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**HOUSE BILL 1334**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Representatives Stokesbary, Klippert, Caldier, Maycumber, Boehnke, Vick, Schmick, Barkis, Walsh, Robertson, Eslick, Graham, MacEwen, Gilday, Chambers, and Jacobsen

AN ACT Relating to making appropriations to revive our economy and accelerate a lasting recovery for Washington; adding a new section to chapter 43.79 RCW; adding a new section to chapter 70.12 RCW; adding a new section to chapter 82.08 RCW; creating new sections; making appropriations; and declaring an emergency.

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

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF COMMERCE**

General Fund—Federal Appropriation (2019-2021

biennium) $723,640,000

Budget Stabilization Account—State Appropriation

(FY 2021) $126,360,000

TOTAL APPROPRIATION $850,000,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) $320,000,000 of the general fund—federal appropriation (CRRSA), $153,640,000 of the general fund—federal appropriation (CRF), and $126,360,000 of the budget stabilization account—state appropriation are provided solely for the department to administer a rental and utility assistance program. The department shall provide grant funding to local housing providers to administer the program pursuant to P.L. 116-260, the federal consolidated appropriations act. In making distributions to local housing providers, the department must consider factors including the level of unemployment and the number of renters in the jurisdiction served by the housing provider.

(b) Of the funding provided in this subsection:

(i) $320,000,000 of the general fund—federal appropriation (CRRSA) is provided solely for grants to local housing providers serving jurisdictions that did not receive direct federal funding for emergency rental assistance pursuant to P.L. 116-260; and

(ii) $153,640,000 of the general fund—federal appropriation (CRF) and $146,360,000 of the budget stabilization account—state appropriation are provided solely for grants to local housing providers statewide to supplement federal funding provided pursuant to P.L. 116-260.

(c) All grants provided under this subsection must be administered in compliance with P.L. 116-260, including but not limited to the following requirements:

(i) Eligible households consist of one or more individuals who are renters and must have a household income of 80 percent of the area median income or less. Eligible households must also contain at least one individual who has:

(A) Qualified for unemployment benefits; or

(B) Experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID-19 pandemic, which the applicant must attest in writing.

(ii) Grantees may provide eligible households with financial assistance for up to 12 months, except that the grantee may provide additional assistance of up to three months if necessary for the eligible household to achieve housing stability. Of the total financial assistance provided, up to three months may be for prospective rent payments so long as the assistance provided by the grantee has also reduced an eligible household's rental arrears.

(iii) Nothing in this subsection prohibits a landlord from assisting an eligible household in applying for assistance or applying for such assistance on behalf of an eligible household.

(2) $250,000,000 of the general fund—federal appropriation (CRF) is provided solely for the department to administer business assistance grants of up to $75,000 per business. Grants must be prioritized for small businesses in sectors that have experienced significant impacts as a result of public health measures issued beginning November 15, 2020, and either have annual revenues of $5,000,000 or less per location or are experiencing an annual revenue loss of at least 25 percent. The department must establish an application process for the grant program that includes demonstration of lost revenue, increased costs, or other financial impacts due to the COVID-19 pandemic and related public health measures. Grants must be used to cover expenses or costs incurred due to the COVID-19 pandemic and that were necessary to continue business operations, including but not limited to personal protective equipment, rent and utilities, and other operational costs.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF REVENUE**

Recovery Rebate Account—State Appropriation

(2019-2021 biennium) $200,000,000

TOTAL APPROPRIATION $200,000,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $100,000,000 of the recovery rebate account—state appropriation is provided solely for the department to administer remittances as authorized in RCW 82.08.0206. The department may spend up to $12,000,000 of the amount provided in this subsection for administrative costs.

(2) $100,000,000 of the recovery rebate account—state appropriation is provided solely for the department to increase remittance amounts pursuant to House Bill No. 1319 (recovery rebate). The department may spend up to $12,000,000 of the amount provided in this subsection for administrative costs. If the bill is not enacted by June 30, 2021, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL DISABILITIES PROGRAM—COMMUNITY SERVICES**

Budget Stabilization Account—State Appropriation

(FY 2021) $54,671,000

General Fund—Federal Appropriation (2019-2021

biennium) $79,886,000

TOTAL APPROPRIATION $134,557,000

The appropriations in this section are subject to the following conditions and limitations: The entire budget stabilization account—state appropriation for fiscal year 2021 and the entire general fund—federal appropriation (FMAP) are provided solely for COVID-19 response in calendar year 2020, including the temporary COVID-19 rate enhancements offered to contracted service providers. For the purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in the ensuing biennium.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT SERVICES PROGRAM**

Budget Stabilization Account—State Appropriation

(FY 2021) $109,589,000

General Fund—Federal Appropriation (2019-2021

biennium) $159,494,000

TOTAL APPROPRIATION $269,083,000

The appropriations in this section are subject to the following conditions and limitations: The entire budget stabilization account—state appropriation for fiscal year 2021 and the entire general fund—federal appropriation (FMAP) are provided solely for COVID-19 response in calendar year 2020, including the temporary COVID-19 rate enhancements offered to contracted service providers. For the purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in the ensuing biennium.

