

Monday, March 24, 2025 (day 71 of the 120-day Session)

Washington state lawmakers have received the longawaited state revenue estimates as they finalize budget proposals expected Monday March 24th. The new forecast, released on Tuesday, has worsened the state's financial outlook, which is already dealing with an operating budget shortfall estimated to reach up to \$15 billion over the next four years, depending on who you ask.

The updated forecast shows that state revenues for the period will be about \$900 million lower than the November projections. That is not to say that the revenue projection has declined, <u>but instead the projected growth has declined</u>. Be aware of that difference as we go through the budget forecast in more detail below. In the four-year outlook we still see revenue go from about \$71 billion to over \$76 billion.

For the remainder of the '23-'25 budget cycle the forecast indicates a modest increase of \$54.4 million over the November estimates. However, when factoring this in, the total revenue is down by \$845 million through 2029, when we look at the total four-year outlook.

For the next fiscal biennium starting July 1, the forecast predicts a \$479 million decline, bringing the total below \$71 billion. The 2027-2029 biennium is also expected to see a \$420 million reduction, with revenue totaling \$76.4 billion.

"That makes it that much more difficult" Senate Budget Chair June Robinson, D-Everett, called the projected revenue decline "modest" and in line with expectations. She added that while it doesn't change the broader fiscal challenges we face, it reinforces the need for a balanced and sustainable approach as we finalize the 2025-27 operating budget.

Rep. Ormsby (Chair of House appropriations) said the forecast would make their work harder, stating, "It just makes it that much more difficult for us." Majority lawmakers in both chambers are now working to refine their operating budget proposals ahead of their release on Monday. Ormsby, who chairs the House Appropriations Committee, anticipates a lot of work still remains.

Senate Republicans' budget leader responded to the forecast by urging lawmakers to exercise caution, particularly due to the uncertainty of federal actions that could impact the state. Their caucus issued a statement as well through the office of Senator Chris Gildon stating "The smart approach is to avoid new and higher taxes, limit new spending to core priorities like K-12 and public safety, preserve social services, and protect the rainy-day fund".

Revenue from sales tax and business and occupation taxes is projected to drop by over \$450 million in the next two-year budget cycle, compared to the November forecast. Offsetting stronger returns from capital gains and estate taxes will somewhat offset this decline. The state's multibillion-dollar shortfall has been a concern for months, with troubling signs emerging last June when lagging capital gains receipts and reduced consumer spending led to a \$500 million drop in projections for the current budget cycle.

In response, Governor Ferguson has been searching for cuts in state agencies as reported in an earlier version of this legislative report. He has publicly identified \$7 billion in savings and has pledged to find more. His plan includes a one-day-per-month furlough for state workers, which has faced strong opposition from public sector labor unions. So far, the Governor has not voiced support for any tax increases, even as Democratic legislators have proposed new taxes on large companies and wealthy individuals.

Bill Highlights

House Bill 1141 – Agriculture Cannabis Workers

This bill passed the House March 11 with a vote of 55-40 and aims to extend collective bargaining rights to agricultural workers in the cannabis industry. Introduced by Rep. Ortiz-Self (D) and Rep. Fossee (D) the bill addresses a gap in labor protections for workers involved in cultivating, harvesting, and processing cannabis. Although cannabis workers in Washington have been allowed to unionize, they were previously excluded from the collective bargaining protections afforded to many other industries.

This bill will have its first Senate hearing on March 25^{th} .

NTIBBills–AttachedBills that are necessary to implement the budget wereintroduced late last week. These are revenue bills thatdon't have to go through the regular scrutiny oftypical hearings and process because they have to bepassed in order to legally pass the operating budget.

For your curiosity you can view all of the bills that cleared the first half cut-offs for yourself <u>in this attached PDF</u>. These bills are still alive as we move through the second half.

As we go throughout the session you can follow along the <u>daily schedule of the legislature</u> and see the <u>Senate</u> <u>Floor Calendar</u> and the <u>House Floor Calendar</u>.

Washington State Grange Legislative Advisory Committee Meetings Set: Monday, April 7 at 6pm Monday, April 21 at 6pm

Please feel free to join us while we discuss current legislative activities in the 2025 Legislature.

Join Zoom Meeting: https://zoom.us/j/98036971581 Meeting ID: 980 3697 1581

One tap mobile +1-253-215-8782,98036971581# US (Tacoma)

Dial by your location +1 253 215 8782 US (Tacoma) Meeting ID: 980 3697 1581

GRANGE Bill Status & Upcoming Events Report

Upcoming Events

Agriculture & Natural Resources (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/24 @ 1:30pm • <u>SHB 1261</u> - Exec Session - Providing tax relief for certain incidental uses on open space land. (Support)

Environment & Energy (House) - HHR B and Virtual JLOB - 3/24 @ 1:30pm

• <u>SSB 5033</u> - Exec Session - Concerning sampling or testing of biosolids for PFAS chemicals.

