

Senator Adam Kline

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Senator Adam Kline

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- Health & Long-Term Care
- Labor, Commerce & Consumer Protection
- Rules

To see previous editions of my newsletters or to subscribe to my electronic newsletter, go to my web page listed above.

Dear Neighbors,

It's been a while since I sent you my last paper newsletter; we cut our personal budgets for this service just as we cut every other function of state government. I confess that this bothers me, since two-way communication between legislators and voters is a necessity in any democracy. I know I can count on hearing from you, but in the absence of a fully functioning press corps in Olympia, newsletters are one of the few ways we legislators are able to communicate with our constituents about what we're doing. And I really enjoy the feedback I get from my newsletters. (You can subscribe to the electronic version, which appears semi-weekly while we're in session, and during the interim when the spirit moves. Sign up at www.sdc.wa.gov/senators/kline/. While you're there, view my weekly videos and blog posts, and let me know exactly what you think – good, bad or in-between. I'm serious. I need to know. Really.)

Yeah, I love this job!

Adam Kline

Budget Wars

The legislative session was a wild one, marked at the outset by our desperate attempt to convince colleagues of the need to launch a referendum to the voters, asking them to establish new sources of revenue to prevent another all-cuts budget. I advocated for progressive taxes that would tap the disposable income of wealthy individuals and corporations, such as a state capital gains tax and the closure of tax loopholes. By mid-session, it was clear we would not succeed. First, statewide polling showed little popular support for even the most innocuous revenue option: the governor's proposed temporary increase of three-tenths of a cent in the sales tax. Second, slight improvements in the economy reduced our revenue deficit for the current two-year budget cycle from about \$1.5 billion to about \$900 million. This was good news by any measure, but it also further dampened public support for creating new progressive sources of revenue.

Our focus shifted to ways other than taxes to provide revenue, most notably by raising funds to pay for the Basic Health Program and the Disability Lifeline by issuing a second series of bonds against the state's income from the 1998 settlement against the tobacco companies. There was bipartisan support for closing a few tax loopholes, including one that had allowed big banks to be exempt from paying taxes on certain interest income.

(Continued on next page)

Budget Wars *(Continued)*



Senator Adam Kline
Speaking on the
Senate Floor

Another more controversial suggestion—controversial because it’s something of an accounting gimmick—was to postpone by one day the last monthly payment of \$330 million in state funds to school districts for the 2011-13 budget cycle. We proposed to make this one-day change *permanent*, meaning that we wouldn’t have to make a double payment in the future to catch up. The schools agreed that this was a workable plan, especially because it enabled us to continue

funding a whole host of critical and cost-effective human and health services. This type of gimmick is similar to a family paying rent a week late to cover the costs of a family member’s emergency healthcare needs. (I make no apology for favoring this gimmick, nor for the use of that term: gimmicks are what we’re forced to resort to when legislators resist reasonable taxation and other alternatives.)

In late December 2011, before session started, the Senate Democratic leadership had once again invited Senators Mike Hewitt and Joe Zarelli, the Minority Leader and Ranking Republican on Ways and Means, respectively, to participate in producing a single budget, rather than foster competing proposals. This is how we worked the previous session, and given the wide acceptance of that budget there was every reason to continue a bipartisan process. I’m told that House Democrats had made the same invitation to their Republican counterparts last session but were rebuffed.

By late February, less than two weeks before the scheduled end of the regular session, a bipartisan Senate budget proposal was in the works, and appeared to be on schedule for the end of the session on March 8. Then, very suddenly in the early afternoon of March 2, the fireworks started: the 22 Republicans on the Senate floor, in league with three conservative Democrats, made a parliamentary maneuver to bring up from the Ways and Means Committee the governor’s proposal made in December, and once on the floor, another motion to amend it with entirely new budget provisions *that no one but themselves had ever seen*. By 2 a.m., they passed a budget they had drafted in a back room—it must have taken them two weeks’ work, all while they’d been ostensibly cooperating with us in drafting a compromise.

The Republicans have made much of the need for transparency, falling back on their favorite slogan, “the dark of night,” whenever Democrats work on legislation after the sun goes down. Yet their amendment on the budget—our most important bill—had been seen by only the few who worked on it and was voted on well after the rest of the state had gone to bed. They professed disdain for our one-day delay in school payments. Yet, their own budget had much more substantive gimmicks – it simply skipped a monthly payment on state retirees’ pensions, thereby “saving” \$133 million at the expense of elderly pensioners. Republicans also relied on a \$67 million diversion of hazardous substance tax receipts into the general fund, a one-time cash grab that would cut back on cleanup activities statewide, costing many jobs. They claimed proudly that it cut nothing from K-12 or higher education. In fact, it cut \$43.9 million from K-12 and \$30.4 from higher ed, which it took one of my colleagues a matter of minutes to discover.

