporting similar work statewide.*



## Climate and energy

### Summary of investments, 2025–27 biennial

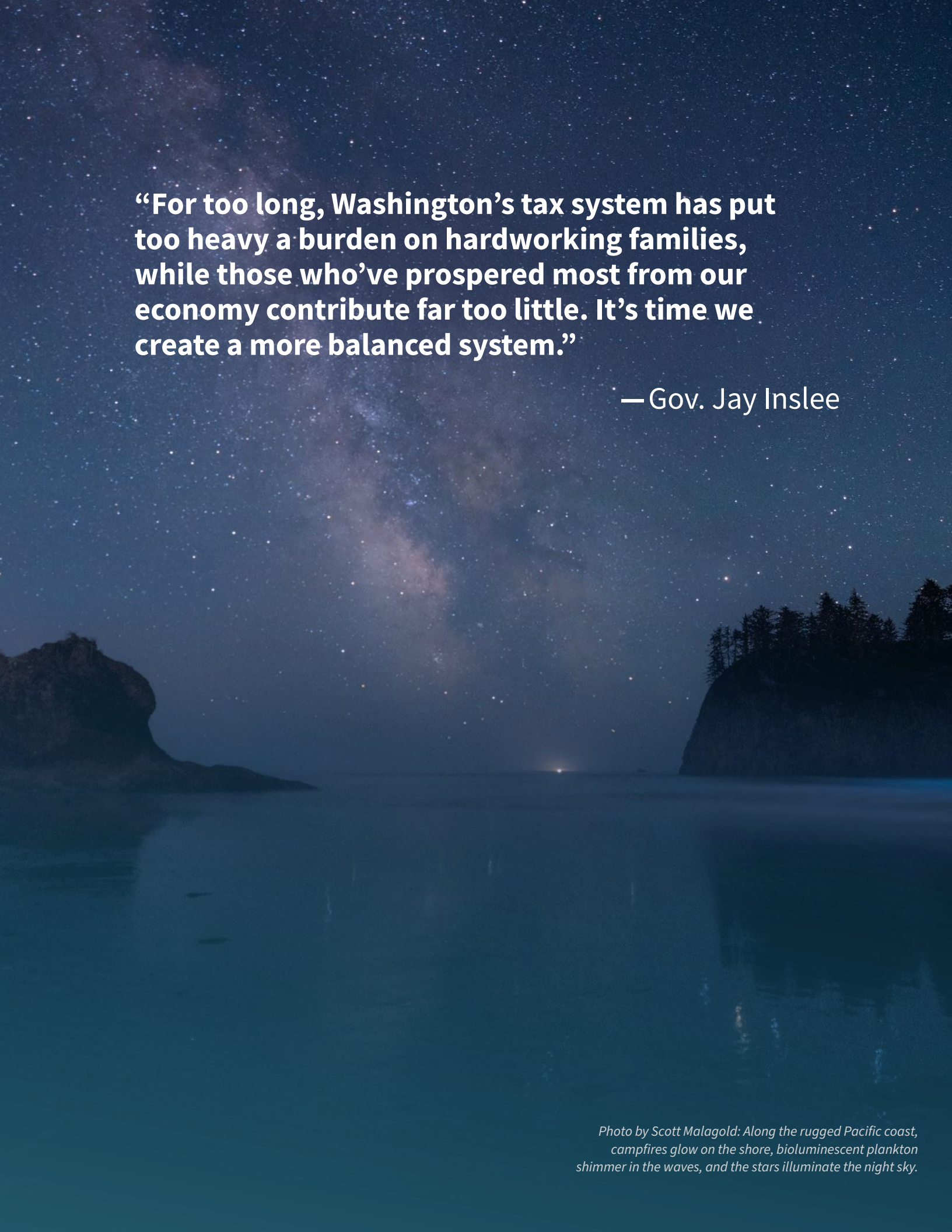
Note: This policy brief highlights select investments proposed by the governor in this budget area. The chart below provides the full list of investments. For more details about the items in the chart, refer to the [Budget Recommendation Summaries \(RecSums\), organized by agency](#).

Focus Area	Items	Agency	Amount
<b>Environmental justice</b>	Classroom Indoor Air Quality Grants	OSPI	\$25,000,000
	Community Participatory Budgeting	Commerce	\$8,300,000
	Tribal Adaptation Grants	Commerce	\$50,000,000
	Implement HEAL Act	Multiple	\$8,290,000
	Air Quality Industrial Inspectors	Ecology	\$558,000
<b>Total</b>			<b>\$92,148,000</b>
<b>Building decarbonization</b>	State Agency Building Decarbonization	Multiple	\$68,755,000
	High Efficiency Electric Appliance Rebates Program	Commerce	\$30,000,000
	Clean Buildings Performance Grants	Commerce	\$25,000,000
	Energy Retrofits for Public Buildings Grants	Commerce	\$22,500,000
	Multifamily Efficiency Grants	Commerce	\$25,000,000
	Weatherization Plus Health Grants	Commerce	\$36,000,000
	Clean Building Technical Assistance	Commerce	\$3,803,000
	Continuation of CCA Dollars	Commerce	\$3,946,000
	Clean Buildings Training	Commerce	\$1,500,000
<b>Total</b>			<b>\$216,504,000</b>
<b>Clean energy development and transmission</b>	Clean Energy Fund	Commerce	\$50,000,000
	Green Jobs and Infrastructure Fund	Commerce	\$5,000,000

Focus Area	Items	Agency	Amount
	Solar and Energy Storage Grants	Commerce	\$25,000,000
	Clean Energy Community Grants	Commerce	\$25,000,000
	Clean Energy Development Office	Commerce	\$4,944,000
	Community and Tribal Engagement on Siting	Commerce	\$3,000,000
	State Transmission Development Authority	Commerce	\$3,045,000
	Benefits for Communities Hosting Clean Energy Projects	Commerce	\$3,000,000
	Offshore Wind Authorities Report	Ecology	\$816,000
	Offshore Wind Science Panel	Ecology	\$731,000
	Blue Wind Collaborative	Commerce	\$750,000
	Photovoltaic Module Stewardship Program	Ecology	\$774,000
	Energy Facility Site Evaluation Council Improvement	EFSEC	\$150,000
<b>Total</b>			<b>\$122,210,000</b>
<b>Clean transportation</b>	State Agency EV Charging Infrastructure	Many	\$13,800,000
	Community EV Charging Program	Commerce	\$40,000,000
	Electrifying School Buses	Ecology	\$15,600,000
	Electric Vehicle Adoption Incentives	Commerce	\$62,500,000
	Electrify Three Jumbo Mark II Washington State Ferries	WSDOT	\$87,100,000
	New Hybrid-Electric Ferries	WSDOT	\$595,600,000
	Incentivize Adoption of Zero-emission Large Vehicles	WSDOT	\$83,000,000
	Green Transportation Capital Grants	WSDOT	\$55,800,000
	Bike and Pedestrian Grants	WSDOT	\$129,100,000
<b>Total</b>			<b>\$1,082,500,000</b>



Focus Area	Items	Agency	Amount
Climate resilience	Implement Climate Resilience Strategy	Ecology	\$580,000
	Climate Livestock Waste Composting	WSDA	\$1,786,000
	Climate Resilience Adaptation	DOH	\$382,000
	Invest in Lands Stewardship	WDFW	\$3,400,000
	Reduce Emission, Build Resilience	WDFW	\$1,680,000
	Respond to Wildlife Disease	WDFW	\$2,778,000
	Water Resources & Climate Resilience	Ecology	\$1,197,000
	Accelerating Floodplain Resilience	Ecology	\$1,122,000
	Protecting Washington's Shorelines	Ecology	\$1,317,000
	Floodplains by Design	Ecology	\$59,629,000
	Family Forest Fish Passage Program	Department of Natural Resources	\$19,213,000
	Carbon Sequestration Forest	Department of Natural Resources	\$15,000,000
	Voluntary Riparian Grant Program	Conservation Commission	\$20,000,000
	Yakima River Basin Water Supply	Ecology	\$49,000,000
	Chehalis Basin Strategy	Ecology	\$70,029,000
	Other Resilience Capital Projects	Many	\$235,700,000
Total			\$482,813,000
Grand Total			\$1,996,175,000



**“For too long, Washington’s tax system has put too heavy a burden on hardworking families, while those who’ve prospered most from our economy contribute far too little. It’s time we create a more balanced system.”**

**— Gov. Jay Inslee**

*Photo by Scott Malagold: Along the rugged Pacific coast, campfires glow on the shore, bioluminescent plankton shimmer in the waves, and the stars illuminate the night sky.*

# Revenue proposal

## Reinforcing Washington's foundation for a more resilient future

*Governor Inslee's proposal reflects his commitment to putting working families first. Washington's tax system has placed too much burden on working families, earning the shameful distinction as the most unfair system in the nation. Low-income families pay six times the share of their income compared to the ultra-wealthy. Recent measures, such as the Working Families Tax Credit and the capital gains tax, have helped reduce this imbalance. We've moved from having the most unfair tax system to the nation to the second most unfair, but more work remains. This proposal includes a wealth tax and business and occupation (B&O) adjustments to ensure those who benefit most from our economy pay their fair share. These changes will protect our progress on services and initiatives that improve lives and keep our economy among the strongest in the nation.*

### Our tax system is in need of modernization

Washington's tax system, built nearly a century ago, is failing to meet the needs of our rapidly growing state and is increasing income inequality. Over the past decade, nearly a million more people have made Washington their home, driving up demand for vital services like schools, housing, health care, and child care. These essential services are disproportionately funded by working families, while the ultra-wealthy benefit the most and pay the least under our regressive tax system.

At the same time, costs are rising, federal pandemic-era support has ended, and revenue growth is slower than expected. To address these challenges, Governor Inslee has ordered a spending freeze and reduced nonessential services. While proposing sensible budget reductions, the governor remains focused on maintaining progress in education, behavioral health, housing, and other systems that support safe, healthy families and a strong economy.

History shows the long-term consequences of cutting too deeply during tough times. After prior recession reductions, it took nearly a decade to rebuild the state's behavioral health system. The state struggled for years to fully fund K-12 education and make college affordable. Access to affordable housing lagged behind demand. To avoid repeating our past mistakes, we must maintain momentum in these areas and modernize our regressive tax structure to better serve all residents.

As leaders look at options for balancing Washington's budget, protecting progress and putting working families first must remain the focus at the forefront.

