



WASHINGTON ROUNDTABLE

2023 POLICY AGENDA

Washington demonstrated economic strength and resiliency following the COVID-19 pandemic. State revenue collections continued to come in higher than expected, and employment projections remain strong. That said, national efforts to tackle inflation and other challenges raise concerns about the potential for an economic downturn, and the state continues to face significantly increased costs due to high inflation. Meanwhile, employers are facing challenging headwinds with the combined pressures of inflation, labor shortages, continued supply chain challenges, and concerns over geopolitical unrest.

Amidst these challenges, state policymakers have an opportunity to chart a course to diverse and inclusive statewide growth. This work must include preparing for an uncertain economic future with a commitment to sustainable fiscal policy that limits spending growth and avoids added cost burdens for employers; infrastructure investments that support economic vitality; and focused efforts to ensure Washingtonians—across all racial and ethnic groups—are positioned to earn the credentials they will need to access the career opportunities of the future.

OUR PRIORITIES: STATE FISCAL POLICY

State spending increased 24.3% during the 2021-23 biennium on top of a 17.6% spending increase in 2019-21. Inflation and the potential for an economic downturn raise concerns that our state will not be able to sustain such spending growth. The state currently maintains \$2.9 billion in reserves. However, more than 70% of those funds are in the state's rescue plan transition account, which is not protected for use during emergencies or economic downturns. Lawmakers must avoid unsustainable spending in 2023 and protect reserves to position Washington state to successfully navigate potential economic challenges ahead.

WE URGE LAWMAKERS TO:

- > Avoid added costs or regulatory burdens for employers
- > Maintain reserves to mitigate the impacts of a future downturn and so that unforeseen emergencies can be addressed
- > Avoid actions that will increase bow wave (the cost of maintaining services into the future) and avoid unsustainable spending growth
- > Address unforeseen and impractical impacts of the new Washington Cares long-term care insurance program, including its long-term sustainability, or end the program

OUR PRIORITIES: EDUCATION

Workforce demands in Washington state are evolving like never before. Many employers continue to face intense labor shortages and anticipate increased long-term demands for skilled talent. Research indicates at least 70% of jobs in Washington state will be filled by workers who complete a postsecondary credential, such as a certificate, apprenticeship, or degree. It is vitally important that more Washingtonians pursue the credentials that will fuel their futures and Washington's economy. In 2023, the Washington Roundtable will continue to pursue the highest leverage opportunities to make demonstrable progress toward the goal that 70% of Washington students—overall and across all racial and ethnic groups—go on to attain a post-high school credential by age 26. We also will work to support increased credential attainment among adults.

WE URGE LAWMAKERS TO:

- > Expand dual-credit and dual-enrollment opportunities, including providing College in the High School opportunities to students at no cost
- > Provide direct student supports such as those offered through regional partnerships that build and expand pathways to and through postsecondary education and training
- > Maintain rigorous and relevant high school graduation pathways that ensure students graduate with the basic skills and knowledge needed to transition to postsecondary education and training
- > Continue to build and expand career-connected learning opportunities
- > Support policies and investments that make postsecondary education and training more accessible and ensure programs and models are designed to meet the needs of the economy and uncredentialed adult Washingtonians
- > Ensure Workforce Education Investment Account expenditures drive progress toward the 70% credential attainment goal

OUR PRIORITIES: INFRASTRUCTURE

In 2022, state lawmakers enacted the \$17 billion Move Ahead Washington transportation package, which fully funds previously planned projects, new projects in key economic corridors, court-ordered culvert obligations, key transit investments, and programs to decarbonize the transportation system. Lawmakers must implement these investments as planned in 2023 and begin to think about additional steps to ensure our state transportation system supports the safe and efficient movement of people and goods, as well as economic vitality.

WE URGE LAWMAKERS TO:

- > Implement the Move Ahead Washington package as enacted, including planned general fund contributions
- > Maintain the Move Ahead Washington package's commitment to maintenance and preservation
- > Appropriate funds to develop new projects that will support future mobility, particularly funding for an I-5 master plan



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