

Protect our seniors and vulnerable workers. Reopen our economy. Reduce spending to sustainable levels. Restart classroom learning for our children in the fall. And return and rebuild manufacturing jobs to Washington to ensure greater self-sufficiency in the future.

That is the urgent work Washingtonians need and expect to be done.

Reason for Special Session: Our state is in crisis. The devastation of COVID-19 is impacting every aspect of life for Washingtonians. It is time for the Legislature to act.

The crisis has three prongs: public health, economic, and the state budget. The special session should address all three.

And the Legislature should act on two other fronts critical to our future: (1) restart, absent extraordinary circumstances, classroom learning in the fall, and (2) rebuild Washington manufacturing's prominence and jobs in the state, ensuring we are more self-sufficient should another crisis should arise in the future.

Timing: While abiding by recommended best health practices, the special session should be convened and adjourned before July. Urgent action is needed to address these crises.

Substance:

A. Public Health Crisis: Protect Our Seniors & Vulnerable Workers

Problem Statement: While COVID-19 poses a risk to all, elderly Washingtonians who are medically fragile and residing in congregate settings – namely, Long-Term Care facilities – are most vulnerable. These facilities have been the epicenter of fatalities in our state, accounting for over 60% of COVID-19 deaths, and Washington's LTC fatalities are far in excess of its neighbors. The state must do better.

A pre-July special session would allow the Legislature to enact legislation to increase protections for older, vulnerable Washingtonians and increase reporting of relevant data to the public.

1. **Make LTC facilities and patients a higher priority** with legislation that makes five significant reforms:
 - a) Make Protective Personal Equipment for LTC facilities a top-tier priority, directing available warehouse inventory to these facilities.
 - b) Prohibit staff from working in more than one LTC facility and use stimulus funds to increase pay to ensure no financial hardship to workers who previously worked at more than one facility. The state Department of Health should have authority to grant extraordinary waivers to this policy if it is deemed to be in the best interest of patient safety and care.
 - c) Prohibit hospital patients from being discharged to an LTC facility without first testing negative for COVID-19.

- d) When an LTC patient or staff member tests positive for COVID-19, every patient and staff in the facility must be tested within 48 hours.
 - e) Data on LTC fatalities and cases must be centrally collected and made public.
2. **Better transparency and reporting to the public** through legislation that requires daily reports with substantially more detail regarding LTC fatalities and cases than is now available. Massachusetts is a model, issuing a daily report of 30+ pages. Such openness can only build and maintain trust with the people.
 3. **Protect vulnerable workers.** COVID-19 is most dangerous to the elderly and those with multiple co-morbidities. To protect Washington's most vulnerable workers, those employees who are age over 60 or have multiple co-morbidities would be eligible for unemployment insurance during the state of emergency without having to seek or accept work, so long as the work could not be done from home. Charges would not be passed along to employer ratings.

B. Economic Crisis: Re-Open Our Economy

Problem statement: Unemployment is at a record level in Washington. Businesses, both small and large, are facing a crisis that puts the very existence of many in peril. Without prompt action, many will close permanently.

A pre-July special session would allow the Legislature to respond by prioritizing the over \$2 billion granted to Washington through the federal CARES Act to help workers and businesses. These dollars by federal restriction may not be applied to a state budget deficit and must be spent by the end of 2020. The governor has already depleted this grant by more than \$500 million; legislators should take steps to financially assist businesses and vulnerable workers.

1. **Direct support to small businesses.** Working with the Department of Revenue, the Legislature should craft legislation that quickly routes at least **\$500 million** to small businesses in a direct deposit form. This must be broad-based relief that avoids favoring certain businesses/sectors.
2. **Protect businesses from higher unemployment tax rates arising from government mandated closures.** Washington should join the majority of states that have enacted policies that ensure COVID-19 related layoffs will not be charged against employers for purposes of calculating their unemployment insurance experience ratings and resulting tax rates. Several states have policies that prevent employers from being charged for claims that arise from a disaster covered under a federal disaster declaration. This is basic fairness. It will also help ensure more businesses will be able to survive this crisis and rehire their employees once they can safely resume operations.
3. **Extend premium relief program for financially distressed small businesses** - L&I has an employer assistance program which permits financially distressed businesses a 90 day deferral on workers' compensation premiums. The economic impacts facing small businesses will continue long past the 90-day window. The program should be extended to

allow deferral through the end of the year, and L&I should examine whether it has sufficient reserve funds to allow forgiveness of a portion of the deferred payments to assist businesses to stay afloat.