### Tax disparity

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NEED:

## 6x

Low-income families shoulder 6x as much in tax burden than wealthy Washingtonians

### The wealth tax

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## 3,400

Ultra-rich individuals who benefit the most from our economy while contributing the least

## 1%

Ultra-rich individuals will pay a modest 1% on wealth over \$100 million

PROPOSAL:

## \$3.4B

Raised from the wealth tax in two years post implementation

### Paying our bills on time

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NEED:

## 2 years

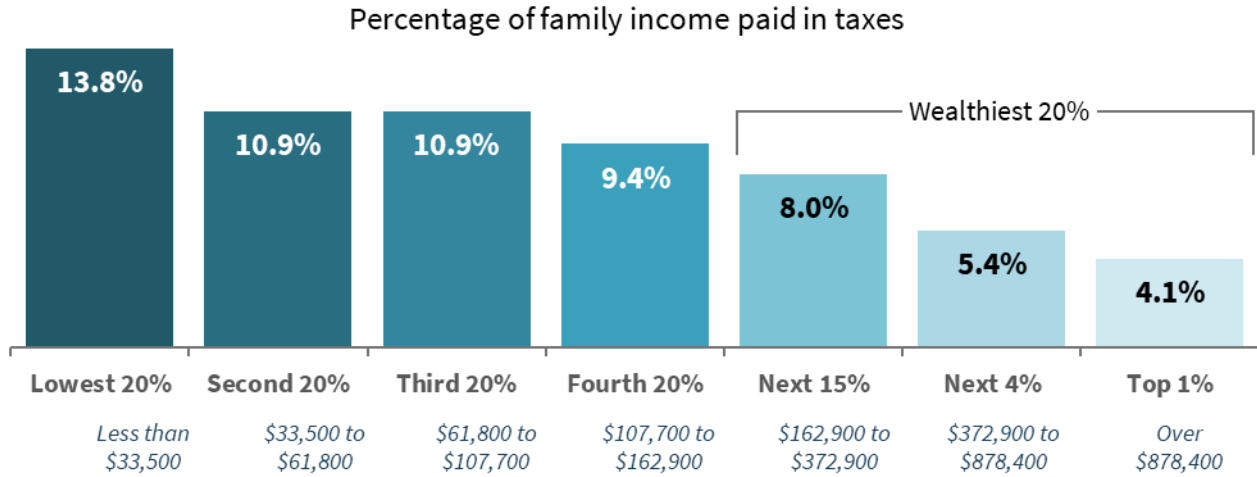
Timeframe to stabilize funding for just essential services

PROPOSAL:

## \$4B

Total raised from new revenue proposals

## Washington's tax system puts a disproportionately higher burden on households with the lowest incomes



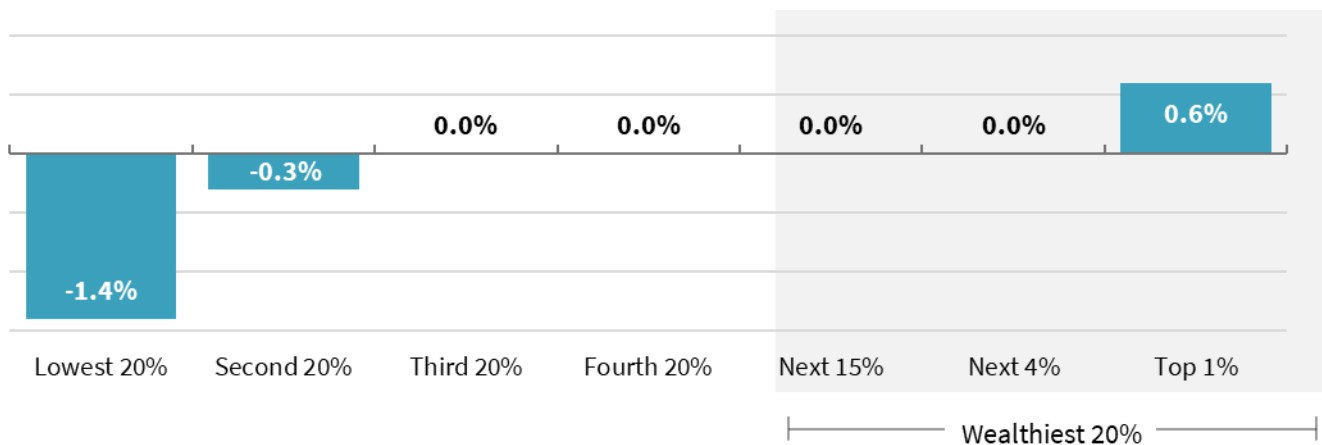
Source: Institute on Taxation and Economic Policy, 2024 "Who Pays?" Report

Gov. Inslee proposes two reforms that will protect essential services and make Washington's tax system more fair.

### Wealth tax

By placing a modest 1% tax on worldwide wealth over \$100 million — affecting roughly 3,400 of our state's wealthiest individuals — Washington can establish a new, reliable revenue stream that most residents will never pay or even know someone who does. This approach would generate \$3.4 billion to invest in essential services like education, housing, and child care. This reform makes sure the .0004% of people who have benefited the most from our economy contribute their fair share so we can protect our progress on the safety nets and systems that keep us all safe, healthy, and secure.

### How tax rates have shifted for Washington households at different income levels since the Working Families Tax Credit and capital gains tax launched



Source: Institute on Taxation and Economic Policy, update to Who Pays, 7<sup>th</sup> Edition, provided January 2024



## Business & occupation (B&O) tax reform

The business and occupation (B&O) tax is based on a company's income and helps pay for essential state services. Under this proposal, only businesses making over \$1 million a year in the "service and other activities" category would see a 20% increase. This change impacts 20,000 businesses and would last from October 2025 until December 2026, after which the rate reverts to the pre-October 2025 level. Starting in January 2027, all B&O tax rates would see a slight 10% increase.

Most small businesses wouldn't be affected since they qualify for a small business tax credit or have an income below the current tax filing threshold under current rules, which remain unchanged. If they don't pay B&O tax now, they won't pay it under this proposal. By placing more of the responsibility on larger, high-earning businesses, we can support critical state needs.

## Other revenue legislation

The governor's budget proposal includes two additional impacts to general fund revenue collections. Legislation updating the administration of unclaimed property by the Department of Revenue will result in a modest increase in revenue. Additionally, the percentage of state sales and use tax shared with compacting Tribes is increased from 60% to 100% for those that have completed a qualifying capital investment. This change results in a reduction to state revenue and an increase in tax revenue for Tribes.

### Revenue raised over the next four years for essential services

	FY 2026	FY 2027	FY 2028	FY 2029	4-year Total
<b>Wealth Tax</b>	\$0	\$3.4 billion	\$3.5 billion	\$3.4 billion	\$10.3 billion
<b>B&amp;O Tax Increase</b>	\$383 million	\$662 million	\$775 million	\$805 million	\$2.6 billion
<b>Unclaimed Property</b>	\$2.1 million	\$2.4 million	\$2.9 million	\$3.3 million	\$10.7 million
<b>Tribal Compact</b>	\$0	\$0	-\$12.7 million	-\$26.2 million	-\$38.9 million
<b>Total</b>	\$385 million	\$4.0 billion	\$4.3 billion	\$4.2 billion	\$12.9 billion



*Photo by Joanna Kaiserman: Wildflowers  
in bloom with Mt. Rainier in the  
background, taken on the hike up to  
Jumbo Peak in July 2020.*

# Budget Summaries

# General government: Operating summary

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**\$6M**

For Children in Crisis

**\$14M**

For immigration legal aid

**\$5.5M**

For World Cup safety and security

**\$20M**

For Victims of Crime Act funding

## Our approach to general government budgeting

The operating budget for general government includes reductions for staff vacancies, eliminating contracts for nonessential services, pausing travel and training, and stopping new programs that haven't started. Additionally, it reduces or cuts funding for programs that do not affect essential services for vulnerable communities. These reductions were necessary to preserve important legally required or critical programs, such as the State Agency Self-Insurance Liability program and the Enterprise Resource Planning system.

## Reductions to general government

In total, the proposed general government budget includes \$136.5 million in General Fund savings over the four-year outlook period.

This includes the following:

- Reducing the Extreme Weather Grant – Military Department: This grant program supports preparedness projects to build capacity for emergency shelters. The grant is consistently underutilized. The proposal would reduce grant funding by half.
- Eliminate Digital Navigation Grant – Department of Commerce: This reduction rolls back a program that provided access to digital literacy and devices to low-income populations during the COVID-19 pandemic.

Other reductions that reflect staff vacancies, underspending in programs, delays in starting new programs, and elimination of programs that overlap with other existing services.

These reductions are needed to fund essential items in the general government budget, including the following investments.

## Office of the Governor

### Children in Crisis

In 2024, the Legislature established the Washington State Children and Youth System of Care project to support children with complex needs, including state-dependent youth experiencing placement instability and others unnecessarily boarded in hospitals. Each child receives case management based on their unique needs. The program provides flexible funding to support these children with housing, caregiver support, and respite and relief services. Additional resources are needed to continue these critical services for children past June 30, 2025.

*(\$6 million General Fund-State)*

## Department of Commerce – Community Services Division

### Legal aid for low-income immigrants

This funding will enhance a low-income grant program for complex, long-term immigration and legal aid cases for individuals living in Washington without guaranteed legal counsel, focusing on immigrants at the Northwest ICE Processing Center

and those at highest risk for removal from the country. Resources previously redirected to short-term asylum seeker legal services will now be covered by coordinated funding from the Department of Social and Health Services, allowing this program to refocus on its original priorities.

*(\$14 million GF-S)*

### Victims of Crime Act funding

Washington's Office of Crime Victims Advocacy administers federal Victims of Crime Act (VOCA) assistance grants based on the state's VOCA plan. Federal funding has steadily declined, creating a steep funding cliff for victim services such as crisis intervention, safety planning, emergency shelter, legal assistance, medical forensic exams, and more. This funding will bridge this gap to ensure victims of crime receive needed services.

*(\$20 million GF-S)*

## Department of Commerce – Local Government Division

### World Cup safety and security

The 2026 World Cup will hold events at numerous locations around Washington and is projected to bring 750,000 visitors to the state. Funding will enhance local capabilities to handle anticipated large crowds. This includes securing commitments from non-Seattle law enforcement agencies to provide assistance, increasing personnel, pursuing early procurement to reduce costs, performing culturally competent local training and exercises, and boosting emergency response preparedness.

*(\$5.5 million GF-S)*

## Commission on Asian Pacific American Affairs

### Needs assessment and strategic plan

The Commission will gain more information about the needs of all Asian American and Native Hawaiian/Pacific Islander communities through a needs assessment, data disaggregation, and strategic planning. The Commission will also be able to begin learning the needs of recently resettled South Asian refugees, mainly from Afghanistan.

