

WASHINGTON STATE



Ways & Means Committee

Senate Bill 5344

(Early Action)

Overview

Senator Rolfe

Senator Robinson

SENATE WAYS & MEANS COMMITTEE
January 2021

<http://www.leg.wa.gov/Senate/Committees/WM/Pages/default.aspx>

Context

On December 27, 2020, the fifth federal coronavirus (COVID-19) relief bill was enacted.¹ This new relief package provides approximately \$900 billion in federal aid and assistance nationwide. For some aid programs, the relief money is provided directly to individuals, businesses, and other organizations. For other aid programs, the states must allocate the relief money.

The bill also provided a one-year extension for state and local governments to spend the Coronavirus Relief Fund (CRF). The CRF was part of the third federal COVID-19 relief bill known as the CARES Act.² CRF funds can be used by state and local government for necessary expenses incurred due to the public health emergency COVID-19.³

In Washington, federal funding is allocated to state agencies through the budget and appropriation process, which typically concludes at the end of April.⁴ SB 5344 and SB 5343 would provide authority to spend funds from the fifth federal COVID-19 relief bill and CRF immediately upon enactment.

Summary

SB 5344 allocates \$2.1 billion from the December federal COVID-19 relief bill, CRF, and Medicaid for: public schools, public health, health care, business assistance, rental assistance, childcare, and assistance to individuals and families. Most of the federal relief funds are subject to federal restrictions in addition to legislative priorities for spending expressed in the bill. CRF is more flexible and can be used to fund a broad range of activities, not subject to state constitutional restrictions. The programs and activities in this legislation are discussed in more detail in the pages that follow.

SB 5343 revises the fund source for COVID-19 related temporary rate increases for long-term care and developmental disability providers paid in calendar year 2020. The rate increases were paid with CRF. This bill would use \$164 million of the Budget Stabilization Account (Rainy Day Fund) and \$239 million of federal Medicaid matching funds for these expenses. This revision is possible due to the extension in CRF spending provided in the December federal COVID-19 relief bill and has the effect of restoring \$403 million in available CRF funds for other allowable uses.

¹ Public Law 116-260

² Public Law 116-136. Washington received \$2.9B, of which \$2.1B went to the state and the remainder to King, Pierce, Snohomish, Spokane Counties, and the City of Seattle.

³ Restrictions, terms, and conditions for the CRF can be found here: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

⁴ In odd years. Even years passage is usually in March.

Increases

K-12 Education

K-12 Public Schools - \$668 million

SB 5344 provides funding to assist schools with re-opening, address learning loss, and respond to unanticipated expenditures associated with COVID-19.

Non-Public Schools - \$46 million

SB 5344 provides federal funding to non-public schools to provide emergency assistance in response to COVID-19.

Public Health

COVID-19 Public Health Response - \$618 million.

SB 5344 provides funding for the newly created COVID-19 Public Health Response Account. The Department of Health will use the account to respond to the pandemic, including preparing for and deploying the COVID-19 vaccine, testing, and contact tracing.

Health Care

Provider Rates - \$70 million

SB 5344 provides funding to extend the COVID-19 rate enhancements offered to contracted long-term care and developmental disabilities providers in January-March 2021 through April-June 2021, in combination with state funds in the Department of Social & Health Services' base budget.

Uninsured & Underinsured COVID Care - \$6 million

SB 5344 provides funding for grants for rural health centers, federally qualified health centers, and free clinics to provide health care services for uninsured and underinsured patients, regardless of immigration status, for the treatment of any health condition that is further complicated by the past or present treatment of the illness caused by COVID-19.

Business Assistance

Business Assistance Grants - \$240 million

SB 5344 provides funding for grants to assist small businesses who have been impacted by the COVID-19 pandemic. \$120 million of these amounts will provide assistance for maintaining operation, and \$120 million will provide assistance for businesses to reopen.

Rental Assistance

Rental and Housing Assistance - \$365 million

SB 5344 provides funding for rental and utility assistance for low-income households who are unable to pay rent due to the COVID-19 pandemic. Funding is also provided for foreclosure assistance and other services related to housing stability.

Child Care Assistance

Child Care Provider Supports - \$50 million

SB 5344 provides funding for grants to subsidy and non-subsidy childcare providers; incentives for providers to accept new subsidized slots; incentives for family, friends, and neighbor providers; and an adjustment to the school-age childcare provider rate through April 2021.

Assistance to Individuals and Families

Immigrant Relief Fund - \$65 million

SB 5344 provides funding for the Economic Services Agency to continue to provide grants to qualifying applicants who meet certain criteria, including ineligibility for federal stimulus benefits or regular unemployment benefits due to their immigration status.

Food Assistance - \$26 million

SB 5344 provides funding to the Washington Department of Agriculture to support food assistance programs. The authorization of federal coronavirus relief funding helps hunger relief organizations provide food security to the public.

Food Assistance Program - \$5 million

SB 5344 provides funding for the Economic Services Administration within the Department of Social & Health Services to increase Food Assistance Program benefits to maintain parity with benefits provided under the Supplemental Nutrition Assistance Program for January through March 2021.

Disaster Cash Assistance Program - \$12 million

SB 5344 provides funding for Economic Services Agency to provide one-time cash benefits to qualifying individuals and families without children, pending passage of HB 1151 by April 1, 2021.

Temporary Assistance for Needy Families - \$9 million

SB 5344 provides funding for the increased caseload to the TANF program as a result of the suspension of both the 60-month lifetime time limit and sanctions for nonparticipation in WorkFirst activities.

Undocumented Student Relief Grants - \$5 million

SB 5344 provides funding for relief grants for eligible undocumented students enrolled in institutions of higher education in academic year 2020-21.

2019-21 Omnibus Operating Budget -- 2021 Supplemental
SB 5344 (Early Action)
Total Appropriated
(Dollars in Thousands)

	Amount
<i>K-12 Education</i>	
Federal ESSER Grants	668,130
Non-Public Schools Assistance	46,263
<i>K-12 Education Total</i>	714,393
 <i>Public Health</i>	
Testing and Contact Tracing	450,000
Laboratory Capacity	100,000
Vaccine Administration	68,000
<i>Public Health Total</i>	618,000
 <i>Health Care</i>	
Long-Term Care & DD Provider Rates	69,962
Uninsured & Underinsured COVID Care	6,000
<i>Health Care Total</i>	75,962
 <i>Business Assistance</i>	
Business Assistance Grants	240,000
<i>Business Assistance Total</i>	240,000
 <i>Rental Assistance and Housing Supports</i>	
Rental Assistance	357,000
Housing Supports	8,000
<i>Rental Assistance and Housing Supports Total</i>	365,000
 <i>Child Care Assistance</i>	
Grants to Providers	34,800
Provider Rates and Incentives	15,200
<i>Child Care Assistance Total</i>	50,000
 <i>Assistance to Individuals and Families</i>	
Immigrant Relief Program	65,000
Food Assistance	31,092
Disaster Cash Assistance	12,000
TANF Caseload	9,000
Undocumented Student Relief Grants	5,000
<i>Assistance to Individuals and Families Total</i>	122,092
 Grand Total	2,185,447