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Gov. Gregoire unveils Washington Jobs Now initiative

Plan will jump-start Washington's economy with targeted investments to grow jobs

SEATTLE – Gov. Chris Gregoire today unveiled her Washington Jobs Now initiative — her state-sponsored economic recovery plan — while speaking at the 37th Annual Economic Forecast Conference hosted by enterpriseSeattle.

“We can quickly create thousands of new jobs this year and next by accelerating nearly \$1 billion in public works projects,” Gregoire said. “The plan will create a legacy of roads, schools and green-collar jobs to thrust our state firmly into the 21st century.”

The governor’s plan includes capital and transportation construction projects, as well as reforms to unemployment insurance and homeowner assistance programs.

Gregoire’s proposed budget includes \$427 million in construction projects that are ready for groundbreaking in the next few months with the Legislature’s approval. Of that, \$21 million is devoted to green industries. These investments will put people to work, create facilities and fund public works projects, including those in higher education, natural resources, general government, human services and housing, K-12 education and other areas.

In addition, Gregoire proposes spending \$390 million for transportation projects that are ready for construction. These projects solve critical transportation needs and create high-quality jobs across the state.

With 1,400 transportation projects now under way, Washington is experiencing the largest transportation construction cycle in state history. Nearly 20,000 total jobs are expected to be created in the next two years, when Gregoire’s plan for acceleration is put into place in tandem with current projects.

Gregoire said she is still communicating with President-elect Obama while he finalizes a federal economic recovery strategy that will put even more Washingtonians to work.

“I am working with the president-elect to make sure his plan includes ready-to-go projects here in Washington,” Gregoire said. “The president-elect’s plan includes funding for schools, infrastructure and the expansion of a green economy. His plan will double our commitment to renewable energy — a huge opportunity for Washington, which is already leading the way in renewable energy production.”

Gregoire's plan also proposes changes in unemployment insurance to provide a temporary increase in benefits for workers and a temporary tax cut for businesses. This action would provide individuals and businesses with about \$400 million from reserves in the state's Unemployment Insurance Trust Fund that could be spent to improve the state's economy.

"Unemployment benefits are a uniquely powerful tool that benefits our economy," Gregoire said. "Benefits go directly to people who need help and are spent locally to boost business. Every dollar in benefits results in another \$1.64 of buying power. And the tax break will help businesses weather the downturn."

The governor supports the expansion of the state's "shared work" program, which pays unemployment benefits to workers whose hours have been reduced, as well as the expansion of the state's "training benefits," a stipend for living expenses while laid-off workers attend school or training.

The governor's plan also includes legislation to provide those homeowners facing foreclosure more time to arrange financial options before losing their homes.

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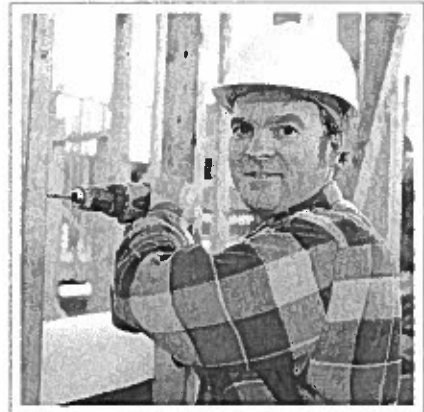
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PROTECTING OUR VALUES DURING TOUGH TIMES

POLICY BRIEF

EMBARGOED - 11/5, 12:00 P.M.
WASHINGTON JOBS NOW

Governor Gregoire's **Washington Jobs Now** plan will jump-start Washington's economy through targeted investments in job creation and other economic supports. Along with anticipated federal action, these state investments provide a short-term economic boost while laying the groundwork for Washington's future. The proposed investments use funds in Governor Gregoire's existing budget proposal and accelerate existing projects. The total value of the state package is \$1.2 billion.



These investments need to be made as soon as possible. Acting now will allow jobs to begin in the coming construction season, keep more people from losing their homes, and provide unemployment claimants and employers with support during the current tax year. Unique opportunities require us to act now to gain all the possible benefits.

CONSTRUCTION PROJECTS

Governor Gregoire's proposed budget includes \$427 million in projects that are ready to go in the next few months if the Legislature acts quickly. Specifically, \$21.7 million will go to "green" industries to accomplish important goals such as protecting and cleaning up Puget Sound.

These essential investments will both put people to work and create facilities and infrastructure to put Washington on the road to long-term economic prosperity. Investments will be made in needed projects in higher education (both two- and four-year institutions), natural resources, energy efficient and corrections.

TRANSPORTATION PROJECTS

Governor Gregoire proposes \$390 million in transportation projects that are "shovel ready." These projects solve critical transportation needs and create high-quality jobs in the Washington economy. They also send a strong signal to Washington employers and consumers that Washington is on the move despite the difficult economic climate.

Keeping Washington's travelers safe, and moving people and freight forward, continue to be Governor Gregoire's top transportation priorities. Washington's freight systems support 1 million jobs in freight-dependent industry sectors that produce more than \$434 billion in gross business income across the country.

By combining this historic transportation package with the **Washington Jobs Now** plan, we will provide nearly 20,000 jobs in the next two years.

UNEMPLOYMENT INSURANCE

Washington's unemployment insurance trust fund is the healthiest in the country. We need to put these funds to work for Washington workers and businesses. Unemployment benefits are a uniquely powerful tool to support our economy. Benefits go directly to folks who need help and are spent locally to boost business. Every dollar of benefits results in another \$1.64 of buying power in our economy.

Governor Gregoire is proposing approximately \$400 million in temporary benefit increases and tax reductions, including:

- A temporary increase in unemployment insurance benefits to workers and a temporary across-the-board tax reduction for employers to provide approximately \$400 million that can be spent to boost the state's economy and help businesses weather the downturn. This money will be taken from the reserves in the Unemployment Insurance Trust Fund, not the state's General Fund.
- An expansion of "training benefits," a stipend for living expenses while unemployment insurance claimants attend school or training. This includes expanding eligibility beyond dislocated workers to unemployed workers who are disabled, low income or honorably discharged military personnel; extending the deadlines for submitting training plans and starting training; waiving of deadlines in special circumstances; and defining "high demand occupations" as those with substantial current or projected openings.



- An expansion of the "shared work" program, which pays unemployment insurance benefits to workers whose hours have been reduced yet allows workers to maintain their employment. This includes allowing workers to spread their earned benefits over a longer period; allowing employers to enroll any number of their workers in the program; and speeding up the program by allowing a plan to take effect no longer than two weeks after it is approved.

The Governor is also considering broader unemployment insurance reform, which can enhance these policies with greater benefits for workers and permanent tax reductions for employers.

HOMEOWNER ASSISTANCE

The national economic crisis began as a housing crisis, grew to a credit crisis, and now affects all economic sectors and states. Washington's homeowners are feeling the pressure of decreasing housing prices and falling sales. Governor Gregoire is proposing that banks and homeowners work together to find solutions before foreclosure. Her **Washington Jobs Now** proposal includes legislation to provide failing homeowners with more time to arrange financial options before losing their homes.

FOOD STAMPS

We must help ease the suffering of families struggling to feed their kids. Last fall, we greatly expanded eligibility for food stamps, which brings to our state \$825 million in federal funding this year. Every \$5 spent in food stamps ultimately means \$9.20 circulating through our economy.