*(\$75,000 GF-S)*

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**

# General government: Capital summary

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**\$1.2B**

For broadband infrastructure

**\$350M**

Public Works Board infrastructure investment

**\$49.1M**

For Building Communities Fund

**\$25.5M**

For Deschutes Estuary restoration

## Infrastructure and grants

### Department of Commerce

#### *Expanding broadband to unserved homes*

Washington is committed to expanding high-speed internet access to over 230,000 unserved households. A state match, combined with funding from the federal Bipartisan Infrastructure Law, will reduce broadband inequity and ensure that Washingtonians have the connectivity they need to connect and participate in the digital world.

*(\$230 million State Building Construction Account, \$982.2 million federal)*

#### *Public Works Board construction program*

The Public Works Board provides low- or no-interest loans to local governments for repairing, replacing, or upgrading essential infrastructure. This includes rehabilitating bridges, roads, sanitary sewer systems, domestic water systems, storm sewer systems, and solid waste/recycling systems.

*(\$350 million Public Works Assistance Account)*

#### *Building Communities Fund (BCF)*

The BCF is a key community development tool that provides state capital grants for acquisition, construction, or rehabilitation projects. Funding is provided to 38 construction projects for social service and multipurpose community center

construction in a distressed community or serving low-income individuals.

*(\$49.1 million State Building Construction Account)*

### Department of Enterprise Services

#### *Deschutes Estuary restoration*

The 260-acre Capitol Lake Basin, a multi-biennium project, includes a new bridge that will allow the free flow of salt marsh habitat at the mouth of the Deschutes River. This funding will construct the bridge to make progress on restoring the estuary.

*(\$25.5 million State Building Construction Account)*

#### *Fire and life safety and preservation projects*

Major investments are needed to address fire and life safety for several buildings on the capitol campus. Funding is provided for critical fire system upgrades, HVAC control upgrades, and an arc flash study. Buildings will be modernized with elevator restorations and clean energy efforts. Restoration of legislative chambers, centennial skylights, and building cleanings are included.

*(\$19.5 million State Building Construction Account)*

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**



# Human services: Operating summary

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**\$79.1M**

In support for Tribal health services

**\$33M**

For opening a new Juvenile Rehabilitation Center

**\$48M**

For making progress toward a new ECEAP entitlement date

**\$5.4M**

For permanent expansion of poverty prevention programs

## Our approach to human services budgeting

The governor's proposed budget for human services ensures that people who qualify for services and supports receive the benefits they are entitled to. In this challenging budget year, this means delaying important program expansions, so the budget has capacity to pay for large increases in caseloads, per-person costs, and fair compensation for care providers. The budget also includes thoughtful reductions to generate needed savings while minimizing impacts to Washingtonians.

## Reductions to human services

This budget also proposes reductions to better align spending with program needs. In total, the proposed budget for human services includes \$1.56 billion in General Fund savings over the four-year outlook period.

Reductions include general adjustments for staff vacancies and underspending in programs, in addition to the following:

### Facility closures and delays

- Closing Rainier School and Yakima Valley School Residential Habilitation Centers, continuing Washington's movement away from facility-based care and toward community-based settings. Fircrest School and Lakeland Village remain, with additional capacity becoming available at Fircrest School in fiscal year 2027, allowing

options for individuals from Rainier and Yakima Valley Schools who need to remain in a state facility. Corresponding community investments are described further below.

- Closing the Mission Creek Corrections Center for Women due to declining numbers of women needing lower-security beds, which is described further below.
- Slowing growth in capacity for behavioral health by delaying a new unit opening at Maple Lane Campus. Trueblood wait times have decreased dramatically in the past year, and with units opening at other facilities, this additional space can be postponed. In addition, the governor request legislation designed to reduce the number of inpatient competency referrals will help slow overall growth and reduce strain on existing bed capacity.
- Claiming savings at the Special Commitment Center's Fir Unit, which is closed, and Redwood Unit which is operating at half capacity.

### Program delays and reductions

- Delaying Early Childhood Education and Assistance Program (ECEAP) entitlement and expansion of Working Connections Child Care, which are described further below.
- Delaying the addition of acupuncture and chiropractic care to covered services under Apple Health, which was an upcoming



expansion of coverage that is not yet implemented.

- Eliminating the requirement that the Department of Social and Health Services provide case management for people who have not requested or do not need paid services.

Reductions were taken in order to fund necessary items in the human services budget, including the following investments.

## **Department of Social and Health Services – Aging, Long-Term Care, and Developmental Disabilities**

### **Continue support for senior nutrition program services**

Food insecurity is increasingly prevalent among aging populations. The Area Agencies on Aging administers programs to deliver meals to homes and provides congregate meal settings for seniors at highest risk of losing access to nutrition.

*(\$27.9 million General Fund-State)*

### **Expand support for individuals transitioning from nursing home to community**

The cost of rent prohibits many individuals from securing independent living options, especially when living on a fixed income. By supporting transitions to affordable housing, individuals are empowered to live independently, and nursing facilities are better positioned to accommodate those who require acute care. This funding expands access to affordable housing for individuals who are stalled in acute care settings due to the lack of affordable housing.

*(\$12.9 million GF-S, \$7.2 million General Fund-Federal)*

### **Increase community respite rates and available service hours**

Day habilitation rates cover a range of services for individuals with developmental disabilities including community respite. Community respite allows individuals with disabilities to get involved in community activities while receiving needed supports. It serves as an important support for clients and caregivers, promotes inclusion, combats isolation, and enhances quality of life. This funding will help to expand the choices available to clients.

*(\$718,000 GF-S, \$718,000 GF-F)*

### **Increase community residential nursing rate**

Community residential service providers must employ nursing professionals to provide care to clients with high medical acuity. One-time funding is provided to increase payment rates to hire and retain permanent nursing professionals, reducing reliance on costly temp agencies. This will result in improved health outcomes, decreased hospitalizations, and expedited community placement.

*(\$486,000 GF-S, \$476,000 GF-F)*

### **Increase investment in community residential services**

Individuals with intellectual and developmental disabilities (I/DD) have a right to personal choice in choosing a residential setting. Washington has continued to grow its community-based supports to promote greater community inclusion and integration for people with I/DD. To align with these principles, increased funding for community options is included to ensure individuals will have access to their choice of residential settings and services. These services will also support those individuals who choose community-based placement as the state pursues closure of Rainier School and Yakima Valley School by 2027.

*(\$12.4 million GF-S, \$11.6 million GF-F)*

## **Department of Social and Health Services – Economic Services Administration**

### **Continue support for unaccompanied immigrant children living with a sponsor family**

U.S. Immigration and Customs Enforcement (ICE) placed 1,350 unaccompanied immigrant children in Washington with sponsor families in federal fiscal year 2023. The state provides support services for these families, including housing assistance, child care, transportation, and household supplies. Proposed funds continue these supports through state fiscal year 2026, at which time a long-term solution for supports and case-management activities can be assessed based on future recommendations made by a workgroup led by the Office of Refugee and Immigrant Assistance.

*(\$500,000 GF-S)*

### **Continue supports for individuals newly arriving to Washington**

Between 2022 and 2023, Washington experienced a 400% increase in the number of newly arriving individuals. These individuals do not qualify for the federal Refugee Resettlement Program. This funding will sustain a coordinated, statewide response supporting the economic, social integration, and basic needs of this population through state fiscal year 2026.

*(\$25 million GF-S)*

### **Waive collection of certain overpayments for Aged, Blind, or Disabled program**

Effective July 1, 2025, the Economic Services Administration will be able to waive the requirement for Aged, Blind, or Disabled participants to pay back an overpayment that was caused by an unintentional error. The collection of

the overpayment is burdensome to the participants and can make it more challenging for participants to meet their basic needs.

*(\$308,000 GF-S)*

### **Continue funding for the Integrated Eligibility and Enrollment IT project**

Washington continues to invest in an expedited and streamlined eligibility and enrollment system for medical and social support programs. This integrated system will simplify applications, save time for individuals, and improve efficiency for state workers. The funds also support continued work to create a transparent eligibility tracker and alignment with the Centers for Medicare and Medicaid Services' regulations.

*(\$12 million GF-S, \$23.8 million GF-F)*

## **Department of Services for the Blind and Department of Social and Health Services – Division of Vocational Rehabilitation**

### **Support culturally appropriate rehabilitation services for Tribes**

Most Tribes in Washington are not receiving federal funding to support vocational rehabilitation services. The proposed budget includes funding for grants to federally recognized Tribes to develop culturally appropriate vocational rehabilitation services and to provide adaptive technologies for Tribal members with disabilities who are seeking employment. It is estimated that 261 Tribal members across the state will benefit from these services.

For Tribal members who are blind, low-visioned, or deaf/blind, funding will include support for culturally appropriate vocational rehabilitation, independent living, and youth services benefiting an estimated 87 Tribal members.

*(\$1.3 million GF-S)*

## Health Care Authority – Medical Assistance

### Support for Tribal health services

The budget provides ongoing support for Tribal facilities through a state match for federal funds. This will allow Tribal facilities to continue providing health care services for Medicaid clients regardless of Tribal status.

*(\$70.9 million GF-S)*

### Provide additional health care resources for justice-involved people

Justice-involved Washingtonians often lack access to essential medical and behavioral health care before their release, leading to instability and unmet needs. This funding will fill that gap as part of the Medicaid Transformation Waiver. Services will include Medication Assisted Treatment, a 30-day supply of prescription medications at release and case management services. Providing these services pre-release will stabilize clients, connect them with community clinicians, and promote a more successful re-entry.

*(\$12.8 million GF-S, \$81.5 million GF-F)*

### Increase housing and employment support

Increased federal funding will allow community-based organizations and local housing authorities to provide housing support, rental assistance and employment counseling for clients in need.

*(\$103 million GF-F, \$45 million General Fund-Local)*

## Department of Corrections

### Restructure Reentry Center portfolio

Reentry centers, formerly known as work releases, are a proven method of helping people who are ending their prison sentences be successful in maintaining employment, stable housing, and in

paying legal financial obligations upon release. With changes to the prison population from recent sentencing reform and court decisions, the state's 11 reentry centers are operating well below capacity. Also, in recent years providers operating several of the centers have chosen not to renew their contracts, leading to sudden closure of centers in areas with high demand. To rightsize the reentry center portfolio, this budget proposes to close three centers and convert three others previously operated by vendors into stable, agency-run facilities.

