5th District LEGISLATIVE REPORT

"What happened in Olympia?"

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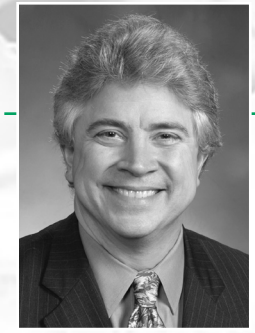

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K-12 Education

Dear Friends and Neighbors:

Thank you for allowing us to serve as your 5th District legislative team. This legislative newsletter provides a snapshot of the highlights and lowlights of this year's 2007 session.

In the state Legislature, Democrats hold super-majorities in both the House (63D – 35R) and Senate (33D – 17R), as well as the Governor's Office. This allows the majority party to pass any legislation without any real debate. Such a lopsided situation has been a challenge, but we have a number of successes to report in the following pages.

An area of grave concern is the 33 percent increase in state spending, bumping the budget to almost $34 billion, without addressing a permanent funding solution for public education. Funding to relieve traffic congestion is also inadequate, and delinquent pension funding payments were – again – ignored.

Thank you again for the privilege of serving you. Your comments and suggestions are always welcome.

Sincerely,

Sen. Cheryl Plfug

Rep. Jay Rodne

Rep. Glenn Anderson

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Our State's Operating Budget

Our state's operating budget pays for all on-going government programs.

The session started with a $2 billion surplus, primarily coming from a robust real estate market and construction industry. This was the first time in the last 10 years the Legislature began its budgeting process with a surplus.

State Operating Budget Facts:

- $33.4 billion budget that spends the $2 billion surplus on new and expanded state programs
- This budget represents a 33 percent increase in spending since 2005, and spends $1 billion more than the state will have in revenue
- The Governor's own budget office calculates a future $3 billion budget deficit due to the spending in this year's budget even with a good economy
- Not a single government program was made more efficient or eliminated because of lack of need or duplicate efforts

- Long-standing funding inequities in our K-12 school system were left unaddressed – all the new funds in the K-12 budget were for new state mandates
- Despite the record surplus, the state's $5.7 billion unfunded pension liability remained unaddressed
- A constitutional "rainy-day" fund was authorized requiring at least 1 percent of state revenue to be saved annually. The legislation also requires a 60 percent vote of the Legislature to spend the fund. This constitutional amendment must be passed by voters this November to be enacted.

We believed this year was a rare opportunity to refocus the state budget on transparent spending practices, key priorities and efficiencies. In particular, we thought it was important to fix some of the known flaws in the K-12 education system's funding formula and address the state's $5.7 billion pension liability. Unfortunately, it didn't turn out that way.

Capital Budget

Over $20 million was allocated to the 5th District in this year's Capital Budget.

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Issaquah Projects:
Village Theatre
Issaquah Creek Water Ways - Phase 1
Lake Sammamish State Park
Tiger Mountain South Land Trust Transfer
Issaquah Hatchery Gravity Intake Replacement

Maple Valley Projects:
Greater Maple Valley Community & Youth Center
Maple Valley Food Bank & Emergency Services Facility

Sammamish:
Beaver Lake Preserve Expansion

Snoqualmie/North Bend Projects:
Snoqualmie Railway History & Railway Museum
Little Si Access
Mount Si, Trust Land Transfer
Middle Fork Natural Area Acquisition

K-12 education

Mathematics Instruction

Statewide, over half the kids in high school preparing for graduation next year failed their 10th grade math WASL, which is the equivalent of an 8th grade math test.

Thankfully, an initiative by concerned parents in the 5th District started a statewide movement to change math standards and curricula to a globally competitive system.

Based on the group's suggestions we introduced legislation to improve our mathematics instruction. The greatest success this session was the creation of an independent math advisory board to the State Board of Education. This board will include parents, veteran teachers and business professionals to review and suggest reforms to our state's failing math curriculum and instruction.

As a consequence of the "math melt down" the governor signed legislation authorizing a five-year delay for math proficiency as a high school graduation requirement. We would have preferred a three-year delay for math, but agreed that students need to master the expected material.

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Rep. Glenn Anderson addresses the Senate Education Committee to discuss his proposed *Fund Education First* legislation.

K-12 Education Budget

Initiatives 728 (class-size reduction) 732 (teacher raises) were fully funded in this year's budget, the inequities and flaws in our K-12 education funding formulas remained unaddressed. In an effort to fix these critical issues, we introduced a comprehensive $1 billion package of reforms and offered our ***Fund Education First*** legislation again this year. Despite bipartisan support, the bill died.

