

SENATE BILL REPORT

ESHB 1368

As Passed Senate, February 10, 2021

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: House Committee on Appropriations (originally sponsored by Representatives Ormsby, Macri, Ramos, Callan, Gregerson, Berry, Sullivan, Leavitt, Duerr, Bergquist, Kloba, Riccelli, Ramel, Harris-Talley and Pollet).

Brief History: Passed House: 2/1/21, 61-36.

Committee Activity: Ways & Means: 2/04/21 [DP, w/oRec].

Floor Activity:

Passed Senate: 2/10/21, 47-2.

Brief Summary of 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.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Braun, Carlyle, Conway, Darneille, Dhingra, Gildon, Hasegawa, Hunt, Keiser,

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Lias, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senators Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital.

Staff: Julie Murray (786-7711)

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.

On January, 27, 2020, the United States Department of Health and Human Services declared a public health emergency due to the highly contagious and potentially deadly COVID-19 virus. On February 29, 2020, the Governor declared a statewide state of emergency that the COVID-19 outbreak is a public disaster affecting life, health, property and public peace.

The federal government has enacted five major appropriations bills related to COVID-19:

- Coronavirus Preparedness and Response Act—provided \$8.3 billion in spending focused on health programs;
- Families First Coronavirus Response Act—provided \$192 billion in spending, including increased Medicaid matching rate, and direct assistance to workers and families;
- Coronavirus Aid, Relief, and Economic Security Act (CARES)—provided \$1.7 trillion in spending, including funding for state administered grant programs and created the Coronavirus Relief Fund (CRF). The CRF provided approximately \$3 billion to Washington State and local governments for unbudgeted expenses in response to COVID-19 incurred between March 1, 2020, and December 30, 2020;
- Paycheck Protection Program and Health Care Enhancement Act—provided \$483 billion in spending focused on businesses, hospitals, and testing; and
- Consolidated Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)—provided \$900 billion in spending to extend and modify the earlier federal appropriations bills and programs, including extended the CRF spending deadline from December 30, 2020, to December 31, 2021.

Federal funds come into the state in a variety of forms. Federal funds are sent directly to individuals and businesses and are also provided to state and local governments to administer federal programs, or to aid in the funding of state and local programs and services. Federal funds often contain restrictions on how the money may be spent or require a state match or maintenance of state effort to use the federal funds. Federal funds received by the state of Washington are part of the general fund and generally subject to the budget

and appropriation process, but generally not subject to the state constitutional restrictions.

Summary of Bill: The bill appropriates \$2.2 billion in federal funding from a combination of the federal CRRSA, 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 contract 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.

Appropriation: The bill contains an appropriation totaling \$2.2 billion in federal funds.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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