



DATE: March 10, 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 February 28, 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:** The 2026 Legislative Session began January 12 and runs 60 days through March 12. Both chambers have introduced their supplemental Operating, Capital, and Transportation budget proposals. Operating budgets address a projected \$1.8 billion shortfall; capital budget emphasize restraint with a focus on housing, climate, and infrastructure investment; and transportation budgets rely on existing revenues and climate funds amid declining fuel tax collections. Key policy proposals advancing this session include the millionaires income tax, housing supply and affordability measures, local revenue flexibility, public safety, and business access and transit (BAT) lanes.

**Federal Legislative Update:** Congress remains at an impasse over the FY26 Department of Homeland Security appropriations bill amid disputes over immigration enforcement. President Donald J. Trump's State of the Union highlighted immigration, Iran, tariffs, drug pricing, and technology-driven energy development, while several administration actions — ranging from public health grant cuts to tariff authority — face legal challenges. For Bellevue, the city secured a total of \$2.5 million in FY26 appropriations for the Bellevue Grand Connection I-405 Crossing and Lake Washington Lake Lines projects.

### **STAFF REPORTS / INFORMATION ITEMS**

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