Fund Education First legislation would require the Legislature to fund and pass a dedicated K-12 education budget before any other state program received funding. This would prevent holding our children's education hostage for tax increases and assure families the funding needs of our schools were fully met. The majority party opposes this idea.

Higher education

The state continues to lack a coherent tuition and financial aid policy to support enrollment in our state's universities and colleges, but some progress was made this year.

Tuition costs

As a stopgap measure, legislation was passed to cap Community College tuition rates at 5 percent for several years, and additional funding was allocated to low-income financial aid programs.

House Bill 1882 creates an affordable tuition structure and incentives to attract students to starved career fields. This measure also caps tuition at four-year colleges at 7 percent, and creates a scholarship program for students seeking a degree and teaching certificate in the high-demand fields of math and science.

Helping working-class single parents

While expanding the State Need Grant Program, Rep. Anderson introduced legislation to exclude child support payments from income consideration for a State Need Grant.

We believe child support goes to the child and should not be considered part of a person's discretionary income used to "means-test" applicants for the grants. This legislation was approved unanimously and it fixes this unfair practice.

Ensuring public safety

Combating identity theft

Identity theft can leave a person financially and emotionally devastated. We must take strong action against this serious criminal activity that often severely damages the victim's credit rating.

In an effort to provide individuals with greater protection from identity theft, this session we passed a measure that allows a person to place a security freeze on his or her credit report so that third parties cannot view or use this sensitive financial information. **Senate Bill 5826** allows a victim of identity theft, in addition to those older than age 65, to place, temporarily lift, and remove a security freeze on their credit report to prevent third persons from gaining unauthorized access.

Protecting the vulnerable from financial scams

Sadly, recent financial scams have targeted the elderly and other vulnerable adults through an aggressive marketing and sale of living trusts and estate planning documents by unqualified individuals. The scam's purpose is to gain access to an individual's private financial information. Once the person's information is obtained, fraudulent activity occurs.

House Bill 1114 was sponsored by Rep. Jay Rodne at the request of state

Attorney General Rob McKenna. The legislation provides new tools for law enforcement to prosecute those who would prey on senior citizens and other vulnerable adults through fraudulent marketing schemes.

Sen. Pflug stays on the cutting edge of health care legislation by consulting with industry experts nationwide.

Improving emergency preparedness

Many of us endured sustained power outages and disruptions with our daily lives as a result of the floods and windstorms that struck our region last winter. Enhancing our coordinated emergency preparedness at the local, state and federal levels is critical in confronting future challenges.

House Bill 1557, sponsored by Reps. Rodne and Anderson, would have provided tax incentives for gas station owners to purchase generators for use during power outages. Unfortunately, the majority party did not allow any emergency preparedness legislation to pass.

We will continue to work for stronger emergency preparedness measures next year.

Health care

Some Successes: This year Sen. Pflug brought experts to Olympia to explain to legislators four first-in-the-nation concepts, three of which became law.

- **Shared medical decision making (SB 5619)** – This bill encourages doctors to let patients make the final treatment decision after learning all options. It reimburses physicians for taking time to give each patient the latest scientific information on available treatments. Data confirms this approach results in far fewer surgeries, less costly treatments and greater patient satisfaction.
- **Treatment alternative for people with mental illness (SB 5533)** – The mentally ill consume nearly two-thirds of our jail capacity. Some are dangerous and need to be there. However, many are picked up for minor offenses related to disorientation and end up in jail. Jails can't provide the treatment they need, and their problems escalate – as do taxpayers' costs. With thanks to Sheriff Sue Rahr for her support, this bill allows King County to pilot a mandatory treatment alternative aimed at reducing costs and providing human, medical treatment to stop this cycle.
- **Online access to medical research (SB 6083)** – This will provide doctors, nurse practitioners and other providers with access to the latest medical studies, journals, research and treatment protocols available at the University of Washington's Health Services Library at a fraction of what it would cost to access it individually.

A missed opportunity

The Governor's Blue Ribbon Commission on Health Care Costs and Access met regularly in 2006 to find solutions to our major health care problems (Sen. Pflug served on the commission). The governor said repeatedly that our current health care system is unsustainable, and she wanted bold change. With high hopes, the commission heard dozens of revolutionary, cost-saving ideas and agreed on 16 recommendations, including:

- **Low-cost insurance for young adults**. More than half of Washington's uninsured are ages 19-34 who don't want to pay hundreds of dollars a month for insurance they rarely need. This would offer a low-cost plan to cover the basics.
- **Affordable health insurance plans for small business employees**. This was the Blue Ribbon Commission's most requested legislation. In the Senate we struck an agreement and the bill passed unanimously, but the majority party stripped those critical reforms out of the final bill.

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Promises we don't keep – really the wrong direction!

