

HOUSE BILL 1334

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

Read first time 01/20/21. Referred to Committee on Appropriations.

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

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

7 NEW SECTION. Sec. 1. FOR THE DEPARTMENT OF COMMERCE

Table with 2 columns: Description and Amount. Rows include General Fund—Federal Appropriation (2019-2021 biennium) at \$723,640,000, Budget Stabilization Account—State Appropriation (FY 2021) at \$126,360,000, and TOTAL APPROPRIATION at \$850,000,000.

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

15 (1) (a) \$320,000,000 of the general fund—federal appropriation
16 (CRRSA), \$153,640,000 of the general fund—federal appropriation
17 (CRF), and \$126,360,000 of the budget stabilization account—state
18 appropriation are provided solely for the department to administer a
19 rental and utility assistance program. The department shall provide
20 grant funding to local housing providers to administer the program

1 pursuant to P.L. 116-260, the federal consolidated appropriations
2 act. In making distributions to local housing providers, the
3 department must consider factors including the level of unemployment
4 and the number of renters in the jurisdiction served by the housing
5 provider.

6 (b) Of the funding provided in this subsection:

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

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

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

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

23 (A) Qualified for unemployment benefits; or

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

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

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

38 (2) \$250,000,000 of the general fund—federal appropriation (CRF)
39 is provided solely for the department to administer business

1 assistance grants of up to \$75,000 per business. Grants must be
2 prioritized for small businesses in sectors that have experienced
3 significant impacts as a result of public health measures issued
4 beginning November 15, 2020, and either have annual revenues of
5 \$5,000,000 or less per location or are experiencing an annual revenue
6 loss of at least 25 percent. The department must establish an
7 application process for the grant program that includes demonstration
8 of lost revenue, increased costs, or other financial impacts due to
9 the COVID-19 pandemic and related public health measures. Grants must
10 be used to cover expenses or costs incurred due to the COVID-19
11 pandemic and that were necessary to continue business operations,
12 including but not limited to personal protective equipment, rent and
13 utilities, and other operational costs.

14 NEW SECTION. **Sec. 2. FOR THE DEPARTMENT OF REVENUE**

15 Recovery Rebate Account—State Appropriation

16	(2019-2021 biennium)	\$200,000,000
17	TOTAL APPROPRIATION.	\$200,000,000

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

20 (1) \$100,000,000 of the recovery rebate account—state
21 appropriation is provided solely for the department to administer
22 remittances as authorized in RCW 82.08.0206. The department may spend
23 up to \$12,000,000 of the amount provided in this subsection for
24 administrative costs.

25 (2) \$100,000,000 of the recovery rebate account—state
26 appropriation is provided solely for the department to increase
27 remittance amounts pursuant to House Bill No. 1319 (recovery rebate).
28 The department may spend up to \$12,000,000 of the amount provided in
29 this subsection for administrative costs. If the bill is not enacted
30 by June 30, 2021, the amount provided in this subsection shall lapse.

31 NEW SECTION. **Sec. 3. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
32 **SERVICES—DEVELOPMENTAL DISABILITIES PROGRAM—COMMUNITY SERVICES**

33 Budget Stabilization Account—State Appropriation

34	(FY 2021)	\$54,671,000
35	General Fund—Federal Appropriation (2019-2021	
36	biennium)	\$79,886,000
37	TOTAL APPROPRIATION.	\$134,557,000

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

9 NEW SECTION. **Sec. 4. FOR THE DEPARTMENT OF SOCIAL AND HEALTH**
10 **SERVICES—AGING AND ADULT SERVICES PROGRAM**

11 Budget Stabilization Account—State Appropriation
12 (FY 2021) \$109,589,000
13 General Fund—Federal Appropriation (2019-2021
14 biennium) \$159,494,000
15 TOTAL APPROPRIATION. \$269,083,000

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

24 NEW SECTION. **Sec. 5.** The legislature finds that in March 2020,
25 congress enacted the coronavirus aid, relief, and economic security
26 act (CARES act), which created the coronavirus relief fund to assist
27 states with unanticipated and unbudgeted coronavirus response costs,
28 and that such funding had to be spent by December 30, 2020, or
29 returned to the federal treasury. The legislature finds that the
30 coronavirus response and relief supplemental appropriations act
31 (CRRSA act) enacted December 27, 2020, extended the deadline during
32 in which coronavirus relief funds could be spent until December 31,
33 2021. The legislature finds the deadline extension provides an
34 opportunity to reevaluate previous state expenditures of coronavirus
35 relief funds. It is in the best interest of Washingtonians to
36 maximize available federal funding from the coronavirus relief fund
37 to the full extent permitted by federal law and to recognize its