*(\$5.5 million in savings GF-S)*

### Reduce unneeded capacity for incarcerated women

The rapid decline of people with low-level drug offenses in the prison population following the recent *Blake* decision has left the department with excess bed capacity in its lower security level facilities. This budget proposes closing the Mission Creek Corrections Center for Women (MCCCW), a women's minimum-security camp outside of Belfair. The current residents and programs at the camp will move to a reopened unit at the nearby Washington Corrections Center for Women. After the residents' transfer, the department will continue to maintain the campus and could reopen it in the future if needed.

*(\$15.3 million in savings GF-S)*

### Increase access to Medications for Opioid Use Disorder

Maintaining medical treatment for opioid use disorder reduces mortality rates, increases participation in other substance use disorder treatments, and reduces recidivism rates. This funding will provide enough medication to treat incarcerated individuals who have opioid use disorder and who were receiving treatment before entering the Department of Corrections' custody.

*(\$7.1 million GF-S)*

## Provide staff coverage to improve safety and effectiveness

Prison custody officers fill a critical role in ensuring safety for incarcerated individuals, staff, and the public. While improved access to paid leave has benefited these employees, it led to significant gaps in staffing coverage for these 24/7 institutions. The department has covered these gaps with expensive mandatory overtime and unfunded positions, leading to overspending and diversion of resources for community supervision and reentry services. This proposal takes a large step toward fully funding required coverage of mandatory positions. Reducing mandatory overtime will positively impact staff fatigue, morale, and retention rates.

*(\$38 million GF-S)*

## Support access to virtual hearings and services

Virtual hearings are highly effective in ensuring incarcerated individuals receive legal, medical, and other services in a timely, safe, and cost-effective manner. Before March 2021, court proceedings were held in person, requiring multiple custody officers and transportation of incarcerated individuals for a variety of constitutionally required off-campus actions. If demand for hearings had remained stable, transitioning to virtual hearings could have resulted in cost savings. However, the demand for hearings has increased, and this budget proposes funding that increased use. The work to organize and facilitate these hearings will be done by an administrative assistant at each facility. Virtual venues give incarcerated individuals an opportunity to engage in legislative advocacy, access specialized medical care, and maintain essential family connections.

*(\$2.5 million GF-S)*

## Change correctional culture

The negative impacts of incarceration on both incarcerated individuals and correctional staff are

well-documented. The Department of Corrections' Washington Way initiative, through its collaboration with the Amend program at the University of California San Francisco, is an innovative culture change initiative to prioritize the health and well-being of both staff and residents. Funds to continue this partnership will sustain progress in reducing staff burnout, turnover, and mental health issues, while enhancing reintegration efforts.

*(\$1 million GF-S)*

## Department of Children, Youth and Families – Child Welfare

### Provide rate increases for foster care and extended foster care

This budget provides funding to increase the foster care rate. The current rate does not cover the cost of living experienced by foster parents providing care for young adults in extended foster care in supervised independent living arrangements. Due to fiscal constraints, the rate will increase to half the cost of care in the first fiscal year and phase up to the full cost of care in fiscal year 2029.

*(\$7.3 million GF-S, \$4.9 million GF-F)*

### Maintain Family Preservation Services rate

This governor's budget makes the new Family Preservation Services rate, which was increased last year, permanent and ongoing. These essential in-home services are among the most widely accessed services by families in the child welfare system.

*(\$3.5 million GF-S)*

### Continue to roll out reforms and practice improvements related to the D.S. lawsuit

In 2022, parties reached a settlement agreement in *D.S. v. Department of Children, Youth and Families*. Funding is provided to implement provisions of the settlement agreement such as expanding the

adolescent transitional living program, investing in hub homes, and implementing solutions that will allow for the end of placement exceptions by calendar year 2024 as required in the implementation plan for the settlement agreement. This includes using leased facilities and expanding receiving care capacity to transition away from placement exceptions. Funding for plaintiff legal fees and fiduciary support of payment infrastructure for the required reforms is also included.

*(\$19.9 million GF-S, \$694,000 GF-F)*

### Maintain in-home services model program for system-involved children and families

The Intercept program is an evidence-based, comprehensive in-home service model designed to support families and youth from birth to age 18. Youth and their families qualify for the program if they are involved in any of the following: child welfare, children's mental health, or juvenile justice systems. Original funding was provided through fiscal year 2026 to help children and families impacted by the fentanyl crisis. This budget ensures the program's two sites stay open through June 2027.

*(\$872,000 GF-S, \$1 million Private-Local Funds)*

### Respond to substance use disorder in pregnant and parenting families

A "Plan of Safe Care" (POSC) is a family-centered prevention plan designed to promote the safety and well-being of birthing parents and their infants with prenatal substance exposure. This budget expands POSC for substance-exposed infants to all birthing hospitals and for pregnant people in three additional counties. In addition, funding is provided to continue contracting for the Rising Strong model, which provides family-centered drug treatment and

housing programs for families experiencing substance use disorder.

*(\$5.9 million GF-S)*

### Fill service gaps for Tribal families to help them reunite with their children

Tribal children are disproportionately represented in the child welfare system. Culturally responsive programs for Tribal families are limited in some regions of the state. Positive Indian Parenting (PIP) is an evidence-based program developed by the National Indian Child Welfare Association for helping Tribal families reunite with their children. Funding and staff are provided to implement PIP in three locations underserved by culturally responsive programming, including locations in Western and Eastern Washington.

*(\$777,000 GF-S, \$112,000 GF-F)*

## Office of the Superintendent of Public Instruction – Early Learning

### Blend preschool programs to improve social and learning outcomes

The Office of the Superintendent of Public Instruction and the Department of Children, Youth and Families will distribute one-time grants to school districts to blend Early Childhood Education and Assistance Program (ECEAP) and Transition to Kindergarten (TTK) classrooms. Some school districts offer both ECEAP and TTK but very few blend their programs. While ECEAP has income requirements and TTK does not, evidence shows mixed-ability and mixed-income classrooms lead to better social and learning outcomes for all children. This also further aligns ECEAP and TTK as complementary preschool programs.

*(\$2 million GF-S)*



## Department of Children, Youth and Families – Early Learning

### Delay ECEAP entitlement while investing in rates and slots

ECEAP is a preschool program that increases kindergarten readiness for three- and four-year-olds from low-income families. The program offers school day (six hour) and part day (three hour) slots. School day slots better meet the needs of working families and their children. Since 2013, nearly 10,000 slots have been added to the program in efforts to make ECEAP an entitlement by the 2026–27 school year. However, workforce challenges and budget constraints require adjusting the timeline to the 2030–31 school year. To support this updated plan, the Governor proposes:

- An 18% rate increase for school day slots starting July 2025 to stabilize providers and build slot capacity
- Creating 750 more school day slots starting July 2026 by converting 250 part-day slots to school day and adding 500 more school day slots
- Rightsizing the program by capturing 845 unfilled part-day ECEAP slots as savings

*(\$48 million GF-S)*

### Preserve current child care access and affordability

Working Connections Child Care (WCCC) helps eligible families afford child care and has grown by 10,000 new families since the passage of the Fair Start for Kids Act in 2022. This was made possible by expanding eligibility to 60% of state median income (SMI), increasing provider payments to the 85<sup>th</sup> percentile of 2021 market rates, and lowering family copays. Despite serving a total of 30,000 families,

WCCC still reaches only 77% of eligible families. This budget maintains progress toward closing the child care needs gap by maintaining current eligibility for WCCC but delays expansion to families with incomes up to 75% of SMI to fiscal year 2031.

In recognition of the importance of child care, the governor also funds:

- \$510 million in DCYF’s base budget to raise provider subsidy rates up to the 85<sup>th</sup> percentile of 2024 market rates
- \$66 million to comply with new federal Child Care Development Fund rules, which align subsidy child care with the private market and are required to maintain access to this federal grant program
- \$4.8 million for eligible family outreach

Governor Inslee does not take the delay of WCCC expansion lightly. It is a cost avoidance strategy that avoids impacting current families, preserves and optimizes child care access to families currently eligible, and invests in enhancements to rate and pay practices that stabilize providers.

*(\$582 million GF-S, \$20.3 million GF-F)*

## Department of Children, Youth and Families – Program Support

### Maintain rates for Independent Living providers

The one-time rate increase for Independent Living providers are made ongoing and permanent. Independent Living is a voluntary program designed to teach important life skills to current and former DCYF foster youth, including youth in care and those returned home, placed in a guardianship, or have been adopted.

*(\$1.5 million GF-S)*

## Screen children for trafficking and enhance efforts to locate missing Tribal youth

The budget adds funding for two additional staff to screen commercially sexually exploited children statewide and integrate labor trafficking definitions into DCYF practices. These efforts allow the Department to meet its statutory obligations and will protect children. DCYF will also establish a missing Tribal youth locator position to address jurisdictional challenges with locating Tribal youth missing from care.

*(\$1.1 million GF-S)*

## Complete LifeSet expansion to preserve program availability and quality

LifeSet exists in King, Yakima, Spokane, and Snohomish counties. This funding will add two additional sites in Clark and Pierce counties and allow the state to leverage private philanthropic dollars for the program. LifeSet is a comprehensive, community-based intervention model designed to serve youth 17–22 years old who have been involved in the foster care, juvenile justice, or mental health systems or lack the necessary skills and resources to make a successful transition to adulthood.

*(\$1.4 million GF-S, \$430,000 Private-Local Funds)*

## Department of Children, Youth and Families – Juvenile Rehabilitation

### Open new juvenile rehabilitation center

A new DCYF facility will open in early 2025 at the Stafford Creek Corrections Center and serve up to 48 young men ages 18–25. The facility will offer a unique leadership and peer mentor development program. This will address overcrowding at certain facilities and will ensure better access to services, education, and vocational programming.

*(\$33 million GF-S, \$581,000 GF-F)*

## Establish perimeter security at Echo Glen Children’s Center

Funding is provided to enhance the safety of the community, staff, and youth at Echo Glen. Enhancements include establishing a perimeter fence, improving perimeter lighting, and contracting for private security services. Construction is estimated to finish in the fall of 2025.

*(\$3.5 million GF-S)*

## Support Reentry Opioid Use Disorder Intervention Program

Youth in incarceration settings experience higher risk for opioid use and overdose. Positive Outcomes Through Supported Transitions (POST) is a highly successful opioid use intervention program provided by Seattle Children’s Hospital. Teams work with youth in the months before and after their release from incarceration.

