

Senator Derek Kilmer

Dear Neighbors,

The 2010 Legislative session is over. This year, our state faced a recession-fueled \$2.8 billion short-fall. We saw a wide range of proposals to balance the budget from increasing taxes to cutting the whole \$2.8 billion. While I believe difficult decisions were made to cut over \$750 million out of the state budget, I'd like to start this newsletter by letting you know why I voted against the final budget proposal (including the major tax proposal which raised nearly \$700 million) and why I voted to preserve the taxpayer protections of Initiative 960. Here's how I approached the budget situation.

First, **the state has an obligation to prioritize just like our families and our businesses.** In times like these, we can't afford to invest in things that aren't essential. That's why I removed \$1.5 million from the budget for decorative lights on the Narrows Bridge. There are higher priorities. We have a constitutional obligation (and an economic imperative) to invest in education. We have a moral obligation to preserve public safety and provide a safety net for Washington's most vulnerable citizens. While there were certainly substantial cuts made this year, I believe more can be done to prioritize state services.



Second, **we must look for opportunities for reform.** I've focused on expanding the state's use of performance audits and tracking down inefficiencies because I believe the state has an obligation to taxpayers to ensure their money is being spent as efficiently and effectively as possible.

Finally, **we must focus on growing jobs – not growing taxes.** We've got to get this economy moving and must avoid taking actions that will hurt the employers and families of Washington. In my view, increased taxes on employers and on many consumer products could impede our economic recovery. I can't support that.

More difficult decisions lie ahead. I'll continue to advocate for protecting education, our most vulnerable citizens, our safety, and our economy.

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State Senator, 26th Legislative District

Standing Committees:

- Higher Education & Workforce Development, Chair
- Economic Development, Trade & Innovation
- Transportation
- Joint Committee on Military & Veterans Affairs

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Rebuilding our economy one job at a time



As the vice president of the Economic Development Board, my primary focus outside of the Legislature is on job creation.

But it's my top priority in Olympia, too, because only job growth can help turn this economy around, help families make ends

meet, and provide a stronger tax base to support core government services.

Focusing on small businesses

Small businesses will generate two-thirds of the new jobs as the economy recovers. We need to help them succeed.

That's why I introduced a bill this year to give small businesses a tax credit of up to \$4,000 for each new job they create.

While this bill passed from the Senate, it just missed making it out of the House. I hope to take up the cause again next year.

We also passed an important bill this year to provide regulatory relief to small businesses, helping them correct problems rather than face fines.

Promoting workforce training

Our community colleges do a terrific job of retraining people for new careers. In fact, their worker retraining programs have job placement rates that exceed 80 percent. And most people end up making more money in their new jobs than they did in their old ones.

But our colleges are bursting at the seams with laid-off workers. That's why I fought to add 3,800 additional worker retraining slots at our community colleges. This is a good deal for workers and for employers who want to hire locally.

This session also yielded good news for the West Sound with the advancement of a new four-year engineering program at Olympic College.

Revitalizing our downtowns

To grow jobs, our communities need to have the roads, sewers, and other infrastructure to support new jobs. That's why last year I sponsored legislation that provides a new tool for communities to invest in infrastructure without new taxes – letting growth pay for growth.

Bremerton was one of six communities that benefited from last year's bill and is already proceeding with a project that will bring much needed parking into downtown.

This year we expanded the law to enable six additional communities to finance improvements this way.

Further, I passed a new law that will let local jurisdictions form community facilities districts. This will provide a new tool for the private sector to move forward with development projects. To get this economy turned around, we need to get more projects out of "park" and into "drive."



Getting a fair transportation deal

With folks in our region facing bridge tolls and ferry fares, a key priority of mine is doing what we can to keep costs down for commuters. And on that front, the 2010 session was a major success.

Holding the line on Narrows Bridge tolls



As someone who crosses the Narrows Bridge every day, I don't want to see bridge tolls increase any greater or any sooner than is absolutely necessary. That's why I've spent so much energy making sure every dime in the bridge budget actually supports bridge operations or debt repayment.

Prior to the legislative session, the state Transportation Commission announced its plans to increase electronic tolls by 50 cents and cash tolls by \$1.

During such difficult economic times, that didn't seem right to me. Thankfully, by the time the session was over, the commission had voted to leave tolls alone for the next year.

What changed? Three things, really.

First, we got the bridge's \$5.3 million startup loan — previously due June 30, 2011 — deferred into the future in the supplemental transportation budget.

Secondly, I amended a statewide tolling administration bill that will now direct fines collected from toll violators to pay off that loan. These are costs that toll payers otherwise would have had to pay for.

Finally — and most significantly — the public rallied to oppose the toll increase plan and the Transportation Commission heard you. As we all said, folks are struggling enough in this lousy economy without having to pay higher tolls on a bridge they'll cross a couple hundred times each year.



All of this illustrates a key point I've been trying to make — that keeping Narrows Bridge tolls down is a battle that's fought on many fronts. Thanks to all of you who took the time to show up at hearings, write letters and e-mails

or call the Transportation Commission. Your voice made a difference.

Improving our ferries

This year some important steps were taken for our ferry commuters. First, we were able to avoid seeing a fuel surcharge implemented this year. To me, the ferry system needs to demonstrate the ability to forecast fuel prices better before asking riders to pay more.



Second, we're continuing to move forward with the construction of new boats. This will improve reliability for West Sound commuters.

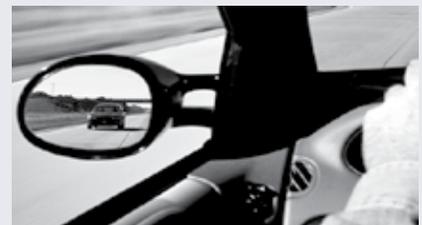
Third, I'm working to rein in costs within the system. This year, the Legislature passed some significant reforms that should lower costs and help keep fares down.

Committing to Port Orchard

One small bill that we managed to push across the finish line will relieve the city of Port Orchard of the financial burden of maintaining a 610-foot-long stretch of Highway 166. The highway in this area at one time or another over the past two decades has been owned by the state, Kitsap County and the city.

Until recently, the highway stopped at Port Orchard's eastern city limits. That changed when an annexation stretched those boundaries farther east. This new law simply stretches the highway to meet the new city limits.

Hopefully, this change will lead to some needed improvements to this stretch of road, too.



Bill for veteran-owned businesses signed into law

After lots of work this year we passed my bill to encourage state agencies to award 3 percent of goods and services contracts to businesses owned by veterans and service members.

The bill also requires the state to reach out to veteran and service member-owned businesses, making them aware of opportunities to compete for state contracts. That builds off legislation I sponsored two years ago that, when signed into law, required the creation of a registry of businesses owned by veterans and service members. And it's modeled after federal legislation already approved by Congress.

Working for our service members and veterans is a high priority for me. Our district is home to more veterans than all but four legislative districts in Washington. I've always believed that if you're going to sacrifice for your country and lay it on the line for us back home, then we should have your back. And this is one small way we can do that.



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