

Washington State Senator
33rd Legislative District

Senator KAREN KEISER

2010 End Of Session Newsletter



How to contact me

I appreciate your letters, calls and e-mails on legislative issues. Please let me know if I can help you with matters before state agencies, too.

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Committees:

- Health & Long-Term Care (chair)
- Labor, Commerce, Research & Development (vice chair)
- Ways & Means
- Rules



Dear Neighbors,

This has been a long and difficult session, but I am satisfied that the choices we've made and the budget we've adopted will be sufficient to provide the critical services that make our state such a wonderful place to live.

The budget choices were difficult, and I know not everyone is going to be happy with the decisions that were made. But after passing an "all cuts" budget eliminating thousands of jobs and services last year, I could not in good conscience support another "all cuts" budget this year. We reduced state operating costs by hundreds of millions of dollars, but we also raised some new revenue. Passage of federal health reform has allowed us avoid further cuts to important health services such as the Basic Health Plan.

This newsletter provides an overview of the budget and highlights key pieces of legislation we passed to promote jobs and our economy and improve education, public safety and health care.

It is an honor and privilege to serve the people of the 33rd Legislative District. I welcome your comments and questions.

Regards,

Karen

PROTECTING JOBS AND OUR ECONOMY



Sen. Keiser with Rep. Tina Orwall sandbagging at the Green River

The threat to more than 100,000 jobs in the Green River Valley from economic devastation is going to be a way of life until our levees and the Howard Hanson Dam are repaired. I worked with my seatmate in the House to remove some of the economic anxiety our area businesses are experiencing because they can't purchase supplemental flood insurance. HB 2560 authorizes the

Office of the Insurance Commissioner to carry out a Market Assistance Plan to help businesses find surplus flood and business interruption insurance. If it turns out that private insurers are not offering to sell the

coverage our businesses need—or that a competitive market doesn't exist in the area, then a temporary Joint Underwriting Association (JUA) can be created.

While basic flood insurance is available to homeowners and businesses from the federal government's National Flood Insurance Program, coverage is only offered up to \$500,000 for a structure and \$500,000 for contents. That's not enough to cover a lot of the heavy machinery the businesses use. Likewise, the distributors in the Valley, which is the second largest distribution center on the West Coast, must have business interruption insurance which is not available from the federal program.



Jobs Package

We passed a transportation budget this year that will create up to 18,000 jobs in our state, building highways and roads. Most all of these dollars are paid for with our gas taxes, and most of the jobs are high wage construction jobs in the private sector.

We also passed a capital construction budget that will generate another 7,000 jobs by building capital projects, such as **Aviation High School** in the Highline School District and the **NAVOS** mental health facility in Burien. Again many of these jobs will be high wage construction jobs in the private sector.



Small Businesses

We passed two bills that focus on small business development, one to work with the Microenterprise Association to plan improved access to capital for small businesses, and the other to authorize the Small Business Export Finance Assistance Center to make loans to finance export activities

for small businesses with less than \$200 million in annual sales. (SB 6679 & SB 6667)

We also passed a key housing bill to build affordable housing for moderate to low income working families by allowing non-profit organizations to use low cost bonds. The construction phase could create as many as 7,000 jobs. (HB 2753)

To promote tourism, which also creates jobs, we passed SB 6884, moving forward with the expansion of the Washington State Convention and Trade Center, creating 3,000 construction jobs plus thousands of permanent jobs.

This session we expanded the small group health insurance market to help the smallest businesses obtain more affordable health coverage. Under SB 6538, which I sponsored, businesses with one employee or sole proprietorships will be able to access and participate in the lower cost small group market. Currently they are restricted to the higher cost individual health insurance market.

Construction jobs

HB 2561 will create 30,000 jobs by employing people to perform energy efficiency projects in schools. This bill was referred to the ballot for this November, and if it is passed by the voters, the State Finance Committee will be able to issue general obligation bonds to pay for the projects.

IMPROVING PUBLIC EDUCATION FUNDING AND EARLY LEARNING

Early start to success

We worked hard to develop real progress for young children who can benefit so much from early learning. HB 2867, HB 2731, SB 5617 and SB 6759 all focused on providing new early learning services and coordination for young children, from birth to three.

Education reform

Education reform for our public schools also received serious attention with SB 6696 and HB 2776. These measures reform school funding formulas and provide for future enhancements of basic education funding.

SB 6696 will benefit all schools and make the state more competitive in its application to the federal "Race to the Top" grant program by increasing accountability, flexibility and targeted reforms in educator preparation and evaluation systems. Schools that continue to struggle will have access to a new strengthened system of support. This was a well worked bill that included teachers, administrators, the State Board of Education and the Superintendent of Public Instruction.

Aviation High School

Highline's Aviation High School, which draws students from a half dozen districts in our region, will be able to apply for designation as a STEM school, which stands for a high school that provides a science, technology, engineering and mathematics learning environment. Up to three STEM high schools will be eligible for enhanced funding and serve as a "light house" program for other schools. Aviation High is a natural winner for this new grant program.