*(\$2.1 million GF-S)*

## Department of Health

### Maintain Fruit and Vegetable Incentive Program

Access to fresh fruits and vegetables is an important way to address avoidable chronic diseases associated with poor nutrition and combat food insecurity. The Fruit and Vegetable Incentive Program provides additional financial support to low-income households to purchase fresh produce.

*(\$6 million GF-S)*

## Department of Labor and Industries

### Continue support for victims of violent crime

The Department of Labor and Industries (L&I) manages the Crime Victims Compensation program that provides compensation for victims of violent

crimes and surviving family members of homicide victims. In fiscal year 2024, L&I received 9,449 claims and estimate 20,044 claims over the next two years. These funds pay for direct reimbursements to medical providers who treat victims, as well as benefit payments to individuals to cover temporary wage losses, long-term disability, and funeral expenses. Funding also pays for sexual assault exams to collect evidence for criminal prosecutions.

*(\$9.7 million GF-S, \$1.4 million GF-F)*

### Reduce workers' compensation caseload count

L&I is charged with providing State Fund workers' compensation Insurance benefits to over 3.8 million Washington workers, and processes 112,000 new injured worker claims annually. L&I is currently managing a 218-person caseload per each L&I adjudicator. The 2015 Joint Legislative Audit and Review Committee report recommends a 141-person caseload. Proposed funds pay for a new claim unit to reduce caseloads over time, resulting in quicker and more personalized service for employers and injured workers.

*(\$1.8 million Accident Account, \$1.8 million Medical Aid Account)*

### Expand capacity to service needs of Washington's limited English proficiency workers

Approximately 8% of Washington's population has limited English proficiency and Latino workers have the greatest risk of on-the-job injuries according to Labor and Industries workers' compensation data. Proposed funds pay for staff and the translation of Spanish materials such as print, social, and web content explaining worker rights and support resources. Expanding additional bilingual staffing will help serve the urgent needs of King and Clark

counties to provide direct assistance to limited English proficiency workers through outreach efforts.

*(\$881,000 Accident Account, \$887,000 Medical Aid Account)*

## Employment Security Department

### Continue support for poverty prevention program

The Economic Security for All program supports local community efforts to deliver services that help individuals overcome poverty and achieve self-sufficiency. During the 2023–25 biennium, the state invested one-time funding to expand services to those over 200% of the federal poverty level. This budget makes that expansion permanent and will allow continued supportive services such as training, education, and other resources to help individuals maintain or secure employment.

*(\$5.4 million Employment Services Administrative Account-State)*

### Maintain career-connected learning

Since launching the Career Connect Washington initiative in 2017, the governor has remained committed to providing students with career-connected learning opportunities so they are prepared for high-demand, high-wage jobs. Funding is provided to increase this investment and fill a gap in lapsing federal funds.

*(\$6 million Administrative Contingency Account-State)*

## Increase employment supports for justice-involved individuals

The budget establishes a two-year employment support pilot to help implement Governor's Executive Order 24-03, Reentry 2030. The pilot consists of pre-and post-release employment readiness services for justice-involved individuals in Thurston, Snohomish, and Walla Walla counties. The intent of the pilot is to increase the rate of adults who are employed post-release and reduce recidivism rates.

*(\$2.7 million Employment Services Administrative Account-State)*

## Increase capacity to process claims and respond to customer inquiries

Funds are added for customer support staff for the Paid Family and Medical Leave and Unemployment Insurance programs to increase the department's capacity to process claims and respond to customer inquiries in a timely manner.

*(\$10.8 million Family and Medical Leave Insurance Account-State, \$11.2 million Employment Services Administrative Account-State)*

## Criminal Justice Training Commission

### Continue Corrections Academy expansion

People hired as officers in local jails must complete a mandatory 2.5-month training course delivered by the Criminal Justice Training Commission. State law requires individuals to complete this training within six months of starting employment as an officer, yet the commission has not been able to

provide enough training slots for the demand, and officers have faced long wait times. Last year the state doubled the number of training academies for these officers and saw wait times reduce from almost eight months to five. This proposal continues funding the academy expansion for two more years to keep the wait times within statutory requirements.

*(\$2.6 million GF-S, \$870,000 GF-L)*

## Reduce officer complaint investigation delays

Since the 2021 reforms to state oversight of public safety officer accountability, the commission has experienced a sustained and significant increase in public complaints and agency notices of officer misconduct. This proposal increases the number of existing investigators by 50% to address the significant backlog of cases. Timely review, investigation, and resolution of these cases will maintain public trust, avoid potential further misconduct, and is fair to complainants, accused officers, and their law enforcement agencies.

*(\$1.4 million GF-S)*

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**

# Human services: Capital summary

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**\$47.9M**

In upgrades to officer training facilities

## Training law enforcement officers

### Criminal Justice Training Commission

The governor’s proposed capital budget funds critical upgrades on the CJTC campus in Burien including construction of two new dormitory buildings, shooting range ventilation system upgrade, and HVAC upgrades in the mock city, virtual training center and modular building. Other projects include restroom renovations, roof replacements and American Disabilities Act upgrades on campus.

*(\$47.9 million State Building Construction Account)*

### Washington State Patrol

The Fire Training Academy at North Bend is in need of upkeep. Funding is provided for HVAC upgrades, roof replacements, and other building maintenance projects.

*(\$2.2 million State Building Construction Account)*

## Early Learning Facilities

### Department of Commerce

The Early Learning Facilities programs fund construction, renovation, and property purchases for school districts and eligible organizations to create and expand facilities for subsidized early learning. This increases capacity for early learning programs participating in the Early Achievers or Early Childhood Education and Assistance programs.

*(\$58.6 million State Building Construction Account)*

**\$2.2M**

For improvements to Washington State Patrol building

**\$22.6M**

For safety enhancements for Juvenile Rehabilitation facilities

## Juvenile Rehabilitation

### Department of Children, Youth, and Families

HVAC system upgrades, backup generators, and electrical upgrades are needed at Echo Glen Children’s Center in Snoqualmie and Green Hill School in Chehalis. These additional investments focus on safety improvements, including enhanced security for visitor screening and visiting centers and perimeter lighting.

*(\$22.6 million State Building Construction Account)*

## Correctional Facilities

### Department of Corrections

The Washington Corrections Center for Women near Gig Harbor requires improvements for safety, functionality, and quality of care. These projects include a new unit for older adults. Security will be strengthened by replacing the perimeter fence and security system.

Additionally, renovation and security upgrades will occur on several facilities across the state.

*(\$64.5 million State Building Construction Account)*

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**

**\$64.5M**

For safety enhancements at Washington Corrections Center for Women



# Natural resources: Operating summary

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**\$93.3M**

For enhanced food assistance

**\$9.4M**

To restore salmon populations

**\$8.5M**

To reduce toxic tire dust

**\$13.4M**

To eradicate agricultural pests

## Our approach to natural resources budgeting

The governor's proposal for natural resources protects core programs to manage fish and wildlife, address toxins in the environment and products, prevent and respond to wildfires, and provide recreational opportunities. It also recognizes the importance of programs to support environmental justice and provide hunger relief in times of rising food costs.

## Reductions to natural resources

In total, the proposed budget for natural resources includes about \$25.7 million in General Fund savings over the four-year outlook period. These include:

- Savings from better aligning funding with workload.
- A partial reduction to \$20 million in ongoing funding used for maintenance on recreation lands managed by the departments of Fish and Wildlife and Natural Resources.
- A one-time partial reduction of \$30 million in ongoing funds for contracts to increase biodiversity and species recovery plans.
- Reductions in support for county and local agricultural fairs.

These reductions are necessary to fund essential items in the natural resources budget, including the following investments.

## State Parks and Recreation Commission, Department of Fish and Wildlife, and Department of Natural Resources

### State-Tribal Recreation Impacts Initiative

Funding is provided to assess the ecological health of public lands and support land management strategies that balance conservation and recreation. Capacity is provided to Tribal governments to engage in a collaborative effort that ensures cultural resources and practices are considered and incorporated into recreational management planning.

*(\$1.7 million General Fund-State, \$3.4 million Natural Climate Solutions Account)*

## Department of Ecology, Department of Agriculture, and State Conservation Commission

### Environmental justice

The management of natural resources inherently affects Tribes, Tribal treaty rights, and overburdened communities. By increasing staffing to complete environmental justice assessments, as required by the Healthy Environment for All (HEAL) Act, and engaging with communities and Tribes, agencies will be aided

in addressing historic environmental injustices and complying with federal equity requirements.

*(\$365,000 GF-S, \$2.3 million other)*

## **Department of Ecology, Department of Fish and Wildlife, and Department of Natural Resources**

### **Invasive species management**

Invasive species represent a severe and harmful impact on habitat, infrastructure, and recreational activities. The European Green Crab is an invasive species that poses a threat to marine areas in Washington. Additional capacity is provided for trapping, monitoring, and conducting research to inform long-term strategic management.

Idaho has confirmed the presence of invasive Quagga and Zebra mussels in the Snake River, so additional resources are provided for prevention activities, response readiness, public awareness, regulatory compliance, and preparation for extended management and mitigation.

*(\$3.6 million GF-S, \$3.6 million General Fund-Private/Local, \$2.5 million Resource Management Cost Account, \$542,000 Aquatic Lands Enhancement Account)*

## **Department of Fish and Wildlife**

### **Salmon recovery**

Salmon are critical for Washington's economy, culture, and communities and vital for Tribal cultures, sovereignty, and treaty rights. Funding is provided for salmon population monitoring, hatchery programs including support for the Toutle and Skamania hatcheries, fish passage permitting, predation mitigation, measuring toxicity in fish, and riparian mapping efforts.

These investments complement capital projects and existing programs to recover endangered salmon and steelhead.

*(\$7.5 million GF-S, \$1.9 million Model Toxics Control Operating Account)*

## **Department of Agriculture**

### **Hunger relief**

The overwhelming demand for food assistance at community-based food banks and food pantries continues to climb, especially for people with lower incomes contending with high food prices. Direct emergency food resources are provided to underserved communities and increased support is offered to hunger relief organizations through the Emergency Food Assistance program.

*(\$93.3 million GF-S)*

### **Eradicate agricultural pests**

Harmful pests including moths, Japanese beetles, and spotted lanternfly can have devastating impacts on the state's forestry, landscaping, and agricultural sectors. Capacity is provided to continue trapping and treatment efforts to eradicate known populations and protect against future invasions.

