Washington State Department of Commerce

Department of Commerce

2027-29 Agency Request Budget and Policy

Dave Pringle

GOVERNMENT AFFAIRS

10/27/2026

Invest. Build. Serve.

Budget Request Overview

Operating/Transportation budget

- 25 decision packages
- $322 million requested out of general fund state
- $41 million requested out of other fund sources
- $9 million budget reduction ideas
- $27 million in fund shifts to reduce pressure on the general fund
- $364 million total requested

Capital budget

- 25 new capital project requests
- $2.077 billion in new capital project requests
- $5.445 billion in reappropriation requests (requesting more time to spend old money)

Office of Economic Development and Competitiveness

Operating Budget

- Economic competitiveness, permitting, and tariff resilience

Capital Budget

- Economic competitiveness strategic investments
- Reappropriations from prior biennia

Energy Division

Operating/Transportation Budget

- Alternative jet fuel infrastructure grants
- Clean buildings database development
- Tribal electric boats
- Fund Hub
- Energy Siting
- Energy council
- State energy strategy
- Budget reduction ideas

Capital Budget

- Clean buildings compliance assistance
- Clean energy fund
- Community participatory budgeting
- Electric vehicle charging
- Home rehabilitation grants
- Solar and energy storage
- State electric appliance and building efficiency
- Weatherization
- Reappropriations from prior biennia

Housing Division

Operating Budget

- Continuing homeless services
- Continuum of Care backfill
- Youth and young adult homelessness
- Budget reduction ideas

Capital Budget

- Housing capital investments across rental, homeownership, emergency response, and permanent supportive housing
- Reappropriations from prior biennia

Community Services Division

Operating Budget

- Victims of Crime Act Stabilization
- Legal Aid for Immigrants
- Development Disabilities Endowment Trust Fund
- Energy Assistance
- Firearm Violence Survivors
- Budget reduction ideas

Local Government Division

Operating Budget

- Community planning grants
- Municipal research and services center
- Housing, climate and permitting implementation progress report
- Renewable energy siting and permitting tax policy (HB 1960)
- Budget reduction ideas

Capital Budget

- Behavioral health facilities
- Building for the Arts
- Building Communities fund
- Community economic revitalization board (CERB)
- Connecting housing to infrastructure program (CHIP)
- Defense community compatibility
- Early learning facilities (ELF)
- ELF school districts
- Library capital improvements
- Public works board
- Supporting housing through infrastructure program (SHIP)
- Youth recreational facilities
- Reappropriations from prior biennia

Program Support Division

Operating Budget

- Pacific Tower operating expenses
- Child Care Partnership Grant
- Enterprise grants management
- Budget reduction ideas

Capital Budget

- Pacific Tower renovations and maintenance
- Regional approaches
- Reappropriations from prior biennia

Details of Each Submission

Operating Budget

- Office of Financial Management - Public Repository

Capital Budget

- Agency budget requests - Office of Financial Management

Agency Request Legislation

Policy bills to adjust state code

Economic Development and Competitiveness

- Codifying the Small Business Resiliency Network (SBRN)
  - The Small Business Resiliency Network provides critical business support services to nano and micro businesses not served elsewhere. Commerce stewards this network and the network self-governs to provide services for their communities.
  - Legislation will codify the network into statute to specify membership, service support, and reporting requirements in the wider network of small business support and economic development.
- Extending the Equitable Access to Credit tax credit program
  - Since 2023, the state has provided a tax exemption that financial institutions credit funds that are utilized as small business financing through community development financial institutions (CDFI). Commerce partners with CDFIs to leverage these funds among other non-state funds to support small business financing and credit. The program expires July 1, 2027.
  - Legislations will extend the sunset date allowing the tax credit to continue.

Economic Development and Competitiveness continued

- Increasing Economic Development in Rural Communities
  - Commerce contracts with Associate Development Organizations (ADO) to represent every county in support of economic development planning, strategic partnerships, and tracking outcomes. State funding is allocated by statutory direction, providing resources to each ADO.
  - Legislation will adjust the base allocation and local match and address new county designation of smaller, frontier counties.
- Trailer bill to implement HB 2325 tourism self-assessment program
  - HB 2325 passed in 2026 establishing a tourism program that collects fees from certain businesses in the tourism sector to fund statewide tourism promotion for the state.
  - Legislation will ensure implementation and oversight with the Washington Tourism Marketing Authority can support the ongoing direction of the program.

Energy Division

- Integrating carbon capture in the Clean Energy Transformation Act (CETA)
  - Carbon capture technology traps harmful carbon dioxide gas before it is released into the atmosphere; carbon dioxide must be permanently stored underground or converted into products like building materials to reduce overall emissions.
  - Legislation will establish guidelines for electricity produced using carbon capture, utilization, and storage technologies to count toward compliance with Washington's Clean Energy Transformation Act (CETA).
- Energy Security Act
  - The Energy Division is responsible for planning, protecting, and supporting Washington's energy infrastructure—helping safeguard it from physical and cyber threats and coordinating the state's response during energy shortages or emergencies.
  - Legislation will strengthen our ability to keep sensitive energy-infrastructure information protected from cyber, physical, and other threats, ensuring utilities and emergency partners can safely share critical data by specifying a public records exemption.
- Clean Buildings report requirement efficiency
  - The Clean Buildings Act requires the department to collect information and report on program parameters in statute that covers different timelines and reporting deadlines
  - Legislation will streamline reporting by combining reports and deadlines to capture program outcomes and data.