



DATE: July 14, 2026

TO: Mayor Malakoutian and City Councilmembers

FROM: Genesee Adkins, Deputy City Manager
Katie Halse, Assistant Director of Intergovernmental Relations
City Manager's Office

SUBJECT: Intergovernmental Affairs Monthly Update as of June 30, 2026

DISCUSSION/ACTION ITEMS

Included in this packet is a selected group of reports from the City's work with other levels of government on City business. They include updates from the state, federal and regional levels. Staff are always available to follow up to discuss any matters in greater detail.

LEGISLATIVE STATUS REPORTS

State Legislative Session Update: State policy activity centered on fiscal pressures, efforts to repeal the new high-income tax, and early development of 2027 legislative policy. Forecasts from the Economic and Revenue Forecast Council and the Governor's budget office highlight significant upcoming budget shortfalls, declining transportation revenues, and the need for major structural decisions on revenue and spending. Statewide initiatives, including long-term water-supply planning and the development of a new Department of Housing, continue progressing through stakeholder engagement.

Federal Legislative Update: Congress is advancing major budget and policy work, including enactment of the reconciliation 2.0 package while preparing a larger reconciliation 3.0 bill. Progress on annual appropriations remains slow with only two fiscal year 2027 bills reaching the House floor. Committees are working on significant legislation such as surface transportation reauthorization and a bipartisan water resources package, after passing a significant housing bill that includes new grants and program expansions for state and local governments. Bellevue met with federal delegation members in Washington, D.C., and the city submitted a major transportation safety grant application now backed by members of the congressional delegation.

STAFF REPORTS / INFORMATION ITEMS

Monthly Council Summary Background Briefings: Included are updated summary background briefings on the King County regional committees and the Puget Sound Regional Council (PSRC).