

HOUSE BILL REPORT

HB 1368

As Reported by House Committee On:
Appropriations

Title: An act relating to responding to the COVID-19 pandemic through state actions supported by federal funding.

Brief Description: Responding to the COVID-19 pandemic through state actions supported by federal funding.

Sponsors: Representatives Ormsby, Macri, Ramos, Callan, Gregerson, Berry, Sullivan, Leavitt, Duerr, Bergquist, Kloba, Riccelli, Ramel, Harris-Talley and Pollet.

Brief History:

Committee Activity:

Appropriations: 1/26/21, 1/28/21 [DPS].

Brief Summary of Substitute Bill

- Appropriates \$2.2 billion in federal funding from a combination of the federal Consolidated Coronavirus Response and Relief Supplemental Appropriations Act, the Coronavirus Relief Fund under the federal Coronavirus Aid, Relief, and Economic Security Act, and Medicaid for K-12 public schools, public health, healthcare, assistance to individuals and families, housing assistance, and business assistance.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Caldier, Chopp, Cody, Dolan, Fitzgibbon, Frame, Hansen, Hoff, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 7 members: Representatives Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Boehnke, Chandler, Dye, Harris and Schmick.

Minority Report: Without recommendation. Signed by 1 member: Representative Jacobsen.

Staff: Charlie Gavigan (786-7340).

Background:

A two-year biennial operating budget is adopted every odd-numbered year. Supplemental budgets frequently are enacted in each of the following two years after adoption of the biennial budget. Appropriations are made in the biennial and supplemental budgets for the operation of state government and its various agencies and institutions, including higher education, as well as allocations for the funding of K-12 public schools. Occasionally, appropriations are made outside the supplemental and biennial budgets for limited purposes such as funding for a specific policy bill or to address a specific matter.

Coronavirus disease (COVID-19) is an infectious disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus. The first reported occurrence of COVID-19 in the United States was in January 2020. The federal Coronavirus Preparedness and Response Supplemental Appropriations Act was enacted on March 6, 2020, and several COVID-19 related federal appropriations acts have occurred since then.

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted on March 27, 2020. The CARES act included the Coronavirus Relief Fund (CRF). The CRF provided approximately \$3 billion for Washington state and local government expenses related to the COVID-19 public health emergency. Funding received directly by the state was authorized for expenditure through the statutory unanticipated receipt process (the Legislature was not in session when the federal funding was received).

Under the original terms of the CARES Act, to be eligible for CRF, costs had to be incurred by December 30, 2020. The federal Consolidated Coronavirus Response and Relief Supplemental Appropriations Act was signed into law on December 27, 2020. Among other things, the CRRSA extended the CRF deadline from December 30, 2020, to December 31, 2021, and provided additional funding to Washington to help address the impacts of COVID-19.

Summary of Substitute Bill:

The bill appropriates \$2.2 billion in federal funding from a combination of the federal CRRSA Act, the CRF under the federal CARES Act, and Medicaid for K-12 public schools,

public health, healthcare, assistance to individuals and families, housing assistance, and business assistance.

Funding includes:

- \$714 million for assistance to K-12 schools, including \$46 million for non-public school assistance;
- \$618 million for public health, including \$438 million for testing and contact tracing; \$100 million for epidemiology and laboratory grants, and \$68 million for vaccines. This funding is deposited into a newly created non-appropriated account;
- \$365 million for a variety of housing-related items, including rental assistance;
- \$240 million for business assistance grants;
- \$91 million for other income assistance programs, including \$65 million for immigration services, \$12 million for disaster cash assistance, \$9 million for Temporary Assistance for Needy Families, and \$5 million for food assistance;
- \$50 million for a variety of childcare-related items; and
- \$26 million for food banks and other food related programs.

Additional detail can be found at fiscal.wa.gov.

Substitute Bill Compared to Original Bill:

The substitute bill makes a clarification to subgrants to local education agencies and makes a technical correction.

Appropriation: The bill contains multiple appropriations. Please refer to the bill and supporting documents.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) Public health resources like those in this bill are critically needed. The whole package is appreciated, especially the help for businesses and schools. Assistance to help schools reopen and address learning loss is important. The Legislature should stay firm in requirements related to reopening schools. If funding is not provided, some students will stop receiving services they currently receive. Funding for immigrant assistance is vital to help address important needs like housing, health care, and food during the pandemic. This assistance helps the economy as well. Funding must get out quickly to support individuals, families, schools, business, and the community. Health care clinics and other health care providers appreciate the resources provided as they continue to cope with the ramifications

of the COVID-19. It is essential to get funding out for rental and business assistance; equity needs to be considered. Getting help to people struggling because of COVID-19 is vital, and this is a down payment on addressing the severe impacts of the pandemic throughout the state. Essential funding is included for the public health system to help address COVID-19. Additional support for childcare provided in the bill is essential.

(Opposed) None.

(Other) While the federal funding for schools is much appreciated, the formula does not help every district. There are language concerns that hopefully can be considered. There are other critical needs that are not addressed in the bill.

Persons Testifying: (In support) Representative Ormsby, prime sponsor; Mellani McAleenan, Washington State Association of Counties; Melissa Johnson, Community Residential Services Association; Katara Jordan, Building Changes; Neil Strege, Washington Roundtable; Lorrell Noahr, Washington Education Association; Cindy McMullen and Rick Jansons, Washington State School Directors' Association; Paúl Quiñonez Figueroa, Working Washington; David Coven; Yuribia Obeso, Washington Immigrant Solidarity Network; Julia Gorton, Washington Hospitality Association; Grace Yuan, School Alliance; Michele Thomas, Washington Low Income Housing Alliance; Katie Rains, Washington State Department of Agriculture; Huma Zarif, Northwest Health Law Association; Katherine Mahoney, Office of Superintendent of Public Instruction; Katie Madinger, The Olympia Free Clinic; Julie Schroath, Washington Childcare Centers Association; and Terri Standish-Kuon, Independent Colleges of Washington.

(Other) Ann Christian, Washington Council for Behavioral Health; Andrew Perkins, Thorp School District; Ron McHenry, Washington State Alliance of Boys & Girls Clubs; Jasmine Vasavada, Washington State Department of Commerce; and Dan Steele, Washington Association of Administrators and Washington Association of School Business Officials.

Persons Signed In To Testify But Not Testifying: None.