The fourth necessary step the Legislature should take is to **reform and rebalance the powers it statutorily delegated to the Governor in times of emergency**. The emergency powers statute should give the Legislature a role in review of all Governor proclamations after thirty days.

Finally, **don't let new regulations derail the recovery**. Employers are facing a steep uphill climb as they try to recover from the economic catastrophe caused by COVID-19. Let's not make things tougher for them by imposing new regulations that increase their costs. The Department of Ecology should pause its rulemaking activity while workers get back on their feet. They should also expedite appeals and permitting processes to help keep businesses afloat during a difficult recovery. We cannot allow state regulations to push businesses to close their doors or leave Washington.

C. Budget Crisis: Reduce Spending to Sustainable Levels

Problem statement: The state is facing a revenue shortfall of over \$3.5 billion this biennium, with a similar projected impact for the following biennium. This forecasted impact very well may be too low, as employment is not expected to return to pre-pandemic levels until 2023.

While a single special session can't possibly resolve everything, the Legislature needs to make inroads. Three reasonable steps would accomplish that while protecting core services:

1. **Tap the constitutional rainy-day fund**, regardless of whether doing so requires a 50% or 60% vote. This economic crisis is precisely why the fund exists, and it should be used. Roughly \$2 billion is available to sustain vital services and avoid tax increases.
2. **Forego salary increases for public employees set to take effect July 1**. When nearly 1 million Washingtonians are unemployed, now is not the time to grant raises to those fortunate enough to have jobs. If we are "all in this together" in responding to this pandemic, the public sector – which is supported by revenue from the private sector – must share in this sacrifice. The Legislature should declare a "significant revenue shortfall" that would trigger a re-opening of collective bargaining agreements. This would allow scheduled 3% raises for public employees (represented and non-represented) to be pulled back.
3. **Forego policy increases set to take effect July 1**. Because state government faces a sizable budget hole, its leaders should follow the "quit digging" principle. To best protect core services, the Legislature should forego the hundreds of millions in new policy adds and programs set to take effect July 1. Keep in mind, these would not be "cuts" because they have yet to take effect. Doing so now would also reduce the maintenance level going forward.

D. K-12: Act Now to Ensure Classroom Learning in the Fall

Problem Statement: Although providing for basic education is the paramount duty of the state, the prospect that traditional in-building K-12 classes will not convene in fall 2020 looms as a distinct possibility. This would have adverse impacts on students, families, and educational outcomes.

The Legislature should pass legislation during a pre-July special session directing, absent extraordinary criteria spelled out in the legislation, that regular in-building learning will be available and take place as scheduled in Fall 2020 and future school years.

E. Rebuild Manufacturing Jobs & Capacity in Our State

Problem Statement: This pandemic has exposed our state's vulnerabilities and dependence on other countries for basic core products and goods. Personal protective equipment? Amino Acids? Aluminum? These are all products that Washington employees and manufacturers could and should be making. It is a matter of both security and self-sufficiency. Policies should be enacted to encourage the production of these goods in our state with our workforce.

The aerospace sector is a blessing to this state. One of the companies is the state's largest employer with employee average wages exceeding \$100,000 a year. However, the policies enacted to ensure the continued viability of aerospace in Washington should apply to all manufacturers in our state.

We need to spur manufacturing jobs and goods production in our state. Giving the "aerospace treatment" to all manufacturers in our state is a great step toward that goal.

Bills in This Proposed Structure

Public Health Crisis: Protect our Seniors & Vulnerable Workers *(Three Bills)*

- Prioritize LTC Patients, Staff & Facilities
- Require Increased Transparency & Reporting
- Protect Vulnerable Workers, Eligible for UI

Economic Crisis: Reopen Our Economy *(Five Bills)*

- Small Business Financial Assistance
- Protect Businesses from Higher UI Tax Rates Arising from Govt Mandated Closures
- Extend L&I Premium Relief Program for Distressed Small Businesses
- Revise Emergency Powers: Require Legislative Review of All Proclamations After 30 Days
- Prohibit New Ecology Rulemaking During Duration of State of Emergency

Budget Crisis: Reduce Spending to Sustainable Levels *(Three Bills)*

- Authorize accessing the rainy-day fund
- Declaration of significant revenue shortfall
- Revised budget - Forego salary increases and new spending set to take effect July 1

K-12: Act Now to Ensure Classroom Learning Resumes in Fall *(One Bill)*

- Direct in-school learning for 2020-21 school year, absent certain extraordinary criteria being present

Return & Rebuild Manufacturing Jobs & Capacity in Washington *(One Bill)*

- Give the "aerospace treatment" to all manufacturers in Washington to spur job and manufacturing production growth across state