*(\$12.0 million GF-S, \$1.4 million General Fund-Federal)*

## **State Conservation Commission**

### **Salmon habitat recovery**

The Commission works to conserve natural resources through voluntary and incentive-based collaboration with conservation districts and other partners. This means investing in the Commission's Science Hub to coordinate science-based management solutions, and in native plant propagation programs to support salmon habitat recovery projects across the state.

*(\$1.0 million GF-S, \$1.4 million NCSA)*

## Department of Ecology

### Mitigating toxic tire chemicals

The Department of Ecology has been working to address 6PPD and its transformation product, 6PPD-quinone, which is lethal to coho salmon and other aquatic life. Ongoing funding is provided to identify best management practices to treat 6PPD and other tire wear chemicals in stormwater runoff. Funding also continues work to find safer alternatives to 6PPD and conduct alternative assessments for possible replacement chemicals.

*(\$4.4 million Water Quality Permit Account, \$2.2 million MTCOA, \$1.9 million Hazardous Waste Assistance Account)*

### Federal authority for BIL/IRA grants

The Department of Ecology received increased federal funding for environmental and public health initiatives, partially from the federal Infrastructure Investment and Jobs Act and Inflation Reduction Act. New funding will support water infrastructure improvements, pollution cleanup, and efforts to address the climate crisis across Washington.

*(\$83.6 million GF-F)*

### PFAS response

Per- and polyfluoroalkyl substances (PFAS) chemicals are toxic to humans and do not break down in the environment. PFAS are used in many products, including waterproof clothing, furniture, food packaging, and firefighting foam. The Department of Ecology will enhance testing and monitoring of PFAS contamination throughout the state to identify sites requiring remediation and

areas where clean drinking water is threatened. It will also work to reduce or eliminate the use of PFAS by businesses around the state and research PFAS in stormwater and municipal and industrial wastewater.

*(\$3.9 million MTCOA, \$100,000 WQPA)*

### Litter control and recycling market development

Solid waste generation rates continue to rise, recycling rates have remained stagnant, and litter pollution continues to increase. Investments in the state's Recycling Market Development Center will help expand recycling markets and processing in Washington. In addition, the Department of Ecology will provide increased financial support to local governments, nonprofits, and state agencies for litter collection and prevention programs, including cleanup of roadways and highway interchanges.

*(\$4 million Waste Reduction, Recycling, and Litter Control Account)*

## Department of Natural Resources

### Post wildland fire response

Frequent and intense wildfires, declining forest health, and expanding human populations next to forests increase the risk of debris flow after a wildfire. The department will continue assessing debris flow potential in recently burned areas, monitoring rainfall effects on burned slopes, and modeling debris flow potential to provide early warnings for emergency managers and communities.

*(\$1.5 million Wildfire Response, Forest Restoration and Community Resilience Account)*

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**

# Natural resources: Capital summary

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**\$60.7M**

For Puget Sound acquisition and restoration

**\$120M**

For Washington Wildlife and Recreation program

**\$16M**

For Youth and Outdoor Athletic Recreation

**\$80.7M**

For Remedial Action Grant program (toxic cleanup)

## Toxics cleanup

### Department of Ecology

#### *Remedial Action Grant program*

With help from local governments, this program supports cleanup efforts at contaminated industrial sites that affect the state's air, land, and water resources, including the continued cleanup of Puget Sound. Funding protects public and environmental health, creates jobs, and promotes economic redevelopment by allowing contaminated properties to be redeveloped. State funds leverage local matching funding.

*(\$52.1 million State Building Construction Account, \$28.6 million MTCA)*

#### *Clean up toxic sites in Puget Sound*

Funding is provided to clean up contaminated sites in Puget Sound, including in areas with sensitive shoreline habitats. This will protect public and environmental health, create jobs, and promote economic development in the Puget Sound Basin.

*(\$3.2 million MTCA)*

#### *Product Replacement program*

This program identifies the sources of the worst chemicals reaching the environment and develops recommendations on how to reduce or eliminate those sources.

*(\$9 million MTCA)*

### *PFAS Response*

The budget reduces exposure to PFAS by decontaminating fire engines — one of the largest sources of PFAS pollution — conducts sampling to identify contaminated sites, initiates the cleanup process, and provides safe drinking water during cleanups.

*(\$5 million State Building Construction Account)*

## Salmon and habitat protection

*(\$1.4 billion in additional salmon projects are included in the Climate section)*

### Recreation and Conservation Office

#### *Puget Sound acquisition and restoration*

This funding protects and restore salmon habitat. A large portion of the habitat restoration is for chinook salmon, which provide one of the most critical food sources for Southern Resident orcas.

*(\$50.6 million State Building Construction Account, \$10.1 million Natural Climate Solutions Account)*

#### *Salmon Recovery Funding Board*

This grant program implements the Salmon Recovery Act and provides funding for projects that protect or restore salmon habitat and other salmon recovery programs and activities across the state. This is Washington's only grant program that focuses exclusively on protecting and restoring salmon habitat statewide. Projects are developed

locally and evaluated to determine if and how well they will implement priorities addressed in federally adopted salmon recovery plans.

*(\$25 million State Building Construction Account, \$20 million Natural Climate Solutions Account, \$80 million federal)*

#### *Estuary and Salmon Restoration program*

This grant program funds enhanced protection and restoration of Puget Sound's nearshore, a uniquely critical area for salmon recovery. Local communities throughout Puget Sound and recreational and commercial fishers are impacted by these restoration efforts. Tribes who are working to maintain federally protected Tribal treaty rights benefit from the Estuary and Salmon Restoration program (ESRP) nearshore project implementation.

*(\$7 million State Building Construction Account, \$11.1 million Natural Climate Solutions Account)*

#### *Washington Coastal Restoration and Resiliency Initiative*

This program restores aquatic and terrestrial habitat on the Washington coast to protect salmon populations and provide jobs. Projects strengthen communities through job creation, more work options for local contractors, flood control, access improvement, climate resiliency, and more.

*(\$5.8 million State Building Construction Account)*

#### *Brian Abbott Fish Barrier Removal Board*

This grant program provides funding to design and construct solutions to fish passage barriers. Completing these projects will restore access to salmon habitat and help rebuild whole salmon populations by opening watersheds.

*(\$31 million State Building Construction Account, \$15 million Natural Climate Solutions Account)*

## Department of Fish and Wildlife

### *Toutle River Fish Collection Facility*

This project will upgrade the Toutle River fish collection facility to meet a 95% passage requirement and provide for safe and more efficient operation and maintenance. This is an 83% federal and 17% state cost-share agreement with the Army Corps of Engineers.

*(\$15.2 million State Building Construction Account)*

### *Other Hatchery expansions and renovations*

This category includes multiple hatchery projects statewide, such as Spokane, Palmer Ponds, Kendall Creek, Elwha, Samish Adult Pond, Samish Friday Creek, Minter, Wallace River, Soos Creek, Sol Duc, Beaver Creek, Naselle, and Nemah.

*(\$80 million State Building Construction Account)*

## Department Natural Resources

### *Webster Nursery expansion*

This project will increase seedling production to meet the demand for post disturbance reforestation efforts and support new initiatives to restore riparian areas and mitigate climate change impacts.

*(\$5.6 million State Building Construction Account)*

## Recreation

### State Parks and Recreation Commission

#### *Nisqually new full-service park and day-use improvements*

This project continues the next phase of funding for a new full-service park in partnership with the Nisqually Indian Tribe. A new park entrance, campground, and support facilities will be constructed.

*(\$21.2 million State Building Construction Account)*



### *Klickitat Trail: Suburbia Bridge and Trail*

Funding for this trail system will complete the most significant gap in the 31-mile Klickitat Trail in South Central Washington. Key elements include the design and construction of a bridge over the Klickitat River.

*(\$4 million State Building Construction Account)*

### *Moran Campground Renovation and Staff Housing*

This project funds design and permitting for campground renovations at the Northend and Midway campgrounds. Project elements include restrooms, utilities, paving, campsites, and other amenities. Housing will also be constructed to serve permanent and seasonal staff working at the park.

*(\$1.8 million State Building Construction Account)*

### *Sun Lakes - Dry Falls Visitor's Center renovation*

This project renovates the existing visitor center area, including an enhanced potable water system, provides accessibility improvements to buildings and grounds, and assists in the historic preservation of structures.

*(\$6.4 million State Building Construction Account)*

### *Statewide ADA compliance*

Projects funded in this category complete the design, permitting, and construction of access improvements to achieve ADA compliance for key buildings and landscapes at multiple state parks across Washington. This helps make state parks more accessible for a wide variety of ages and abilities, thus making state park access more equitable.

*(\$3 million State Building Construction Account)*

## **Recreation and Conservation Funding Board**

### *Washington Wildlife and Recreation program*

This grant program renovates new local and state parks, protects and restores wildlife habitat, and

preserves working farms and forests. Projects funded by this grant program contribute significantly to economic opportunities and a healthier population.

*(\$54 million Outdoor Recreation Account, \$12 million Farm and Forest Account, \$54 million Habitat Conservation Account)*

### *Nonhighway and off-road vehicle activities*

This grant program develops and manages recreation opportunities for users of nonhighway roads (roads not supported by state fuel taxes), including hikers, equestrians, off-road vehicles, bicyclists, hunters, and other users of nonhighway roads.

*(\$12.2 million NOVA Program Account)*

### *Youth athletics facilities*

This grant program provides grants for projects that improve or renovate community athletic facilities and encourage people to participate in outdoor athletics. Outdoor recreation participation surveys show increasing demand for these facilities, and they tie directly to other public policy efforts to reduce childhood obesity and increase fitness.

*(\$8.5 million State Building Construction Account)*

### *Community Outdoor Athletic Facilities*

This grant program funds the acquisition of, improvements to, or renovation of outdoor athletic facilities to increase availability for competitive play. The program focuses on youth athletics in communities that lack recreational opportunities, have underserved populations, and possess limited financial capacity.

*(\$7.5 million State Building Construction Account)*

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**

# Education: Operating summary

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**\$1.3B**

Provided for inflationary increases for teachers

**620,000**

Students receiving summer food stipends

**70%**

Of students receiving free school meals

**\$182M**

To continue support of need-based state aid programs

## K-12 education

### Our approach to K-12 education budgeting

The governor’s budget upholds the state’s commitment to educating the next generation of Washingtonians. In recent years, Gov. Inslee has prioritized additional support for special education, paraeducators, and counseling and health support for students. The governor’s proposed budget covers the increased costs necessary to maintain those investments and focuses on addressing required inflation in compensation costs for teachers and other vital school staff, materials and technology, and sustained support for school food services.