1 flexibility as a fund source to address the urgent needs of
 2 Washington's residents and businesses during the pandemic. For these
 3 reasons, in sections 3 and 4 of this act, the legislature revises
 4 2019-2021 biennial appropriations, including appropriations for
 5 fiscal year 2020, for funding provided to the developmental
 6 disabilities and aging and adult services programs in the department
 7 of social and health services for temporary rate increases authorized
 8 for service providers and other costs incurred as a result of the
 9 state's response to the coronavirus. Specifically, appropriations are
 10 revised to attribute these expenditures to the state funding from the
 11 state budget stabilization account and associated medicaid federal
 12 funds participation, rather than to federal funding from the
 13 coronavirus relief fund. The federal coronavirus relief fund moneys
 14 made available by the revisions in sections 3 and 4 of this act are
 15 appropriated in section 1 of this act for the benefit of Washington's
 16 residents and businesses and to accelerate a lasting recovery for all
 17 Washingtonians.

18 NEW SECTION. **Sec. 6. FOR THE SUPERINTENDENT OF PUBLIC**
 19 **INSTRUCTION—FOR GENERAL APPORTIONMENT**

20	COVID-19 K-12 Response Account—State Appropriation	
21	(FY 2021)	\$660,000,000
22	COVID-19 K-12 Response Account—Federal Appropriation	
23	(FY 2021)	\$824,852,000
24	General Fund—Federal Appropriation (2019-2021	
25	biennium)	\$46,263,000
26	TOTAL APPROPRIATION.	\$1,531,115,000

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

- 29 (1) \$824,852,000 of the COVID-19 K-12 response account—federal
 30 appropriation for fiscal year 2021 is provided solely for allocations
 31 from the federal elementary and secondary school relief fund in
 32 response to the COVID-19 pandemic as authorized in section 313, the
 33 coronavirus response and relief supplemental appropriations act, P.L.
 34 116-260, division M. The superintendent of public instruction must
 35 allocate the entire amount provided in this subsection as subgrants
 36 to local education agencies from this portion of federal funding as
 37 follows:

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

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

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

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

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

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

26 (2) \$160,000,000 of the COVID-19 K-12 response account—state
27 appropriation for fiscal year 2021 is provided solely for allocations
28 to local education agencies to provide a one-time \$300 stipend per
29 student eligible for free and reduced-price lunch to the eligible
30 student's parent or guardian to support additional costs associated
31 with school closures. To be eligible, the student must have attended
32 a school within a local education agency and been eligible for free
33 and reduced-price lunch at any point after April 1, 2020, while the
34 school was closed to in-person instruction. Local education agencies
35 must use applications for free and reduced-price lunch programs to
36 determine eligibility and must report to the superintendent of public
37 instruction the number of students eligible. The superintendent must
38 allocate funding for the stipend to local education agencies based on
39 the number of eligible students. The superintendent of public

1 instruction shall adopt such rules and procedures as are necessary to
2 administer the stipend.

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

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

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

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

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

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

29 (4) \$46,263,000 of the general fund—federal appropriation (CRRSA)
30 is provided solely for emergency assistance to nonpublic schools, as
31 authorized in section 312(d), the coronavirus response and relief
32 supplemental appropriations act, P.L. 116-260, division M.

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

36 NEW SECTION. **Sec. 7. FOR THE DEPARTMENT OF CHILDREN, YOUTH, AND**
37 **FAMILIES—EARLY LEARNING PROGRAM**

38 General Fund—Federal Appropriation (2019-2021

1 health may make expenditures from this sum solely to plan for,
2 prepare, and deploy the COVID-19 vaccine.

3 NEW SECTION. **Sec. 10. FOR THE OFFICE OF FINANCIAL MANAGEMENT—**
4 **UNEMPLOYMENT INSURANCE TRUST FUND**

5 Budget Stabilization Account—State Appropriation

6 (FY 2021)	\$500,000,000
7 TOTAL APPROPRIATION.	\$500,000,000

8 The appropriation in this section is subject to the following
9 conditions and limitations: The entire budget stabilization account—
10 state appropriation is provided solely for expenditure into the
11 unemployment insurance trust fund, from which it may be used solely
12 to implement House Bill No. . . . (H-0453/21) (unemployment
13 insurance). If the bill is not enacted by February 28, 2021, the
14 appropriation in this section shall lapse. For the purposes of RCW
15 43.88.055(4), the appropriation in this section does not alter the
16 requirement to balance in the ensuing biennium.

