The far-reaching consequences of I-645 on Washington's most popular programs

Annie Kucklick, Policy & Research Associate, Economic Opportunity Institute

Initiative 645 (I-645), backed by millionaire hedge fund manager Brian Heywood, cuts funding for public education, child care, school meals, and health care and increases taxes for working families and small businesses.

But the harms to Washington communities may go even further.

Because of how broadly the initiative defines income, legal analysts warn it could also be used to challenge Washington's existing revenue sources and public programs that are tied to earnings. This includes the capital gains tax, which funds education and early learning and other programs like Paid Family & Medical Leave, unemployment insurance, and WA Cares that families and workers rely on to get through emergencies and life changes with dignity and financial security.

This initiative threatens an estimated **$41 billion in potential revenue** with **four million people** who could lose access to their benefits over the next five years.

Programs at risk from I-645

The following programs are at risk of being cut if I-645 passes. Financial projections are for the five-year span from 2027 to 2031.

Paid Family and Medical Leave **Total projected revenue loss:** $16.3 billion **Impact:** no funding for over 2 million claims for medical leave, caregiving, and family bonding[i]	***Unemployment Insurance*** **Total projected revenue loss:** $13.1 billion **Impact:** no funding for over 1.5 million claims to support workers between jobs[ii]
Capital gains tax **Total projected revenue loss:** $4.3 billion **Impact:** reduced funding for Washington's K-12, higher education, and early learning[iii]	***WA Cares fund*** **Total projected revenue loss:** $7.1 billion **Impact:** no funding for 135,000 long-term care claims[iv]

Washingtonians rely on these programs to take care of themselves and their loved ones or make ends meet during an emergency. Washington cannot afford to lose these critical programs when so many families are already struggling to cover increasing costs.

[i] Paid Family and Medical Leave Program 25-01 FINAL REPORT | JANUARY 2025 Zack Freeman, Aline Meysonnat, Josh Karas, Research Analysts Ryan McCord, Audit Director; Eric Thomas, Legislative Auditor https://leg.wa.gov/jlarc/reports/2024/PFML/f_01/default.html. LEGISLATIVE REPORT Paid Family & Medical Leave Report DECEMBER 2025 Employment Security Department https://esd.wa.gov/media/pdf/4283/2025-annual-paid-family-and-medical-leave-report-finalpdf/download?inline USED for 2026-2029 projections

[ii] Unemployment Insurance Trust Fund Forecast March 2026, Employment Security Department WA State https://esd.wa.gov/media/pdf/4727/202603-ui-trust-fund-reportpdf/download?inline

[iii] Email communication with Richard Dadzie at the Economic Research and Revenue Forecast Council

[iv] WA Cares Fund Actuarial Valuation as of June 30, 2024 | DECEMBER 2024
Christopher Giese, Principal and Consulting Actuary; Annie Gunnlaugsson, Consulting Actuary; Evan Pollock, Senior Actuarial Manager — Commissioned by the Washington Office of the State Actuary
https://leg.wa.gov/media/riior0zb/report01-wa-cares-actuarial-valuation-as-of-june-30-2024.pdf
Annie H. Gunnlaugsson, Consulting Actuary (prepared for Luke Masselink, Senior Actuary, Washington Office of the State Actuary)
https://leg.wa.gov/media/1ztbhxl0/masselink07-quarterly-benefit-projections.pdf