### Reductions to K-12 education

In total, the proposed budget for K-12 education includes near general fund savings of \$346.7 million over the four-year outlook period.

Reductions include pausing the National Board certification bonuses, decreasing grants for paraeducator training due to underutilization, and the eliminating certain discretionary grant programs to recuperate underspent funds.

The governor proposes targeted reductions in allocations that have historically been underspent. Regularly reviewing spending and reassessing priorities ensures the long-term sustainability of essential services for the people of Washington, protects the state’s financial stability, and promotes public trust.

These reductions are necessary to fund essential services in K-12 education, including the following investments.

## Proposed K-12 investments

### Continue support of students’ nutrition needs

Simply put, when children are hungry, they cannot learn effectively. Washington has made significant progress in providing school meals at no cost to students in all areas of the state. In the 2024–25 school year, nearly 70% of Washington students attend schools offering free meals to all students.

While the federal government provides most of the funding for no-cost meal programs, state funds ensure financial viability for local school meal programs. Additionally, 620,000 students from low-income households who are eligible for the Supplemental Nutrition Assistance Program (SNAP) will receive a \$125 per month summer bonus to work toward the promise that no child will go hungry.

*(\$35.4 million GF-S, \$1 million General Fund-Federal)*

### Ensure equity for all students

The Office of Equity and Civil Rights within the Office of the Superintendent of Public Instruction (OSPI) plays a vital role to publish rules and guidelines to eliminate discrimination in Washington school districts, and to monitor and enforce district compliance with those rules and guidelines. With complaints currently over double the average

historical caseload, additional funding will ensure timely investigations and corrective action.

*(\$642,000 GF-S)*

## Support school district financial health

Inflation continues to strain school district budgets. OSPI monitors the financial health of school districts but lacks the dedicated staff resources to support school districts through budget and fiscal challenges. To address this, the budget includes funding to assist districts in managing financial challenges. Having in-house expertise to deploy assistance to districts when and where needed will ensure that school fiscal challenges are addressed early in a solutions-focused manner.

*(\$2.3 million GF-S)*

## Prepare for the future of education in Washington

The proposed budget also includes funding to update the OSPI apportionment system. In doing so, OSPI hopes to reduce the administrative burden on districts. Every dollar spent on administration is a dollar that cannot be spent in the classroom educating students.

*(\$13.2 million GF-S)*

## Higher education

### Our approach to higher education budgeting

Thanks to investments in the Washington College Grant, Washington ranks as the most generous aid-based financial aid system in the nation. Thousands of students are joining programs that connect them to registered apprenticeships and other career-based training. The governor's proposed budget reflects a continued commitment to strengthening higher education as a cornerstone of opportunity and innovation, while also recognizing the financial challenges our state is facing. The governor

proposes one-time reductions for higher education institutions but maintains investments that reduce barriers to education for underserved populations and aligns educational programs with workforce demands to ensure students are prepared to succeed in a rapidly changing world.

### Reductions to higher education

In total, the proposed budget for higher education includes near general fund savings of \$6,841,000 over the outlook period.

Reductions to Washington's public two- and four-year colleges and universities will lower expenditures and enhance government efficiencies.

These reductions were taken in order to fund necessary items in higher education and workforce development, including the following investments.

## Proposed higher education investments

### Strengthen our partnership with Tribal Communities

The Native American Scholarship pilot initiative at Washington State University, launched in the 2023–25 biennium, provides funding for stipends, honorariums, and meals for undergraduate students who are members of federally recognized Tribes. The governor proposes continued funding for this critical program to meet the unmet financial needs of Tribal students.

*(\$2.2 million GF-S)*

### Support career and technical education

The governor proposes increasing the ongoing support for the Washington Award for Vocational Excellence (WAVE) scholarship program. The WAVE scholarship honors the achievements of Washington's top career and technical education students.

*(\$1 million Workforce Education Investment Account (WEIA))*

## Enhance dental education and care in Eastern Washington

The proposed budget includes funding to support the creation of a new master's degree program in dental therapy at Eastern Washington University (EWU). In 2023, Governor Inslee signed legislation into law that authorizes licensure of dental therapists in Washington state. Supporting EWU's new degree program will enable more rural and underserved communities to have access to dental care as well as enhance dental education in Eastern Washington.

*(\$1.4 million GF-S)*

## Expand the Shelton Promise Program

The Evergreen State College's Shelton Promise program was established in the 2024 supplemental budget to support students in the Shelton School District, nearly 70% of whom forgo higher education. The governor proposes additional investment in the program to help eliminate barriers to education for Shelton students and their families.

*(\$901,000 GF-S)*

## Continue our commitment to college affordability

Washington continues to lead the nation in financial aid resources available to students from low- and middle-income households. The governor's proposed budget maintains the Washington College Grant eligibility to students from families making 0%–65% of the state's median income, compared to the original 0%–55% threshold when the grant was first established.

*(\$46.1 million WEIA)*

## Support Washington's next generation of behavioral health workers

The governor's proposed budget continues support for the Behavioral Health Teaching Facility at the University of Washington, which provides care for individuals with serious physical and behavioral health challenges, while also training the next generation of behavioral health professionals. This investment in this unique facility demonstrates the governor's commitment to transform the state's behavioral health system.

*(\$40 million GF-S)*

## Expand support for students experiencing homelessness

The governor proposes funding to expand the Students Experiencing Homelessness program, first piloted in 2019, to include the Northwest Indian College. American Indian and Alaska Native students face the highest rates of housing insecurity and homelessness. Including the Northwest Indian College in this program will enable the college to build systems to identify and support students facing these challenges.

*(\$204,000 WEIA)*

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**

# Education: Capital summary

**131**

districts and 8 Tribal schools receiving small district planning or construction grants

**\$79M**

on relocations for K-12 schools at high seismic and tsunami risk

**\$120M**

in state bonds for higher education clean energy projects

**6**

colleges and universities across the state making long-term investments in STEM-oriented buildings and renovations

## K-12 infrastructure

### Office of the Superintendent of Public Instruction

#### *School Construction Assistance Program*

The School Construction Assistance Program (SCAP) is the primary way that schools across the state are built, renovated, and modernized. This program provides the state's share of the funding for major projects, with local shares coming from bonds, levies, and other local sources.

*(\$557 million State Building Construction Account, \$6 million school funds)*

#### *Small district and Tribal school modernization*

Small and rural districts may struggle to pass bonds and levies, preventing them from becoming eligible for SCAP funding. The Small District Modernization Grant Program provides funding for Tribal schools and small districts (1,000 students or fewer) for small projects (\$6 million per project or less) with no local match required. This program allows timber revenue to be directed back toward the communities that it comes from.

*(\$251 million State Building Construction Account, \$82 million school funds)*

#### *School Seismic Safety Grant Program*

Designed for K-12 schools at high risk of collapse during a major earthquake or severe flooding during a tsunami, this program provides seismic retrofits and safety

improvements for schools that can remain where they are and relocation for schools that cannot.

*(\$79 million State Building Construction Account)*

## Higher education infrastructure

### Efforts across higher education

#### *Campus energy systems, decarbonization efforts, and clean buildings compliance*

This budget invests in campus-wide energy systems and building decarbonization efforts at each of the state's public four-year institutions, working to move each off natural gas-powered steam boilers (the largest contributors to campus greenhouse gas emissions) and onto clean electricity.

- **The University of Washington:** funds a micro district energy system south of Pacific Ave, replaces inefficient steam piping with hot water piping and includes heat recovery systems.
- **Washington State University:** continues buildout of first nodal heat pump and funds design of groundwater-based district energy systems to eliminate the natural gas-powered steam system.
- **Eastern Washington University:** funds design of the first geothermal plant, as well as building envelope work to reduce heating and cooling inefficiency.



- **Central Washington University:** continues design for the second geothermal plant and underground infrastructure, as well as for local building modifications and connectivity.
- **The Evergreen State College:** funds design for its largest campus building (Evans Hall) and dormitories to be disconnected from the central steam plant and transitioned to heat pumps and electric boilers.
- **Western Washington University:** funds design and consultation work for a heating conversion project, which will be a combination of heat pumps, heat recovery chillers, and air-cooled chillers across four nodes.
- **State Board for Community and Technical Colleges:** funds Clean Buildings Performance Standard compliance.

*(\$120 million State Building Construction Account)*

#### *Functional improvements and facility preservation*

In addition to major projects like new buildings and big renovations, colleges and universities are doing important work to keep their campuses running and make them more accessible and efficient. This can span a wide range of projects, including:

- Walkway improvements and lighting upgrades — especially important for students, faculty, and staff with limited vision and/or mobility — to allow everyone to feel welcome and safe.
- HVAC upgrades, which improve indoor air quality and temperature regulation, are necessary to combat both exterior air (wildfire smoke, pollution) and interior air (airborne virus) issues.
- Functional building envelopes (a roof that keeps out water and walls and windows that keep out cold or hot air) are key to a

building's function. Making buildings more impermeable also makes them more energy efficient and more sustainable to run.

- Classroom and lab upgrades ensure that as pedagogy, technology, and degree demands change, so do education and research spaces.

This budget invests heavily in these important maintenance and improvement projects, with the aim to keep our learners, researchers, and educators safe and able to do their work without environmental distraction.

*(\$188 million State Building Construction Account, \$272 million higher education building accounts)*

## **Four-year colleges and universities**

### **University of Washington**

#### *Chemical Sciences Building and Bagley Hall*

This project will involve the demolition of the Chemistry Library, renovation of chemistry spaces in Bagley Hall, and construction of a new facility, the Chemical Sciences Building (CSB). The lab-focused CSB will enable chemical research for real-world applications, offer opportunities for chemical sciences research and education, and provide interdisciplinary overlap with the nearby molecular- and nano-engineering research centers.

*(\$124 million State Building Construction Account, \$61 million local and philanthropic funds)*

### **Washington State University**

#### *Pullman Sciences Building*

This project will demolish the aging and inefficient Heald Hall, design a new Integrated Science Building (ISB), and prepare the building site for the future construction of the ISB on the Pullman campus. Construction of the ISB is planned for the 2027–29 biennium and will support science, technology, engineering and math (STEM)

programming in a wide array of disciplines, including biology, physics, chemistry, data sciences, veterinary medicine, zoology, food systems, genetics, and materials science engineering.

*(\$25 million State Building Construction Account)*

### *Spokane Team Health Education Building*

This budget funds the final design, site preparation, and construction of a new Team Health Education Building. This new building will serve as the focal point for experiential learning, clinical education through simulation, and clinical research on the Spokane campus, serving the Colleges of Medicine, Pharmacy and Pharmaceutical Sciences, and Nursing.