NEW SECTION. **Sec.**  The legislature finds that in March 2020, congress enacted the coronavirus aid, relief, and economic security act (CARES act), which created the coronavirus relief fund to assist states with unanticipated and unbudgeted coronavirus response costs, and that such funding had to be spent by December 30, 2020, or returned to the federal treasury. The legislature finds that the coronavirus response and relief supplemental appropriations act (CRRSA act) enacted December 27, 2020, extended the deadline during in which coronavirus relief funds could be spent until December 31, 2021. The legislature finds the deadline extension provides an opportunity to reevaluate previous state expenditures of coronavirus relief funds. It is in the best interest of Washingtonians to maximize available federal funding from the coronavirus relief fund to the full extent permitted by federal law and to recognize its flexibility as a fund source to address the urgent needs of Washington's residents and businesses during the pandemic. For these reasons, in sections 3 and 4 of this act, the legislature revises 2019-2021 biennial appropriations, including appropriations for fiscal year 2020, for funding provided to the developmental disabilities and aging and adult services programs in the department of social and health services for temporary rate increases authorized for service providers and other costs incurred as a result of the state's response to the coronavirus. Specifically, appropriations are revised to attribute these expenditures to the state funding from the state budget stabilization account and associated medicaid federal funds participation, rather than to federal funding from the coronavirus relief fund. The federal coronavirus relief fund moneys made available by the revisions in sections 3 and 4 of this act are appropriated in section 1 of this act for the benefit of Washington's residents and businesses and to accelerate a lasting recovery for all Washingtonians.

NEW SECTION. **Sec.**  **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT**

COVID-19 K-12 Response Account—State Appropriation

(FY 2021) $660,000,000

COVID-19 K-12 Response Account—Federal Appropriation

(FY 2021) $824,852,000

General Fund—Federal Appropriation (2019-2021

biennium) $46,263,000

TOTAL APPROPRIATION $1,531,115,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $824,852,000 of the COVID-19 K-12 response account—federal appropriation for fiscal year 2021 is provided solely for allocations from the federal elementary and secondary school relief fund in response to the COVID-19 pandemic as authorized in section 313, the coronavirus response and relief supplemental appropriations act, P.L. 116-260, division M. The superintendent of public instruction must allocate the entire amount provided in this subsection as subgrants to local education agencies from this portion of federal funding as follows:

(a) One-half of the subgrant must be allocated when the superintendent of public instruction receives the local education agency's 2020-21 reopening plan for in-person instruction to all grades as determined by the test positivity rates defined in (d) of this subsection.

(b) One-half of the subgrant must be allocated when the local education agency reopens for in-person instruction to all grades as determined by the test positivity rates defined in (d) of this subsection.

(c)(i) For local education agencies in counties with a test positivity rate of less than five percent in the week prior to submitting a plan or reopening, the requirements of (a) and (b) of this subsection apply to all students.

(ii) For local education agencies in counties with a test positivity rate of five percent to ten percent in the week prior to submitting a plan or reopening, the requirements of (a) and (b) of this subsection apply to grades kindergarten through eighth.

(iii) For local education agencies in counties with a test positivity rate of greater than ten percent in the week prior to submitting a plan or reopening, the requirements of (a) and (b) of this subsection apply to grades kindergarten through fifth.

(d) For purposes of this subsection, "test positivity rate" means the percentage of individuals testing positive for COVID-19 over a week period compared to the total number of tests during that week among individuals that have not previously tested positive.

(2) $160,000,000 of the COVID-19 K-12 response account—state appropriation for fiscal year 2021 is provided solely for allocations to local education agencies to provide a one-time $300 stipend per student eligible for free and reduced-price lunch to the eligible student's parent or guardian to support additional costs associated with school closures. To be eligible, the student must have attended a school within a local education agency and been eligible for free and reduced-price lunch at any point after April 1, 2020, while the school was closed to in-person instruction. Local education agencies must use applications for free and reduced-price lunch programs to determine eligibility and must report to the superintendent of public instruction the number of students eligible. The superintendent must allocate funding for the stipend to local education agencies based on the number of eligible students. The superintendent of public instruction shall adopt such rules and procedures as are necessary to administer the stipend.

