

**Budget Savings Options 2020**

Dollars in Thousands

Agency: Department of Commerce 0103

Agency Priority H, M, L	Impact 1-5	Program/Activity	GF-S				Other Funds				FTE Change		Brief Description and Rationale	Date (MM/YY)	Impacts of Reductions and Other Considerations	Law/Reg. Change Required (cite)	
			FY 20	FY 21	FY 22	FY 23	Fund	FY 20	FY 21	FY 22	FY 23	FY 20					FY 21
High	1	Administrative Reductions through vacancy savings, goods & services and travel agency wide.	(1,068,746)	(1,742,608)	(420,825)	(275,825)								Savings achieved through reductions in goods and services. Its also assumed the department would travel less and capturing those savings.	7/20	Agency travel likely would be reduced due to pandemic; less goods & services funding will result in less flexibility in how we procure resources to accomplish our objectives.	N/A
High	1	Child Care Capacity in Communities		(566,733)										Reduce the overall budget proviso of \$1.5 million to \$933,267. Commerce would continue to expand child care capacity in communities, but at a reduced level.	7/20	The reduction would limit Commerce's ability to provide planning grants for three or four community initiatives across the state.	ESSB 6168 Section 127 (100)
Med	1	Appliance Standards Program	(25,000)	(11,118)	(14,041)	(15,632)								Reduce staff time for technical and compliance assistance to businesses that make and sell products covered by WA standards.	7/20	Appliance standards are very cost-effective at reducing consumer and business costs. Lower compliance may result in higher energy and water bills compared to full compliance.	2SHB 1444
High	1	Clean Energy Transformation Act (CETA)	(365,000)	(210,089)	(82,517)	(36,844)								FY21 reduce staff hours assigned to rulemaking. FY22-FY23 reduce the level of effort under RCW 19.405.130 to develop and adopt rules concerning wholesale electricity markets. Use a smaller expert consulting contract and place more reliance on industry and stakeholder analysis.	7/20	Reduction or delay in needed reform of wholesale electric market structure and development of market rules that are consistent with the state's clean energy policy.	E2SSB 5116
High	2	State Energy Strategy Supplemental		(100,000)										Eliminate a planned contract for analysis of emission reduction alternatives in non-energy sectors.	7/20	Policy makers have less information about options for carbon sequestration or capture in the forest, other lands, and agriculture sectors.	ESSB 6168 Section 127 (71)
High	1	Energy Efficiency	(150,000)	(176,917)	(224,273)	(250,697)								Reduce/delay staff time and effort for customer support program. Phase development of data systems for building owner notification.	7/20	Building owners will have less access to tools and resources to help them achieve compliance. Reduced staff time and effort for customer support program. Impacts to data systems and information transfer between building owners and the department.	ESSB 6168 Section 127 (42)/E3SHB 1257
Med	3	Net Metering	(25,000)	(47,000)										Remove one-time funding for Net Metering activities.	7/20	No impact.	E2SSB 5223
Med	1	Industrial Waste	(12,000)											Remove balance of funding associated with contractor underspending in current fiscal year.	7/20	No impact	
Med	3	Maritime Response Vessel		(750,000)										Remove grant funding Maritime Response Vessel.	7/20		ESSB 6168 Section 127 (109)
Med	5	Affordable Housing Benchmarks		(92,000)									(1.0)	Remove funding for the Affordable Housing Benchmarks	7/20	Working with stakeholders to develop specifics of the report card, analyze the records, publish online and collect best practice strategies would not occur during this fiscal period.	ESSB 6168 Section 127
Med	3	Surplus Property		(86,000)	(86,000)	(86,000)							(1.0)	Remove funding for Surplus Property activities	7/20	Full requirements under the RCW, including a report to the legislature, would not be achieved with this reduction.	RCW 43.63A.510
Med	5	Drainage District		(50,000)										Remove funding for Drainage District-second year only.	7/20		ESSB 6168 Section 127 (107)

