2023 Legislative Session Preview January 9, 2023

Washington's 2023 Legislative Session will begin on Monday, January 9, 2023; it is the first year of the two-year legislative biennium. Each biennium is comprised of a long session (105-days) and a short session (60-days) in which bills may be enacted into law. In addition to new policy ideas, the primary tasks of legislators during a long session is to pass 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. Notably, Democrats picked up one additional seat in each chamber after the 2022 election in November.

The 2023 Majorities in the Senate and House are as follows:

- Senate: Democrats hold the majority in the Senate (29-20)
- House: Democrats hold the majority in the House (58-40)
- Governor: Governor Jay Inslee (D)

In addition to 22 newly elected legislators (and 3 additional returning from retirement), this will also be a unique year for returning legislators elected in 2020. For some, this will be the first time working from the Capitol campus in Olympia as the past two years have been conducted virtually.

Session Format

The 2023 session will return to an in-person format, however several tools put in place during the pandemic are anticipated to remain including optional virtual testimony (at the discretion of the chair of each committee).

Cutoff Deadlines

The legislative process has key deadlines ("*cutoffs*") that bills need to meet to remain under consideration. Prior to the first cutoff, the focus of legislators will be introducing bills, holding public hearings, and voting on bills to move them out of committee and forward in the process. For 2023, tentatively, the first cutoff deadline will be Friday, February 17 (day 40), where all policy bills must be voted out of their respective policy committees to remain *alive*. <u>Click here to view the</u> *<u>Draft* 2023 Cutoff Calendar</u>.

Prefiled Bills

Members can prefile bills for introduction in the month before session begins however they are not officially introduced until the first day of session (today). <u>Click here to view prefiled bills for 2023</u>

Committee Schedules

- <u>Click here to view the draft Senate Committee Schedule</u>
- <u>Click here to view the draft House Committee Schedule</u>
- Click here to view the draft Senate Session Planner
- <u>Click here to view the draft House Session Planner</u>

Caucus & Committee Reorganization

The four corners of the Legislature (House Democrats, House Republicans, Senate Democrats, Senate Republicans) met prior to the start of session to discuss and elect leadership positions, reevaluate committee structures, committee chairs, and assign committee membership. This happens each year, however due to several retirements, there are several new chairs and committee members.

Notably, Rep. Joe Fitzgibbon (D-West Seattle) has been chosen as the new House Democratic Majority Leader. He replaces Pat Sullivan (D-South King County) who retired from the House this year and was Majority Leader since 2010. Click here to view the full list of leadership positions: <u>House Leadership</u>, <u>Senate Leadership</u>

House Committees – Committee changes in red

Click here to access the full list of Committee Appointments

<u>2022 - House</u>	<u>2023 – House</u>	Chair/Ranking
Appropriations	Appropriations	Rep. Ormsby / Rep. Stokesbary
Transportation	Transportation	Rep. Fey / Rep. Barkis
Capital Budget	Capital Budget	Rep. Tharinger / Rep. Steele
Finance	Finance	Rep. Berg / Rep. Orcutt
Consumer Protection & Business	Consumer Protection & Business	Rep. Walen / Rep. Cory
Health Care & Wellness	Health Care & Wellness	Rep. Riccelli / Rep. Schmick
Education	Education	Rep. Santos / Rep. Rude
Environment & Energy	Environment & Energy	Rep. Doglio / Rep. Dye
Civil Rights & Judiciary	Civil Rights & Judiciary	Rep. Hansen / Rep. Walsh
Local Government	Local Government	Rep. Duerr / Rep. Goehner
Labor & Workplace Standards	Labor & Workplace Standards	Rep. Berry / Rep. Robertson
State Government & Tribal Relations	State Government & Tribal Relations	Rep. Ramos / Rep. Abbarno
Rules	Rules	
Housing, Human Services & Veterans	Housing	Rep. Peterson / Rep. Klicker
Public Safety	Community Safety, Justice, & Reentry	Rep. Goodman / Rep. Mosbrucker
Children, Youth & Families	Human Services, Youth, & Early Learning	Rep. Senn / Rep. Eslick
College & Workforce Development	Postsecondary Education & Workforce	Rep. Slatter / Rep. Ybarra
Community & Economic Development	Innovation, Community Economic Development, & Veterans	Rep. Ryu / Rep. Volz
Commerce & Gaming	Regulated Substances & Gaming	Rep. Kloba & Rep. Wylie/ Rep. Chambers
Rural Development, Agriculture & Natural Resources	Agriculture & Natural Resources	Rep. Chapman / Rep. Dent

<u>Senate Committees – Committee changes in red</u>

Click here to access the full list of Committee Appointments

<u> 2022 - Senate</u>	<u>2023 – Senate</u>	Chair/Ranking
Agriculture, Water, Natural Resources & Parks	Agriculture, Water, Natural Resources & Parks	Sen. Van De Wege / Sen. Muzzall
Business, Financial Services, Gaming & Trade	Business, Financial Services, Gaming & Trade	Sen. Stanford / Sen. Dozier
Early Learning & K-12 Education	Early Learning & K-12 Education	Sen. Wellman / Sen. Hawkins
Environment, Energy & Technology	Environment, Energy & Technology	Sen. Nguyen / Sen. MacEwen
Health & Long Term Care	Health & Long Term Care	Sen. Cleveland / Sen. Rivers
Higher Education & Workforce Development	Higher Education & Workforce Development	Sen. Randall / Sen. Holy
Law & Justice	Law & Justice	Sen. Dhingra / Sen. Padden
State Government & Elections	State Government & Elections	Sen. Hunt / Sen. J. Wilson
Transportation	Transportation	Sen. Liias / Sen. King
Ways & Means	Ways & Means	Sen. Rolfes / Sen. L. Wilson
Rules	Rules	
Behavioral Health Subcommittee to Health & Long Term Care	Human Services & Behavioral Health	Sen. C. Wilson / Sen. Boehnke
Housing & Local Government	Housing	Sen. Kuderer / Sen. Fortunato
Human Services, Reentry & Rehabilitation	Local Government, Land Use, & Tribal Affairs	Sen. Lovelett / Sen. Torres
Labor, Commerce & Tribal Affairs	Labor & Commerce	Sen. Keiser / Sen. King

Governor Inslee's 2023-2025 Budget Proposal

Each year, prior to the start of session, the Governor releases their budget proposal for the legislature's consideration. This proposal includes a spending plan, highlights top priorities, and typically sets the stage for what to expect in the upcoming session. On December 14, Governor Inslee held a press conference to discuss his budget proposal and focused on two main priorities: Housing & Homelessness, and Climate.

Top 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).

- He 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.

Legislators have continued to caution stakeholders that while revenues are above projections from earlier this year, there is a growing concern of an economic recession. Based on the <u>November revenue forecast</u>, 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.

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.

Governor Inslee's 2023-2025 Budget Proposal

- Budget Highlights: <u>Proposed 2023-25 Budget and Policy Highlights</u>
- Operating Budget Language: <u>2023-25BiennialOperZ-0211.2.pdf (wa.gov)</u>
- Capital Budget Language: <u>2023-25Biennail2023SuppleCapitalZ-0104.2.pdf (wa.gov)</u>

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.

<u>Climate</u>

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 <u>can be found here</u>.

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.