(3) $500,000,000 of the COVID-19 K-12 response account—state appropriation for fiscal year 2021 is provided solely for allocations to local education agencies to provide accelerated learning opportunities to address student needs that are anticipated due to school closures and extended time in remote learning mode due to the COVID-19 pandemic.

(a) The office of the superintendent of public instruction shall allocate the amount provided in this subsection based on the following criteria:

(i) The amounts are provided solely for additional instructional support programs, which may include additional school days, additional instructional time, summer learning programs, and other programs providing additional instruction based on an evaluation of student needs.

(ii) Local education agencies must identify specific diagnostic assessment tools and identify student learning gaps and focus additional time and supports on students that will benefit most from interventions, giving priority to low-income students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and children and youth in foster care.

(b) Schools must report progress on meeting learning gaps in a manner identified by the office of the superintendent of public instruction.

(c) Local education agencies may not use funding provided in this section to support ongoing increases to programs or compensation.

(4) $46,263,000 of the general fund—federal appropriation (CRRSA) is provided solely for emergency assistance to nonpublic schools, as authorized in section 312(d), the coronavirus response and relief supplemental appropriations act, P.L. 116-260, division M.

(5) For purposes of this section, "local education agencies" means school districts, charter schools, and state-tribal education compact schools.

NEW SECTION. **Sec.**  **FOR THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES—EARLY LEARNING PROGRAM**

General Fund—Federal Appropriation (2019-2021

biennium) $100,000,000

TOTAL APPROPRIATION $100,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire general fund—federal appropriation (CRRSA) is provided solely for the department to administer a grant program for licensed child care providers. The department must use funding provided in this section to: Help providers remain open or assist with reopening; offset increased costs associated with the COVID-19 pandemic; expand current child care capacity; or incentivize providers to serve school-age children. Recipients of grant awards must agree to remain open and serve children through the end of the 2020-21 school year.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—COVID-19 PUBLIC HEALTH RESPONSE ACCOUNT—RESPONSE**

General Fund—Federal Appropriation (2019-2021

biennium) $438,000,000

TOTAL APPROPRIATION $438,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire general fund—federal appropriation (CRRSA) is provided solely for expenditure into the COVID-19 public health response account, from which the department of health may make expenditures from this sum solely for the statewide response to the COVID-19 pandemic, including diagnostic testing, case investigation and contract tracing, care coordination, outbreak response, data collection and analysis, and other activities required to support the response.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—COVID-19 PUBLIC HEALTH RESPONSE ACCOUNT—VACCINES**

General Fund—Federal Appropriation (2019-2021

biennium) $68,000,000

TOTAL APPROPRIATION $68,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire general fund—federal appropriation (CRRSA) is provided solely for expenditure into the COVID-19 public health response account, from which the department of health may make expenditures from this sum solely to plan for, prepare, and deploy the COVID-19 vaccine.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—UNEMPLOYMENT INSURANCE TRUST FUND**

Budget Stabilization Account—State Appropriation

(FY 2021) $500,000,000

TOTAL APPROPRIATION $500,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire budget stabilization account—state appropriation is provided solely for expenditure into the unemployment insurance trust fund, from which it may be used solely to implement House Bill No. . . . (H-0453/21)(unemployment insurance). If the bill is not enacted by February 28, 2021, the appropriation in this section shall lapse. For the purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in the ensuing biennium.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—COVID-19 K-12 RESPONSE ACCOUNT—FEDERAL**

General Fund—Federal Appropriation (2019-2021

biennium) $824,852,000

TOTAL APPROPRIATION $824,852,000

The appropriation in this section is subject to the following conditions and limitations: The entire general fund—federal appropriation (CRRSA/ESSER) is provided solely for expenditure into the COVID-19 K-12 response account from which it may be appropriated solely for allocations from the federal elementary and secondary school relief fund in response to the COVID-19 pandemic as authorized in section 313, the coronavirus response and relief supplemental appropriations act, P.L. 116-260, division M.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—COVID-19 K-12 RESPONSE ACCOUNT—STATE**