Law & Justice (Senate) - SHR 4 and Virtual JACB - 3/25 @ 8:00am

• <u>E2SHB 1163</u> - Public Hearing - Enhancing requirements relating to the purchase, transfer, and possession of firearms. (Remote Testimony Available). (Oppose)

Labor & Commerce (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/25 @ 10:30am

• <u>ESHB 1141</u> - Public Hearing - Concerning collective bargaining for agricultural cannabis workers. (Remote Testimony Available). (Oppose)

Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/25 @ 1:30pm

• <u>E2SHB 1912</u> - Public Hearing - Concerning the exemption for fuels used for agricultural purposes in the climate commitment act. (Remote Testimony Available). (Support)

Appropriations (House) - HHR A and Virtual JLOB - 3/25 @ 4:00pm

• <u>HB 1198</u> - Public Hearing - Making 2025-2027 fiscal biennium operating appropriations.

Ways & Means (Senate) - SHR 4 and Virtual JACB - 3/25 @ 4:00pm

• <u>SB 5167</u> - Public Hearing - Making 2025-2027 fiscal biennium operating appropriations. (Hearing is on the Proposed Substitute.)

Civil Rights & Judiciary (House) - HHR A and Virtual JLOB - 3/26 @ 8:00am

• <u>E2SSB 5098</u> - Exec Session - Restricting the possession of weapons on the premises of state or local public buildings, parks or playground facilities where children are likely to be present, and county fairs and county fair facilities. (Oppose)

Local Government (House) - HHR E and Virtual JLOB - 3/26 @ 8:00am

• <u>SSB 5055</u> - Public Hearing - Promoting agritourism in Washington. (Remote Testimony Available). (Support)

Early Learning & K-12 Education (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/27 @ 10:30am

• ESHB 1296 - Exec Session - Promoting a safe and supportive public education system.

Law & Justice (Senate) - SHR 4 and Virtual JACB - 3/27 @ 10:30am

• <u>E2SHB 1163</u> - Exec Session - Enhancing requirements relating to the purchase, transfer, and possession of firearms. (Oppose)

Appropriations (House) - HHR A and Virtual JLOB - 3/27 @ 4:00pm

• <u>HB 1198</u> - Exec Session - Making 2025-2027 fiscal biennium operating appropriations.

Ways & Means (Senate) - SHR 4 and Virtual JACB - 3/27 @ 4:00pm

• <u>SB 5167</u> - Exec Session - Making 2025-2027 fiscal biennium operating appropriations.

Labor & Commerce (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/28 @ 8:00am

• EHB 1173 - Exec Session - Concerning wages for journeypersons in high-hazard facilities.

Environment, Energy & Technology (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/28 @ 10:30am • <u>2SHB 1409</u> - Exec Session - Concerning the clean fuels program.

WASHINGTON STATE GRANGE BILL TRACKING REPORT

Support

Bill #	Abbrev. Title	Short Description	Status	Sponsor	Position	Priority
ESHB 1141 (SB 5468)	Ag. cannabis workers	Concerning collective bargaining for agricultural cannabis workers.	S Labor & Comm	Ortiz-Self	Oppose	
E2SHB 1163 (SB 5140)	Firearm purchase	Enhancing requirements relating to the purchase, transfer, and possession of firearms.	S Law & Justice	Berry	Oppose	
<u>EHB 1173</u> (SB 5447)	High-hazard facility wages	Concerning wages for journeypersons in high-hazard facilities.	S Labor & Comm	Bronoske		
<u>HB 1197</u> (SB 5166)	Operating budget, supp.	Making 2023-2025 fiscal biennium second supplemental operating appropriations.	H Approps	Ormsby		
<u>HB 1198</u> (SB 5167)	Operating budget	Making 2025-2027 fiscal biennium operating appropriations.	H Approps	Ormsby		
<u>SHB 1261</u> (SB 5479)	Open space incidental use	Providing tax relief for certain incidental uses on open space land.	S Ag & Natural Re	Low	Support	

ESHB 1296	Public education system	Promoting a safe and supportive public education system.	S EL/K-12	Stonier		
<u>2SHB 1409</u>	Clean fuels program	Concerning the clean fuels program.	S Environment, En	Fitzgibbon		
E2SHB 1912	Agricultural fuel/CCA ex.	Concerning the exemption for fuels used for agricultural purposes in the climate commitment act.	S Environment, En	Dent	Support	
<u>SSB 5033</u>	Biosolids/PFAS chemicals	Concerning sampling or testing of biosolids for PFAS chemicals.	H Env & Energy	Wilson		
ESSB 5041	Unemp ins/strikes & lockouts	Concerning unemployment insurance benefits for striking or lockout workers.	H LAWSDP	Riccelli	Oppose	
<u>SSB 5055</u>	Agritourism	Promoting agritourism in Washington.	H Local Govt	Warnick	Support	
E2SSB 5098	Weapons in certain areas	Restricting the possession of weapons on the premises of state or local public buildings, parks or playground facilities where children are likely to be present, and county fairs and county fair facilities.	H Civil R & Judi	Valdez	Oppose	
<u>SB 5166</u> (HB 1197)	Operating budget, supp.	Making 2023-2025 fiscal biennium second supplemental operating appropriations.	S Ways & Means	Robinson		
<u>SB 5167</u> (HB 1198)	Operating budget	Making 2025-2027 fiscal biennium operating appropriations.	S Ways & Means	Robinson		
<u>SSB 5252</u>	Assembly halls/property tax	Removing the acreage limit on the property tax exemption for nonprofit public assembly halls and meeting places.	H Finance	Shewmake	Support	High

Legislative Department

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