Med	5	Healthy Energy Workers Board		(90,000)											Remove funding for Healthy Energy Workers Board activities	7/20	Recommendations and a study for addressing health problems experienced by Hanford workers would not be completed; it is unclear that the \$90,000 appropriated would have been sufficient to complete this work.	ESSB 6168 Section 127 (83)
Med	1	Military/Defense Compatibility		(100,000)									(1.0)	Remove funding for Military/Defense Compatibility for one year	7/20	Significant stakeholder and community support exists for this work. This would delay the compatibility work (potentially including a report to the legislature), not eliminate it permanently.	RCW 43.330.515/520	
Med	3	Pioneer Square CPDA						14H		(500,000)				Reduce funding for Community Preservation and Development Authority activity	7/20	Pass-through funding to the CPDA would be reduced by 50%. This may limit the CPDA's ability to achieve its objectives under this proviso..	ESSB 6168 Section 127 (116)	
Med	1	Apprenticeship Youth		(200,000)										Reduce one-time funding for a grant to an organization in King County that provides a pre-apprenticeship program to youth and young adults experiencing homelessness.	7/20	An organization in King County would receive partial funding for its youth apprenticeship program, limiting its ability to accomplish its objectives.	ESSB 6168 Section 127 (104)	
Med	1	Clallam Homeless Needs Assessment		(100,000)										Reduce funding to conduct a homeless needs assessment in Clallam County.	7/20		ESSB 6168 Section 127 (102)	
Med	1	Buildable Lands and Zoning	(80,000)											Remove balance of funding associated with contractor underspending in current fiscal year.	7/20			
Med	1	Northwest Agriculture Business Center		(300,000)	(300,000)	(300,000)								Reduce contract that provides business assistance for farms, value-added agriculture businesses and farm-based businesses in Whatcom, Skagit, Island, San Juan and Snohomish Counties.	7/20	This targeted regional initiative would not receive state funding; Commerce will work to enhance agricultural sector support through partnership with Department of Agriculture.		
High	1	Global Trade Activities		(26,783)										Reduce funding associated with global trade due to current pandemic environment	7/20	Restoring global trade remains a critical state priority; this targeted cut acknowledges that some travel-associated trade activities will be compromised until COVID-19 is completely controlled.		
High	5	Housing and Essential Needs (HEN)		(16,082,667)										Reduce contracts for people with disabilities who cannot work as determined using medical evidence by DSHD, and who are homeless or at imminent risk of homelessness.	7/20	The HEN program provides rent assistance to landlords for housing people with disability who cannot work and who are homeless or at imminent risk of homelessness. The 2020 Supplemental budget increased the state HEN investment from \$37 million a year to \$52 million a year, effective July 1, 2020. The proposed budget cut would roll back that enhancement, with the result that Commerce would continue to provide funding through this relatively low cost housing program for about 5,000 people each month, but will not be able to expand this program to thousands of additional eligible individuals.		
Medium	4	Office of Firearm Violence Prevention Program		(421,000)										Delay implementation of the Office of Firearm Violence Prevention Program	7/20	Delays hiring of staff to begin data collection on firearm violence and administering the competitive grant program to fund evidence-based initiatives undertaken by cities and community-based organizations. The current hiring freeze delays recruitment of the office.	ESSB 6288	
High	1	Sexual Assault Services and Prevention	(11,389)	(453,235)										Across the board reduction of pass through grant amounts to local and regional service providers and reduction in administration costs.	7/20	Service providers across the state who assist victims of sexual assault will receive less state funding. This funding helps them meet federal match requirements. However, we have submitted a request to the Department of Justice to authorize the Office of Crime Victim's Advocacy to grant waivers from this requirement. If we receive authorization, we anticipate we would hear by the end of June.		
			(1,737,135)	(21,606,150)	(1,127,656)	(964,998)	-	-	(500,000)	-	-	-	(3.0)					

**Priority:**  
Low = Low priority agency activity or program  
Med = Medium priority agency activity or program

High = High priority agency activity or program

**Impact:**

- 1 = Allows continuation of the program/activity at a reduced level
- 2 = Eliminates the ability to perform program objectives
- 3 = Eliminates agency function
- 4 = Long term implications (moves the problem to next biennium)
- 5 = Short term (reduction to one time increase)