Instead of reform, the majority party focused on expanding state-subsidized health programs. While it sounds good, it is estimated that 60 percent of the kids newly eligible for state-paid care under a bill passed this year already have private insurance. At the same time, many kids with high-cost conditions may not be eligible because their parents make too much money to qualify – yet not enough to pay bills upwards of $30,000 a year.

BOTTOM LINE: The governor's health care failed to take advantage of federal opportunities allowing states to use federal funds more creatively to provide health care, but only if the states show significant effort toward sustainability of state programs. This sets the stage for a huge budget gap and program cuts if those federal dollars are withheld.

A better idea

One of Sen. Pflug's proposals this year was a Health Insurance Exchange that combined the best ideas of both parties – economy of scale, risk-pooling, market competition and consumer choice. Structured a bit like the New York Stock Exchange, the Insurance Exchange would act as a market organizer and:

- Relieve small business of the administrative burden of accessing federal tax benefits for providing health coverage (cafeteria 125 plans)
- Offer custom plans in all sizes and prices that are owned by individuals – no changing plans or doctors when you change jobs
- Use pre-tax dollars, reducing premiums up to 30 percent
- Use insurance brokers, instead of employers, to help individuals customize their insurance planning from a variety of new plan options
- Allow pooling of health benefit dollars from multiple employers. This eliminates the disincentive to hire full-time employees and allows couples to benefit from a second wage-earner
- Let the state and employers partner to insure low-wage workers at a fraction of the cost of Medicaid coverage
- Let young employees "bank" rich benefits paid by some employers by choosing low-cost plans and putting the rest in health savings accounts, growing a generous nest egg for future health or long-term care bills.

Rep. Jay Rodne addresses fellow House members during the debate on toughening consumer protection laws to guard vulnerable citizens against scams and identity theft.

Despite initial bi-partisan enthusiasm for this bill, in the end the majority did not support it. This idea really would have allowed for portability and consumer-driven health insurance, and we will continue trying next year to achieve affordable coverage for all.

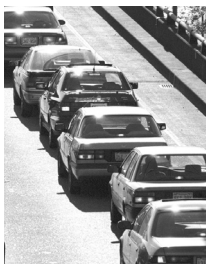
Vision 21

Solutions for the viaduct, the 520 bridge and more

Vision 21 **(Senate Bill 6169)** originally proposed by Sen. Pflug, and later introduced in the House by Reps. Rodne and Anderson, was built on five key principles:

✦ **Funding safety first** – we must fix the viaduct and 520 bridge now

✦ **Never reduce capacity** – light rail will eliminate two lanes of traffic on I-90, carrying fewer passengers than the lanes they replace



✦ **$6 tolls are too expensive** – $240 a month for a two-commuter family

✦ **Build on ready-to-go corridors** – eastside light rail won't be ready to build for years

✦ **Complete projects** – the current November ballot package will leave many projects unfinished. That won't solve our traffic problems.

Sen. Pflug • Rep. Rodne • Rep. Anderson

Vision 21 would have modified the November ballot package and given citizens what they want most:

- A complete and fully funded safe replacement for the **Alaskan Way Viaduct**, either a six-lane, cut-and-cover tunnel or a six-lane, deep-bore tunnel under the city
- A beautiful, **open waterfront** in Seattle for generations to enjoy
- A safe rebuild of the **520 bridge** before it collapses
- **More capacity** on main arterials for a smoother, faster commute
- The ability to move freight easily to and from **Seattle's port**
- Preserved capacity (including bus capacity) on I-90 – Sound Transit's own numbers show that **dedicating the center lanes to light rail increases congestion**
- The ability to transport goods along **SR-167** by completing it to the Port of Tacoma and a completed **Cross-Base Highway** (these projects are necessary to attain the support of Pierce County taxpayers)
- A completed **light rail** line from the Tacoma Dome to Lynnwood and a right of way for future north/south expansion and
- All with **NO TOLLS**!

Unfortunately, the bill did not pass, but many believe the current ballot measure will not pass either. Concerns remain about Sound Transit's performance history (see the Sound Transit Report Card at **www.effectivetransportation.org.docs**). Stay tuned as we continue to work for a better proposal.

Efforts continue toward a compromise that will improve the value of Sound Transit projects to Eastside residents. We were pleased to get $10 million added to the ballot proposal for improvements to 244th Street S.E. in Sammamish. In our view, it is critical to change the Sound Transit route so that it does not reduce capacity on I-90. A line from SR 202/Avondale to Redmond and Bellevue would be a better initial investment, for example.

Sen. Pflug would appreciate your feedback on this issue and can be reached at Pflug.Cheryl@leg.wa.gov.

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