Budget Stabilization Account—State Appropriation

(FY 2021) $160,000,000

TOTAL APPROPRIATION $160,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire budget stabilization account—state appropriation is provided solely for expenditure into the COVID-19 K-12 response account from which it may be appropriated solely for allocations to local education agencies to provide a one-time $300 stipend per student eligible for free and reduced-price lunch to the eligible student's parent or guardian to support additional costs associated with school closures. For the purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in the ensuing biennium.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—COVID-19 K-12 RESPONSE ACCOUNT—STATE**

Budget Stabilization Account—State Appropriation

(FY 2021) $500,000,000

TOTAL APPROPRIATION $500,000,000

The appropriation in this section is subject to the following conditions and limitations: The entire budget stabilization account—state appropriation is provided solely for expenditure into the COVID-19 K-12 response account from which it may be appropriated solely for local education agencies to provide accelerated learning opportunities to address student needs that are anticipated due to school closures and extended time in remote learning mode due to the COVID-19 pandemic. For the purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in the ensuing biennium.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—RECOVERY REBATE ACCOUNT**

Budget Stabilization Account—State Appropriation

(FY 2021) $200,000,000

TOTAL APPROPRIATION $200,000,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the recovery rebate account from which it may be appropriated solely to administer remittances as authorized in RCW 82.08.0206. $100,000,000 of the amount provided in this section is provided solely to increase remittance amounts pursuant to House Bill No. 1319 (recovery rebate) and shall lapse if the bill is not enacted by June 30, 2021. For the purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in the ensuing biennium.

NEW SECTION. **Sec.**  **FOR THE OFFICE OF FINANCIAL MANAGEMENT—BUDGET STABILIZATION ACCOUNT TO GENERAL FUND**

Budget Stabilization Account—State Appropriation

(FY 2021) $84,000,000

TOTAL APPROPRIATION $84,000,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for expenditure into the state general fund to offset the loss of state revenues pursuant to enactment of House Bill No. 1299 (B&O tax relief). If the bill is not enacted by June 30, 2021, the appropriation in this section shall lapse. For the purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in the ensuing biennium.

NEW SECTION. **Sec.**  A new section is added to chapter 43.79 RCW to read as follows:

The COVID-19 K-12 response account is created in the state treasury. Revenues to the account consist of appropriations and grants directed for deposit into the account. Expenditures from the account must be used to support school efforts to respond to the COVID-19 pandemic. Moneys in the account may be spent only after appropriation.

It is the intent of the legislature to reappropriate in the 2021-2023 fiscal biennium any moneys in the account that are not obligated at the close of the 2019-2021 fiscal biennium under the same conditions and limitations as in section 6, chapter . . ., Laws of 2021 (section 6 of this act).

NEW SECTION. **Sec.**  A new section is added to chapter 70.12 RCW to read as follows:

(1) The COVID-19 public health response account is created in the custody of the state treasurer. The account shall consist of funds appropriated by the legislature and grants. Only the secretary of the department of health, or the secretary's designee, may authorize expenditures from the account for costs related to the statewide response to the COVID-19 pandemic, subject to any limitations imposed by grant funding deposited into the account.

(2) The COVID-19 public health response account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(3) When the department of health makes expenditures from the account for vaccine administration and distribution, teachers must be given priority in receiving the vaccine.

NEW SECTION. **Sec.**  A new section is added to chapter 82.08 RCW to read as follows:

The recovery rebate account is created in the state treasury. All receipts from legislative appropriations must be deposited into the account. Moneys in the account may only be spent after appropriation. Expenditures from the account may only be used for the department to make remittances to eligible low-income persons under RCW 82.08.0206 and for associated administrative costs for the department of revenue.

NEW SECTION. **Sec.**  The definitions in this section apply throughout this act unless the context clearly requires otherwise.

(1) "CRF" means funds attributable to the coronavirus relief fund created by section 5001, the coronavirus aid, relief, and economic security act, P.L. 116-136, division A.

(2) "CRRSA" means funds attributable to the coronavirus response and relief supplemental appropriations act, P.L. 116-260, division M.

(3) "CRRSA/ESSER" means funds attributable to the elementary and secondary school emergency relief fund, as modified by the coronavirus response and relief supplemental appropriations act, P.L. 116-260, division M.

(4) "FMAP" means federal medical assistance percentage, including funds attributable to the temporary increase of medicaid FMAP by section 6008, the families first coronavirus response act, P.L. 116-127, division F.

NEW SECTION. **Sec.**  This act may be known and cited as the REAL recovery for Washington act of 2021.

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

NEW SECTION. **Sec.**  If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

**--- END ---**