*(\$58 million State Building Construction Account)*

### *Land grant mission*

Three projects focused on WSU's land grant mission are included in this budget. Combined, they will support disease surveillance, food safety, climate-resilient agriculture, pest management, and more.

- Puyallup: Washington Animal Disease Diagnostic Lab Facility
- Pullman: Dairy Modernization
- Wenatchee: Tree Fruit Research & Extension Center Plant Growth Facility

*(\$14 million State Building Construction Account)*

## **Eastern Washington University**

### *Martin-Williamson Hall*

This renovation will better integrate the School of Education and School of Psychology, as well as the counseling and psychological services center, into a collaborative facility that takes advantage of the synergistic nature of these programs, all while maintaining the historic building facade.

*(\$12 million State Building Construction Account)*

### *Lucy Covington Leadership House*

This facility will serve as a center to support the success of *Tribal students at the university and beyond. It honors the legacy of Lucy Covington, a prominent advocate for Tribal sovereignty and self-determination.*

*(\$2 million State Building Construction Account)*

## **Central Washington University**

### *Aviation degree expansion*

The aviation degrees and certificates at CWU are an important piece of workforce development. This stand-alone project at Bowers Airfield will expand and modernize the aviation hangar and instructional space to support enrollment growth and student success in this critical, high-demand occupational pathway.

*(\$10 million State Building Construction Account)*

### *Wildcat Farm composter*

The installation of a large, 10-by-30-foot Earth Flow industrial composting unit will help the university meet its goal of diverting 25% of all waste generated on campus by 2030 by processing up to 1,000 pounds of pre- and post-consumer food waste and converting it into compost to be used at the Wildcat Farm. Other infrastructure additions include a cold storage facility to wash, pack, and store produce, an outdoor classroom, and an all-gender composting toilet.

*(\$2 million State Building Construction Account)*

## **Western Washington University**

### *Poulsbo instructional facility*

This new facility will help serve the regional education and workforce needs of the Kitsap and Olympic peninsulas, an educationally underserved region with many nontraditional and rural students.

Additionally, it will enable WWU to expand the Cyber Range project, which provides cybersecurity education for two- and four-year institutions of higher education and K-12 districts throughout the state.

*(\$7 million State Building Construction Account)*

## **Two-year community and technical colleges**

### **State Board for Community and Technical Colleges**

#### *Olympic College - Innovation and Technology Learning Center*

A new facility will house five unique STEM-focused computer-based lab spaces, including a Maker Space, multiple modern and flexible classrooms, office space, and informal collaborative spaces. The new building will co-locate active learning classrooms, hands-on labs, and student study space.

*(\$31 million State Building Construction Account, \$1 million from building fees)*

#### *Lower Columbia College - Center for Vocational and Transitional Studies*

The Cowlitz County Economic Development Council indicates that more than 30,000 manufacturing jobs need to be filled in the Southwest Washington-Portland region as the existing workforce reaches retirement age over the next decade. This project provides program-specific space for machining, welding, information technology, and transitional studies. This facility will aid in training a skilled workforce and supporting economic growth in the region.

*(\$45 million State Building Construction Account)*

#### *Columbia Basin College - Performing Arts building replacement*

This replacement facility will serve visual arts, performing arts (theater and music), multimedia,

and innovation center programs, while allowing for program flexibility, adaptability, collaboration, and interdisciplinary learning.

*(\$55 million State Building Construction Account)*

#### *Whatcom Community College - Technology and Engineering Center*

Construction of this new facility will provide programmatic space for computer science, computer information systems, IT networking, cybersecurity, engineering, and transitional learning programs.

*(\$51 million State Building Construction Account)*

#### *Cascadia College - CC5 Gateway Building*

Current facilities impede success for the college's most vulnerable students (e.g., students of color, LGBTQ+ students, first-generation students, students with disabilities, and those with limited English language skills). The construction of a new Gateway Building will address the problem of inefficient and inadequate student service spaces, bringing all student services (outreach, onboarding, retention, and completion) for all student populations (adult basic education, worker retraining, academic transfers, and international) together in one building.

*(\$40 million State Building Construction Account)*

#### *Edmonds College - Triton Learning Commons*

This project will renovate 5,411 gross square feet and add 39,010 gross square feet to the existing library and student services facility.

*(\$44 million State Building Construction Account)*

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**

# Transportation summary

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**\$13.1M**

For highway worker safety

**\$794M**

For ferry services

**\$143,000**

For equity in license  
suspension

**\$903M**

For fish passage

## Our approach to transportation budgeting

Washington state's dynamic transportation system includes rail and bicycle routes, more than 7,000 miles of state highway, nearly 3,300 bridges, 10 mountain passes, and the largest operating ferry system in the U.S.

This complex system faces immense funding challenges. To align with this reality, Governor Inslee proposes a practical, people-first approach to the 2025–27 transportation budget. It prioritizes safety, service, and responsible management of previous and ongoing commitments.

## Washington State Patrol and Department of Transportation

### Deploy speed cameras to reduce work zone injury and death

Crews that work on Washington's state roadways take safety seriously. Yet despite precautions, there were 1,228 collisions in or near a work zone in 2023, and the number of fatal crashes doubled from the year before. Gov. Inslee's budget funds a pilot that will purchase six speed cameras to deter unsafe driving in work zones.

*(\$13.1 million Highway Safety Account)*

### Train 60 additional state troopers to enforce safety on state roadways

State troopers complete 37 weeks of training that prepares them to protect and serve the people of Washington across more than 7,000 miles of state highways. The governor's budget funds two Trooper Basic Training classes. This investment will add 60 law enforcement officers to build state capacity.

*(\$6.8 million State Patrol Highway Account)*

## Department of Transportation

### Remove barriers to fish passage

The state re-opened 24 barriers to fish passage under state highways in 2024. These culvert corrections restore access to 76 miles of potential habitat. The governor's budget furthers efforts to meet the requirements of the 2013 *U.S. v. Washington* court injunction. The funding will be used to design additional barrier corrections in anticipation of future funding for construction. Correcting barriers that hinder salmon and steelhead populations is vitally important to Tribes, ecosystems, and the economy.

*(\$120 million Connecting Washington Account, in addition to agency request of \$783 million multiple funds)*

## Improve ferry reliability

Washington State Ferries (WSF) carried nearly 19 million riders in 2023 alone. People rely on our marine highway system to access essentials like health care, child care, educational opportunities, and jobs. However, persistent crew shortages continue to disrupt services.

Gov. Inslee's budget supports crew recruitment and retention, renews year-round daily interisland services in the San Juans, and increases winter service to match fall and spring levels on the Anacortes-San Juan Island route. The investment will improve WSF's ability to recruit crew for this route and ultimately improve service reliability for those who depend on ferries.

*(\$19.2 million Puget Sound Ferry Operations Account-State)*

## Department of Licensing

*Prioritize equity and education in license suspension process*

To encourage road safety and reduce inequity, Gov. Inslee's budget improves the process for a driver to

get their license back following suspension for traffic tickets. Funding supports a shorter suspension if the driver has completed the required safe driving course and insurance verification sooner than the current 60-day suspension. This proposal encourages drivers to learn safe habits sooner. It also reduces the burden on people who experience barriers to other modes of transportation, such as unmet disability accommodations or limited service in rural or under-resourced communities.

*(\$143,000 Highway Safety Account-State)*

## Clean Transportation

Additional green transportation projects, such as ferry electrification, are included in the Climate and Energy portion of this budget proposal.

**Note: Visit [Budget Recommendation Summaries](#) for a full list of investments, organized by agency.**



# Ensuring services and programs are delivered by skilled employees

Washington's state employees provide the essential services that our communities depend on. They teach and provide care for our children. They operate our ferries and plow snow off our roads. They inspect food for safety. They provide skilled care to people in our veterans' homes, behavioral health facilities, and corrections institutions. These are important jobs, and when we don't have skilled people to perform these important jobs, services are delayed and people are harmed.

Staffing shortages can pose risks for those in the state's care or impact the state's ability to reliably operate the ferry system. They can also be costly, increasing overtime costs or jeopardizing federal funding.

The 2024 Washington State Employee Compensation Survey found the state's compensation still lags behind competitors in other in-state private and public employers, as well as other state governments. Fair compensation, affordable benefits, and supportive workplaces are necessary to attract, retain, and motivate the skilled professionals who keep Washington running.

Collective Bargaining Agreements (CBAs) are central to these efforts. CBAs are labor agreements that cover about 80% of the state's workforce — including human services, general government,

community colleges, and Washington State Ferries. These agreements also secure health care benefits for both public and school employees.

For the 2025–27 biennium, the Office of Financial Management reached 32 agreements that are tailored to the state's workforce and operational needs. Key provisions include:

- Maintaining the health care premium split to keep benefits affordable.
- General wage increases to address the impacts of inflation.
- Competitive pay for low-wage workers.
- Targeted wage increases for roles with recruitment and retention challenges.
- Premium pay for employees who accept positions in hard-to-fill environments or shifts.

The total 2025-27 cost of these bargained agreements and other compensation increases for workers who deliver vital care to our most vulnerable neighbors and essential services to our broader community is \$2.6 billion. These investments lead to a more stable economy and improve the quality of life for everyone.

# Sustaining law enforcement and firefighter pensions

The Law Enforcement Officers' and Fire Fighters' (LEOFF) pension system provides a retirement benefit to our first responders who put their lives on the line to protect us. Governor Inslee's proposal builds on our state's 20-year history of prudent management. Due to the state's successful investment practices, LEOFF Plan 1 has an approximate \$2 billion surplus and LEOFF Plan 2 is fully funded. Under the proposal, LEOFF Plan 1 and LEOFF Plan 2 will remain separate, but their funding is combined into a single, stable pool dedicated to paying benefits. The proposal leaves a \$1 billion buffer in the LEOFF system while also allowing for

\$1 billion previously contributed by the state to the LEOFF Plan 1 system to be returned for general state purposes. This approach ensures fairness for all retirees, maintains safeguards that prevent sudden cost spikes, and responsibly manages these plans. The existing LEOFF 2 Board will transition to the LEOFF Board and will include representation for LEOFF 1 members. The state will request an Internal Revenue Service (IRS) review to confirm that all measures meet federal standards, while local disability boards retain their full authority over medical benefits.

## **We Value Your Feedback!**

Please [take our short survey](#) and share your thoughts on this report.

## **Questions?**

If you have any questions or need assistance, please contact us at [info@ofm.wa.gov](mailto:info@ofm.wa.gov)