Dropout prevention

SB 6403 strives to tackle the dropout problem by allowing school districts to enter into agreements with educational service districts, community or technical colleges and other public entities to provide services to former students such as GED preparation, counseling and instruction.

Protecting students' civil rights

We passed legislation giving the Office of the Superintendent of Public Instruction the power and authority to enforce local school district compliance with existing state and federal civil rights laws. This will make our schools clear on civil rights policies and free of harassment. (HB 3026).



The Senate passed a resolution honoring Michelle Brees for teaching excellence and her dedication to students at Madrona Elementary School in SeaTac. Brees recently received

the Presidential Award for Excellence in Mathematics and Science Teaching. She is joined by her principal, Daniel Yarbrough.

ENSURING PUBLIC SAFETY

Violent offenders

We passed a constitutional amendment, HJR 4220, that, if passed by voters, will give judges more authority to deny bail if there is clear and convincing evidence that the person has a propensity for violence that creates a substantial likelihood of danger to the community or any person. Under our original state constitution bail cannot be denied by a judge. This problem came to light with the horrific case of Maurice Clemmons who massacred four Lakewood police officers last fall. Clemmons had been released on bail even though many people worried he was a danger to the community.

Mentally ill offenders

Involuntary treatment for potentially violent people with mental health issues will be reformed under several bills passed this session (HB 3076/SB 6610) These bills make the process of detaining a mentally ill person less restrictive. Under the new legislation, a judge must consider a person's behavior in context to all available information about behavior. This will allow families to provide information currently not considered by the court.

Restricting Cell Phones while Driving

We made driving while holding a hand held cell phone to the ear a primary offense, unless the phone is being used in an emergency. Texting while driving will also be banned under this legislation (SB 6345). Distracted driving is the cause of too many accidents and unnecessary injuries.

HEALTH CARE

Winston Churchill said, "Healthy citizens are the greatest asset any country can have." I couldn't agree more. We took steps to keep a vital vaccines program alive, protect public health by banning a potentially harmful chemical in certain consumer products and prepare for federal health reform.



Banning BPA

Following the common sense principal to "do no harm," the Legislature passed my bill, SB 6248 to ban the use of the chemical bisphenol A (BPA), a chemical suspected of dis-

rupting the reproductive health of infants and young children. BPA is used in certain hard plastic products intended for children such as baby bottles, sippy cups and sports bottles. Washington is now one of a handful of states that has acted to remove this chemical from specific products.



Providing Vaccines for Children

We also passed HB 2551 to continue providing children in Washington with easy access to vital childhood immunizations. Because of the budget deficit last year we had to cut \$50 million from the budget of our vaccine universal purchase program. This bill creates a new non-profit orga-

nization to purchase vaccines and provide vaccine coverage for the children they insure.



Limiting Meth Precursor Drugs

We passed HB 2961 to establish a statewide electronic tracking system for the sale of pseudoephedrine and other meth precursor drugs.

This information will be available only to police agencies, and will replace the current written log of sales kept at local drug stores.

The 2010 supplemental operating budget saves health care for 69,000 people on the Basic Health Plan and maintains the Apple Health for Kids program serving 486,000 children.

HEALTH REFORM AND YOU

Washington state has been a leader in the development of state health reforms for more than a decade, and some of Washington's program models, such as the Basic Health Plan, are included in the federal health reform legislation. Here are some of the ways Washingtonians will benefit from reform efforts.

1. Small business tax credit available to small businesses with up to 25 employees that provide health insurance for employees, amounting to up to 35 percent of the cost of the health premiums.



2. Medicare Part D enrollees with spending in the coverage gap will receive a \$250 rebate. Beginning in 2011, Part D enrollees who reach the coverage gap will receive a 50 percent discount on the total cost of their brand-name drugs in the gap.
3. Insurance companies will no longer be allowed to cancel policies when a customer becomes seriously ill.
4. The lifetime coverage limit on insurance policies will be eliminated this year.
5. Pre-existing conditions for children will not be an excuse to deny coverage (asthma, infants born with heart defects, diabetes ,etc.)
6. Young adults up to age 26 will be able to keep coverage under their parent's health care policy.
7. Co-pays for prevention services such as mammograms and colonoscopies will be eliminated this year. The bill eliminates cost-sharing for preventive services in Medicare effective January 1, 2011 and increases Medicare payments for certain preventive services. Medicare beneficiaries will be able to get a free annual wellness visit and personalized prevention plan service.

TOUGH BUDGET CHOICES IN A TOUGH ECONOMY

This year, the second year of a two-year budget, we faced a \$2.8 billion deficit. Our "Great Recession" created a huge drop in sales tax revenues, and even though the economy has stabilized, sales tax revenues have not recovered yet. Last year we passed an "all cuts" budget and cut spending by more than \$3.5 billion. This year I could not in good conscience support another "all cuts" budget.

