



2023 Legislative Session Preview

Washington's 2023 Legislative Session will begin on Monday, January 9, 2023, and it is the first year of the two-year legislative biennium. Notably, as discussed during our Legislative Committee session at the Annual Meeting, this will be the first mostly in-person session since January 2020.

In addition to new policy ideas, the primary tasks of legislators during a long session is enacting the state's biennial budgets: Operating, Capital and Transportation.

Democrats will continue to control the agenda in Olympia with strong majorities in both the House and Senate, extending previous majorities by picking up one additional seat in each chamber in the November elections.

The contingent of lawmakers descending on campus will feature 22 newly elected legislators, along with 3 returning from retirement. But even for members elected in 2020 this will be a learning year, as it will be the first time working from their offices on the Capitol campus.

With change in membership comes change in committee leadership: with 7 new House Chairs, and 3 new Senate Chairs taking up the gavels this year.

And while Caucus leadership remains mostly stable, Representative Pat Sullivan (D-Auburn area), House Majority Leader since 2010, did not seek re-election in November and is succeeded by longtime House Environment and Energy Committee Chair, Rep. Joe Fitzgibbon (D-West Seattle). Click here to view the full list of leadership positions: [House Leadership](#), [Senate Leadership](#)

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

In addition, we are providing you with some background information on our two contract lobbyists who will help run the Association's legislative program this year: John Stuhlmeier and Marian Dacca.

We are looking forward to starting this long session at a sprint and keeping your interests in front of us throughout. And we hope to see you all on Ports and Maritime Day 2023, on February 2nd here at the Capitol.

-Your WPPA staff and lobby team

Governor Inslee's 2023-2025 Budget Proposal – Overview

Each year, prior to the start of session, Governor Inslee releases his budget proposal for the legislature's consideration. This proposal includes a spending plan, highlights top priorities, and lays out the Governor's policy agenda for the upcoming session. This year's Inslee Administration budget proposal focuses on two main priorities: Housing & Homelessness, and Climate.

Top Budget Highlights:

- Operating Budget Proposal spends \$70 billion, which is roughly a \$7 billion increase in spending from last biennium (2021-2023: \$63 billion).
- No new tax increases are proposed however the budget does rely on funding from the capital gains tax (currently under litigation) and revenues from the Climate Commitment Act (cap-and-trade program, passed in 2021).
- Inslee proposes raising \$4 billion to address housing and homelessness by utilizing bonds. This, however, would be subject to legislator and voter approval by referendum.
- Significant spending and policy ideas to support climate priorities.

The budget picture appears strong heading into session: based on the [November revenue forecast](#), projections are \$762 million higher than projected for this biennium and \$681 million higher than projected for next biennium - resulting in \$2.6 billion in reserves at the end of the 2023-2025 biennium. However, Legislators continue to caution stakeholders that, while revenues are above projections from earlier this year, there is real concern of an impending economic recession.

Over the duration of the session, the House and Senate will each produce their own budget proposals, and then the two chambers will negotiate their differences. Typically, House and Senate budget proposals are released shortly after the March revenue forecast.

Budget Areas of Potential Port Interest

Energy facility siting: [Governor Inslee's budget gives an indication of the priority](#) his Administration places on reforming siting regulations to allow easier development of clean energy facilities in Washington state. His budget calls for the creation of a Clean Energy Siting Council, calls for a requirement that green hydrogen projects get an "programmatically environmental review," and more. This will be paired with potential legislative advancement of recommendations coming out of the interim energy facility siting work group, which had Gary Nelson from Port of Grays Harbor and Diahann Howard from Port of Benton as members.

Job training in maritime sector: \$12m in the Transportation Budget section is directed to WSF to support the "Able-bodied sailor (AB) Mate Pathway Program," while \$3m from last year's Move Ahead Washington package is intended to fund pre-apprenticeship and other workforce training in the maritime sector, including "funding Coast Guard certification costs."

Governor Inslee's 2023-2025 Budget Documents:

- Budget Highlights: [Proposed 2023-25 Budget and Policy Highlights](#)
- Operating Budget Language: [2023-25 BiennialOperZ-0211.2.pdf \(wa.gov\)](#)
- Capital Budget Language: [2023-25 Biennail2023SuppleCapitalZ-0104.2.pdf \(wa.gov\)](#)

Environmental cleanups: Governor Inslee proposes spending \$115m on Remedial Action Grants that support port environmental cleanups, a \$40m increase over the final allocation in the prior biennial budget. Ports will have to advocate to maintain that funding level, but having an increase in the budget proposal is a good start.