17 NEW SECTION. **Sec. 11. FOR THE OFFICE OF FINANCIAL MANAGEMENT—**
18 **COVID-19 K-12 RESPONSE ACCOUNT—FEDERAL**

19 General Fund—Federal Appropriation (2019-2021

20 biennium)	\$824,852,000
21 TOTAL APPROPRIATION.	\$824,852,000

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

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

32 Budget Stabilization Account—State Appropriation

33 (FY 2021)	\$160,000,000
34 TOTAL APPROPRIATION.	\$160,000,000

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

11 NEW SECTION. **Sec. 13. FOR THE OFFICE OF FINANCIAL MANAGEMENT—**
12 **COVID-19 K-12 RESPONSE ACCOUNT—STATE**

13 Budget Stabilization Account—State Appropriation
14 (FY 2021) \$500,000,000
15 TOTAL APPROPRIATION. \$500,000,000

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

26 NEW SECTION. **Sec. 14. FOR THE OFFICE OF FINANCIAL MANAGEMENT—**
27 **RECOVERY REBATE ACCOUNT**

28 Budget Stabilization Account—State Appropriation
29 (FY 2021) \$200,000,000
30 TOTAL APPROPRIATION. \$200,000,000

31 The appropriation in this section is subject to the following
32 conditions and limitations: The appropriation in this section is
33 provided solely for expenditure into the recovery rebate account from
34 which it may be appropriated solely to administer remittances as
35 authorized in RCW 82.08.0206. \$100,000,000 of the amount provided in
36 this section is provided solely to increase remittance amounts

1 pursuant to House Bill No. 1319 (recovery rebate) and shall lapse if
2 the bill is not enacted by June 30, 2021. For the purposes of RCW
3 43.88.055(4), the appropriation in this section does not alter the
4 requirement to balance in the ensuing biennium.

5 NEW SECTION. **Sec. 15. FOR THE OFFICE OF FINANCIAL MANAGEMENT—**
6 **BUDGET STABILIZATION ACCOUNT TO GENERAL FUND**

7 Budget Stabilization Account—State Appropriation

8 (FY 2021)	\$84,000,000
9 TOTAL APPROPRIATION.	\$84,000,000

10 The appropriation in this section is subject to the following
11 conditions and limitations: The appropriation in this section is
12 provided solely for expenditure into the state general fund to offset
13 the loss of state revenues pursuant to enactment of House Bill No.
14 1299 (B&O tax relief). If the bill is not enacted by June 30, 2021,
15 the appropriation in this section shall lapse. For the purposes of
16 RCW 43.88.055(4), the appropriation in this section does not alter
17 the requirement to balance in the ensuing biennium.

18 NEW SECTION. **Sec. 16.** A new section is added to chapter 43.79
19 RCW to read as follows:

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

26 It is the intent of the legislature to reappropriate in the
27 2021-2023 fiscal biennium any moneys in the account that are not
28 obligated at the close of the 2019-2021 fiscal biennium under the
29 same conditions and limitations as in section 6, chapter . . . , Laws
30 of 2021 (section 6 of this act).

31 NEW SECTION. **Sec. 17.** A new section is added to chapter 70.12
32 RCW to read as follows:

33 (1) The COVID-19 public health response account is created in the
34 custody of the state treasurer. The account shall consist of funds
35 appropriated by the legislature and grants. Only the secretary of the
36 department of health, or the secretary's designee, may authorize

1 expenditures from the account for costs related to the statewide
2 response to the COVID-19 pandemic, subject to any limitations imposed
3 by grant funding deposited into the account.

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

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

10 NEW SECTION. **Sec. 18.** A new section is added to chapter 82.08
11 RCW to read as follows:

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

19 NEW SECTION. **Sec. 19.** The definitions in this section apply
20 throughout this act unless the context clearly requires otherwise.

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

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

26 (3) "CRRSA/ESSER" means funds attributable to the elementary and
27 secondary school emergency relief fund, as modified by the
28 coronavirus response and relief supplemental appropriations act, P.L.
29 116-260, division M.

30 (4) "FMAP" means federal medical assistance percentage, including
31 funds attributable to the temporary increase of medicaid FMAP by
32 section 6008, the families first coronavirus response act, P.L.
33 116-127, division F.

34 NEW SECTION. **Sec. 20.** This act may be known and cited as the
35 REAL recovery for Washington act of 2021.

1 NEW SECTION. **Sec. 21.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 22.** If any part of this act is found to be in
6 conflict with federal requirements that are a prescribed condition to
7 the allocation of federal funds to the state, the conflicting part of
8 this act is inoperative solely to the extent of the conflict and with
9 respect to the agencies directly affected, and this finding does not
10 affect the operation of the remainder of this act in its application
11 to the agencies concerned. Rules adopted under this act must meet
12 federal requirements that are a necessary condition to the receipt of
13 federal funds by the state.

14 NEW SECTION. **Sec. 23.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of
16 the state government and its existing public institutions, and takes
17 effect immediately.

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