
HOUSE BILL 2587

State of Washington

69th Legislature

2026 Regular Session

By Representatives Cortes, Reed, Parshley, Santos, Goodman, Obras, Peterson, Fosse, Thomas, Stearns, Pollet, Ryu, Nance, Timmons, Salahuddin, and Hill

Read first time 01/20/26. Referred to Committee on Appropriations.

1 AN ACT Relating to establishing a pilot program to advance funds
2 to nonprofits to support grant performance; amending RCW 39.34.150;
3 adding a new section to chapter 43.330 RCW; and providing an
4 expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.330
7 RCW to read as follows:

8 (1) The department is tasked with generating greater local
9 capacity. To achieve this objective, the department may advance funds
10 to public benefit nonprofit corporations, as defined in RCW
11 24.03A.245, that have received grants from the department. This
12 advance funding pilot program will provide advance funds, as
13 described in this section, to eligible grant recipients who have
14 demonstrated the need for advance funding in order to perform the
15 work required by the department grant.

16 (2) The department shall develop uniform equity-driven procedures
17 for the demonstration of need. The department shall consult with
18 external partners, including impacted communities, to develop the
19 procedures.

20 (3) The department shall develop eligibility criteria for advance
21 fund applicants. The department shall prioritize those applicants

1 with an average annual budget less than \$5,000,000. The eligibility
2 criteria must include:

3 (a) The recipient must have been awarded a department grant
4 within six months;

5 (b) The recipient must have performed satisfactorily under any
6 grant received from the department within the preceding 10 years;

7 (c) The recipient must be a public benefit nonprofit corporation,
8 as defined in RCW 24.03A.245;

9 (d) The recipient must have been in the business for which the
10 grant was received for a minimum of three years; and

11 (e) The grant received from the department must be to protect
12 public health, protect public safety, promote public welfare, or
13 provide a benefit to the state.

14 (4) Advance fund payments are to be one time and limited to no
15 more than 25 percent of the grant or \$200,000, whichever is less. The
16 amount of the advance fund payment must be deducted from the total
17 grant awarded to the recipient.

18 (5) An enforceable contract that protects the interests of the
19 state must be fully executed before any advance fund payments are
20 made. The advance fund recipient shall use the awarded funds only for
21 the purpose stated in the contract.

22 (6) By September 1, 2028, the department shall submit a report to
23 the relevant committees of the legislature and the governor in
24 compliance with RCW 43.01.036 that includes:

25 (a) An evaluation of the advance funding pilot program that
26 includes outcome data for participants;

27 (b) Recommendations on whether to continue the advance funding
28 program;

29 (c) Recommendations for improving or expanding the advance
30 funding program; and

31 (d) Recommendations for implementing an advance funding program
32 through performance-based contracts.

33 (7) This section expires June 30, 2029.

34 **Sec. 2.** RCW 39.34.150 and 2011 c 336 s 805 are each amended to
35 read as follows:

36 (1) State agencies are authorized to advance funds to defray
37 charges for materials to be furnished or services to be rendered by
38 other state agencies. Such advances shall be made only upon the
39 approval of the director of financial management, or his or her order

1 made pursuant to an appropriate regulation requiring advances in
2 certain cases. An advance shall be made from the fund or
3 appropriation available for the procuring of such services or
4 materials, to the state agency which is to perform the services or
5 furnish the materials, in an amount no greater than the estimated
6 charges therefor.

7 (2) Until June 30, 2029, the department of commerce may advance
8 funds to public benefit nonprofit corporations, as defined in RCW
9 24.03A.245, pursuant to an approved contract under section 1 of this
10 act.

11 NEW SECTION. **Sec. 3.** If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected.

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