Transportation project funding: The Governor's budget proposal lent additional clarity to the Move Ahead Washington packages project list. The 2022 transportation package named projects but didn't articulate when they would occur – and this budget proposal at least indicates which projects will be funded in the upcoming biennium.

Decarbonization of port operations: The Inslee budget does not include any capital funding for shore power. His proposal does include \$83m for “accelerating the transition to zero-emission medium- and heavy-duty vehicles,” which will include bus fleets AND drayage trucks. The funding comes from the Climate Commitment Act, but not clear how it will be disbursed.

Job training for clean energy sectors: \$7.9m in the Governor's budget is dedicated to worker training in the clean energy sector. The budget language focuses those funds on “community colleges and Western Washington University,” but also will provide support to the State's Department of Labor and Industries (LNI) to specifically support workers in clean energy apprenticeships.

Additional Areas of Interest:

Housing & Homelessness: For the past several years, the Governor and Legislature have prioritized addressing housing and homelessness – more than \$2.4 billion has been appropriated in the past two years towards this effort. This year, Governor Inslee is proposing to continue efforts and make significant new investments including the introduction of a referendum that will allow the state to issue bonds outside of Washington's debt limit. If approved by legislators and the voters, the legislature could front-load \$4 billion of housing construction over the next six years. Based on his press conference, the underlying capital budget will fund approximately 2,200 new housing units in the 2023–25 biennia and if the referendum is approved it would add 5,300 units during that time, and 19,000 in the following three biennia. Additional details on Governor Inslee's Housing proposal [can be found here](#).

Climate: Several significant environmental policies have passed in recent years including the Clean Energy Transformation Act (100% Clean Energy), Clean Fuel Standard, Healthy Environment for All Act (HEAL Act), Building Efficiency Standards, and the Climate Commitment Act (CCA/Cap-and-Invest). During Governor Inslee's press conference, he shared his focus will now shift to implementing these policies including a significant policy focus on effectively siting and permitting clean energy and transmission; planning for livable, resilient communities with clean transportation and affordable housing options; and creating and improving the states clean energy workforce.

Notably, the Climate Commitment Act (CCA) rulemaking has been finalized and this biennial budget will be the first budget to allocate and spend CCA revenues outside of the transportation budget. Of the assumed CCA revenues, Governor Inslee proposes to spend \$1.7billion which he noted is a conservative assumption. Additional details on Governor Inslee's Climate proposal [can be found here](#).

Education: K-12 Education: Governor Inslee's proposed 2023-2025 operating budget invests \$575 million in Education. The proposed budget expands special education supports, builds the capacity and cultural competency of Washington's educator workforce, and invests in educational strategies that accelerate student learning and engagement.

Higher Education: Governor Inslee's proposed 2023-2025 operating budget invests over \$336 million in higher education. His policy brief notes his goals of strengthening Washington's colleges and universities, enhancing the state's capacity to combat climate change, and increases enrollment rates for public higher education institutions. Additional details on Governor Inslee's Education proposal [can be found here](#).

Contract lobby team for 2023:



Marian Dacca

Marian Dacca has fifteen years of government affairs experience having represented both private and public entities before the legislative and executive branches of Washington State government. For the past several years, she has been a contract lobbyist representing a wide range of clients.

Prior to consulting, Marian was the in-house lobbyist and State Relations Manager for Tacoma Public Utilities (TPU) where she represented and provided strategic advice to the utility on energy, water, environmental, telecommunications, natural resources, and rail related legislation. Prior to TPU, Marian was the State Relations Manager for the Washington Hospitality Association and spent five years as staff to a former state Senator. She currently represents both public and private clients in Olympia. She is a graduate of the University of Washington, where she earned a bachelor's degree in Business Administration.



John Stuhlmiller

John Stuhlmiller has 38 years of public policy experience in both the public and private sector. He is now a consultant/advocate focused on land use, natural resource, and environmental issues. He is also the Executive Director of the Washington State Water Resources Association (WSWRA).

Prior to consulting, John served as a lobbyist and Chief Executive Officer of the Washington Farm Bureau for almost 20 years.

Prior to that, he served almost 20 years as staff to the Washington State Senate covering the same public policy issues, crafting legislation, and helping build legislative coalitions to enact critical legislative packages.

John earned his bachelors degree in Political Science from Pacific Lutheran University in 1985. In 1990 he completed his Masters in Public Administration at The Evergreen State College.

John grew up on a dryland wheat farm in Lincoln County, Washington. He and his wife Allyson now live in rural Thurston County where they have spent most of their leisure time since 1987 raising their 11 children. Their nest is nearly empty, with only three children remaining at home.