Cutting Government Costs

This year's budget is balanced with a mix of reserve fund reductions, new federal money, new taxes and cuts. Those cuts, totaling \$755 million dollars, will be made to nursing homes, higher education, information technology, education and administrative staff reductions. The state has now cut more than 10,500 employees from the payroll, frozen all salaries and created a system for unpaid furlough days. (By the way, the average state employee salary is about \$42,000 a year.)

We are scraping another \$690 million from various reserve funds, including the Public Works Account, the Education Savings Account, the Education Construction Account, the Life Science Discovery Fund and the Local Toxics Account. These reserves and transfers also wipes out our state's "rainy day fund."

Federal Dollars

Our state has won about \$618 million in federal stimulus dollars and other federal assistance, mostly for programs in health services and education. A big change in federal policy regarding the prescription drug Medicare program awarded our state with \$87 million we were able use in our health services budget.

New Revenue

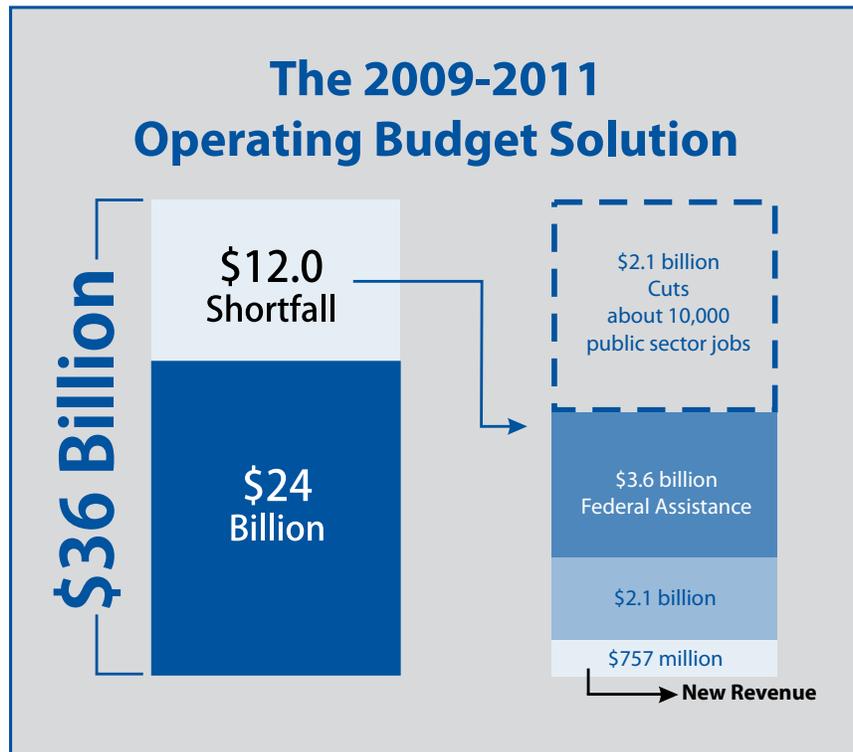
Finally, we are raising taxes to generate \$757 million. Reducing tax breaks for out-of-state companies amounts to about \$200 million in new revenue. A temporary three tenths of one percent increase in the Services B & O tax brings in another \$240 million. This B & O tax exempts hospitals and includes a permanent small business tax credit. That mean any service business with income of up

to \$80,000 will actually see a B & O tax cut. **The tax increase is limited to three years, the tax credit is permanent.**

The consumer taxes in this revenue package have been the most publicized. They include a tobacco tax increase, a beer tax increase, a 2 cents on 12 ounces tax increase on soda pop and a sales tax applied to bottled water, candy and gum. Currently we have no tax on bottled water, candy or gum. **The beer, bottled water and pop taxes are also temporary, set to**

expire in three years. Many producers and distributors of these products have objected to these taxes, and I have pledged to work with them to mitigate any harmful effects of these new taxes.

It's important to remember that the tax increases amount to less than a third of this year's budget gap and just 6.7 percent of the total \$11.8 billion budget gap for the two-year biennium. And for every \$1 in new revenue, \$4.40 was cut from state spending in the 2009-11 budget.



**AS A RESULT WE HAVE A BUDGET
THAT WILL PRESERVE VITAL PROGRAMS AND SERVICES.**

State Services Saved This Year:

- Basic education for one million students and 54,658 teachers
- Preserves critical preschool programs for children under three
- Protects Working Connections childcare for 37,000 families
- Funds All-Day kindergarten for the poorest schools
- Maintains the Apple Health for Kids program serving 486,000 children
- Preserves state need grants for 57,000 young adults entering college
- Provides retraining in high-demand fields for an additional 3,800 workers
- Provides community mental health services to an average of around 55,000 people per month
- Saves health care for 69,000 people on the Basic Health Plan

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