

# SENATE BILL REPORT

## SB 5344

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As of February 2, 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:** Senators Rolfes, Robinson, Billig, Dhingra, Nguyen, Nobles, Randall and Saldaña.

**Brief History:**

**Committee Activity:** Ways & Means: 2/02/21.

**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.

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### SENATE COMMITTEE ON WAYS & MEANS

**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

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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.

**Staff Summary of Public Testimony:** PRO: While we appreciate the bill directs OSPI to address learning loss of homeless students, it does not go far enough and should direct OSPI to use its 10 percent allocation of ESSER funds to address the emergency needs of homeless students and those at risk of homelessness when the eviction moratorium is lifted. We support getting these additional financial supports to high poverty schools that need more resources to address the digital divide and health and safety issues needed for safe reopening of these schools. Thank you for the quick pass-through of federal funding for schools; it will go a long way to help stabilize district budgets. We appreciate quickly taking up these bills to distribute funds to school districts that face significant costs due to the pandemic. The funds will provide budget stability. We will need to address the impact the pandemic has on school funding formulas for the next year. Once students are back in school, we would like to see them assessed and resources directed to those students who have fallen behind. We appreciate the learning loss plans and would like to see funding conditioned on specific actions to make sure resources get to students who are identified as needing the most help.

We cannot stress enough the urgency to get the rental assistance, foreclosure prevention, disaster cash assistance and immigrant relief funds out the door. We also need to consider permanent source funding for rental assistance and eviction prevention. We want to thank you for recognizing and funding programs that help alleviate food insecurity and have a minor amendment we ask you to consider to continue directly purchasing food. We support the immigrant relief funds that has provided emergency economic support to immigrant workers impacted by the pandemic and who have historically been excluded from almost all public programs to meet basic needs. I have been volunteering to help people apply for the immigrant relief program. The pandemic left them with little income and struggling to pay their bills and this program will help them and the state's economy. Immigrants who identify as Pacific Islanders are part of this group and desperately need the resources in this bill.

We are very supportive of the small business grants in the bill. The enhanced rate for supportive living providers has been our lifeline during the pandemic to service our clients. We support this bill which provides grants to childcare providers; it is important the funds

be distributed equitably to ensure the sustainability of all childcare.

OTHER: We believe the bill may inadvertently hinder public access to utility assistance and believe the distribution of funds through local housing authorities will make this assistance difficult to access in rural areas.

**Persons Testifying:** PRO: Senator Christine Rolfes, Prime Sponsor; Katara Jordan, Building Changes; Lorrell Noahr, Washington Education Association; Michele Thomas, Washington Low Income Housing Alliance; Julia Gorton, Washington Hospitality Association; Katie Rains, Washington State Department of Agriculture; Melissa Johnson, Community Residential Services Association; Rick Jansons, Washington State School Directors' Association; Ginger Still, Washington Childcare Centers Association; Cindy McMullen, Washington State School Directors' Association; Paul Quinonez Figueroa, Working Washington; Yuribia Obeso, Washington Immigrant Solidarity Network; Joseph Lachman, Asian Counseling and Referral Services; Katherine Mahoney, Office of the Superintendent of Public Instruction; Neil Strege, Washington Roundtable.

OTHER: Nicolas Garcia, Washington Public Utility Districts Association.

**Persons Signed In To Testify But Not Testifying:** No one.