



2020 POLICY AGENDA

Washington's economy continues to perform well. The state unemployment rate has been hovering near all-time lows, and Washington ranks among the nation's leading states for private sector job creation. State tax collections have come in higher than anticipated since the biennium began last July, and the state's forecaster has increased 2019-21 revenue projections three times since the biennial budget was adopted.

Although recent economic performance has been good, state and national indicators point to slowing growth, raising concerns about the potential of a downturn. Meanwhile economic disparity persists, with high levels of unemployment in some regions and a lack of shared prosperity statewide.

State lawmakers took advantage of the state's economic growth over the last decade to dramatically increase spending. The 2019-21 biennial state budget spends \$8 billion (or 18.4 percent) more than was spent in the previous cycle. That was the largest percentage increase in more than 25 years. While much of those funds were invested in priority services like education, this unprecedented spending growth has created a bow wave that will put funding for those services at risk if the economy slows.

The Washington Roundtable urges lawmakers to tap the brakes on spending growth in 2020, avoid actions that will make our state vulnerable in the face of slower economic growth, and take action to promote shared prosperity statewide.

Lawmakers should continue working to ensure Washington students are prepared for the job opportunities being created here. Most of those jobs will be filled by workers with post-high school credentials, but it is estimated that just 42 percent of our students complete a credential (such as a degree, apprenticeship, or certificate) by age 26. Credential attainment for low-income students and students of color is even lower. Our goal: Increase the credential attainment rate to 70 percent by the high school class of 2030.

Lawmakers must also continue to invest in 21st century infrastructure. The Boston Consulting Group has estimated that economic losses due to deteriorating infrastructure will total \$370 billion over the next 20 years. Passage of I-976 will exacerbate those negative impacts. Lawmakers must now look forward and address our state's pressing transportation challenges, mitigating the impacts of I-976, embracing innovation, and planning for future investments.



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Priorities for 2020

THE ROUNDTABLE URGES THE 2020 LEGISLATURE TO:

- **Deliver a supplemental budget** that is sustainable, maintains healthy reserves, limits spending growth, and is supported by tax policy that is predictable and supports economic growth for all.
- **Protect 2015 Connecting Washington investments** dedicated to asset preservation and maintenance and improvements in key economic corridors. Further degradation of the state's highway and bridge systems in response to funding cuts required by Initiative 976 will significantly compromise safe and efficient movement of people and goods and undermine economic growth.
- **Support policies that promote economic development and job growth**, particularly in non-urban regions.
- **Drive progress toward the 70 percent credential attainment goal for Washington students.** This includes:
 - Promoting increased enrollment of high school graduates into certificate, degree, and apprenticeship programs.
 - Ensuring investments made through the Workforce Education Investment Account increase the rate at which Washington students complete post-high school credentials by age 26.
 - Committing to rigorous graduation pathways and learning standards.

About Washington Roundtable

The Washington Roundtable is a nonprofit organization comprised of senior executives of major private sector employers in Washington state. Founded in 1983, the Roundtable works to effect positive change on the public policy issues that are most important to supporting state economic vitality and fostering opportunity for Washingtonians. We are committed to making Washington a better place to live, work and do business.

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