



2022 POLICY AGENDA

Washingtonians have demonstrated tremendous resilience during the COVID-19 pandemic.

Businesses have responded to unprecedented disruption by transforming operations and reimagining the workplace. The underlying strength, diversity, and innovation of our state economy are evident and state revenue projections through 2025 now exceed pre-pandemic expectations by an astounding \$8.6 billion.

Despite strong jobs growth, overall employment in Washington is still below the pre-pandemic peak. Employers are facing an alarming shortage of qualified talent while also shouldering the burden of state-imposed costs, inflation-related costs, and supply chain disruptions. Additionally, the pandemic exposed weaknesses in Washington's transportation and other infrastructure, and our state continues to struggle with crises in educational equity and credential attainment.

A collective and continued effort is needed in 2022 to support economic recovery, opportunity, and prosperity statewide. That effort must be underpinned by prudent state fiscal policy; state transportation investment; an evidence-based approach to reduce chronic homelessness; and demonstrable progress toward ensuring Washington students are prepared to succeed in the state economy and careers of the future.

Priorities: State Fiscal & Economic Policy

Employers are being challenged to reimagine operating models and address labor shortages in the wake of the pandemic. Lawmakers must not add to employer costs or regulatory burdens in 2022. Additionally, they must be cautious not to extend a recent pattern of expansive state spending that resulted in a \$7 billion (or 12.4%) state spending increase during the 2021-23 biennium on top of a 17.6% increase in 2019-21.

The Roundtable will work to ensure Washington's economy is positioned to emerge from the pandemic stronger and more equitable. We urge lawmakers to:

- Support sustainable and prudent fiscal policy by rebuilding and protecting reserves.
- Avoid actions that will increase bow wave (the cost of maintaining services into the future), further burden employers working to recover and rebuild, or harm economic recovery and growth.
- Address unforeseen and impractical impacts of the new long-term care tax and its implementation timeline on Washington workers.
- Support creation of a robust public data system that tracks and regularly reports on racial disparities across institutional systems and experiences.



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Priorities: Transportation & Other Infrastructure

The COVID-19 pandemic exposed and exacerbated weaknesses in transportation and other infrastructure. While overall state revenue projections now far outpace pre-pandemic expectations, state transportation revenues are down significantly and unlikely to recover for many years. Meanwhile, the state must confront an estimated \$8 billion backlog in transportation maintenance and preservation needs that continues to grow and an unfunded \$2.3 billion court-ordered culvert obligation. Additionally, lawmakers have an important role to play in addressing the crisis of chronic homelessness in communities statewide, which is growing at an alarming rate of 27% each year.

Infrastructure investment in 2022 will determine our shared ability to recover, rebuild, and support communities that thrive. The Roundtable urges lawmakers to:

- Deliver a long-term statewide transportation package that invests in maintenance and preservation, projects in key economic corridors, and multimodal investments in urban areas.
- Leverage recent growth in general fund revenue to support immediate transportation infrastructure needs such as completing promised Connecting Washington projects and funding the state's court-ordered obligation regarding culvert replacement.
- Invest federal COVID relief funds for acquisition of emergency housing for individuals and families experiencing chronic homelessness.

Priorities: Education Attainment

Current labor shortages underscore the importance of training and educating the workforce of the future. The need to dramatically increase the rate at which Washington students – particularly students of color and students from low-income backgrounds – enroll in and complete post-high school credentials has never been greater. However, college and university enrollment in Washington state – particularly among first-year students and those eligible for federal Pell grants – dropped during the pandemic and preliminary enrollment estimates for the 2021-22 academic year give further cause for concern.

The Roundtable will pursue the highest leverage opportunities to make demonstrable progress toward the goal that, by the high school class of 2030, 70% of students – overall and across all racial and ethnic communities – go on to attain a post-high school credential by age 26. We urge policymakers to:

- Tackle ongoing educational equity and postsecondary enrollment crises by expanding dual-credit and dual-enrollment opportunities, providing direct supports to students, and developing regional partnerships to build and expand pathways to and through post-high school education and training.
- Ensure Washington students are prepared for success by maintaining rigorous and relevant K-12 learning standards and state graduation requirements.
- Build and expand career connected learning opportunities.
- Ensure funds for learning recovery are directed to students most impacted by the pandemic.