More substantively, the Republican budget made the following changes from the outline we and they had been working on:

- Reduced family planning services by 30 percent (\$6 million), eliminating access to services for 12,500 women.
- Eliminated the Disability Lifeline, which provides limited support to people unable to work because of physical or mental disabilities.
- Cut \$155 million from the Temporary Assistance to Needy Families program that helps low-income parents overcome barriers to get work and achieve self-sufficiency for themselves and their children; and also imposed a harsh, 48-month lifetime limit (currently 60 months) on TANF recipients, and decreased access to childcare for low-income working families.
- Eliminated state food assistance to 10,667 families.
- Cut the Housing and Essential Needs program (closely related to Disability Lifeline) by 75 percent, leaving 7,200 chronically ill or injured individuals with no financial or housing support.
- Cut \$5 million from a grant program to public hospitals, such as Harborview Medical Center, that serve a disproportionate number of low-income people.

These were only six of the dozen or so changes we had time to notice in the one-hour recess we sought before the final vote that night! Luckily, none of these six cuts survived the negotiation process between the House, Senate and governor. Overall, the budget that passed after a 30-day special session looks a lot more like the one we were preparing before the coup of March 2 than the one the Republicans rolled out of the back room, begging the question: was a costly special session really necessary?

K-12 Employees' Health Insurance



My hardest votes this year were on SB 6442 and SB 5940, bills to consolidate the administration and payment process of what are presently some 1,000 different insurance pools and 300 different plans serving the employees of our 295 school districts. Many districts, even small ones, have multiple plans, sometimes separate ones for certified (teaching) and classified (support) employees, sometimes for different schools. For sheer inefficiency and duplication of effort, this situation stands out. The bill was sought by the Public School Employees of Washington, the union representing many of the classified employees of some of those districts, primarily the rural and suburban ones. Due to opposition from the Washington Education Association, the union representing mostly certified employees in mostly larger districts, the bill was withdrawn in favor of a compromise, SB 5940.

Many small districts hire only on a part-time basis for jobs that are focused on morning and afternoon shifts, like bus drivers, or have only a few hours' work per day, like lunchroom staff. Part-time employees in most districts are eligible for health-care insurance only at a steep premium that may eat up much of their paychecks – not surprising, given the low hourly wages paid to these employees.

It is not by coincidence that the most severely affected school districts are in rural areas with low property tax bases, in which the popular anti-tax attitude works against an aggressive use of collective bargaining by unions. Those districts, in practical terms, cannot win significant school levy votes to raise the funds needed for collectively-bargained higher pay and benefits, the way we do here in Seattle and Renton.

The original bill would have established a School Employees Benefits Board, directly analogous to our Public Employees Benefits Board (PEBB), and with the same purpose: to develop a menu of plans for all public school employees in the state, both classified and certified. The board's membership, also analogous to PEBB's, would be drawn in fair proportion among school district management and employees, and would include health insurance experts. It would solicit bids from private insurers in an efficient way, and after start-up costs in the first few years would save an amount pegged by the state auditor at around \$90 million per year.

This shouldn't be a hard vote for liberals like me who want government at all levels to provide employees' job-benefits, or for that matter any governmental service, fairly and efficiently, rather than remain vulnerable to the cynical view that government is inherently inefficient. The Washington Education Association opposed the bill, fearing that teachers would end up paying a greater proportion of their health coverage than they pay now. After carefully reviewing the positions of both sides, I was not convinced that this would have been the case. In the end, I decided that my vote should be for the interests of those least paid and least respected, in this case the classified employees, and not merely locally, but statewide.

There is an additional argument for the original bill: fairness between those teachers with dependent families on their health benefits, and those without. According to the Health Care Authority, full-time teachers who declare no dependents on their coverage are required to pay only four percent of the benefits' cost, while those who choose to pay for dependent coverage are charged 73 percent of the *additional* cost. The bill would have closed the gap, to 15 and 35 percent, respectively.

In the face of WEA opposition, SB 6442 was replaced by SB 5940, a compromise that points us in the right direction, but doesn't fully address making insurance more affordable to school employees. The new bill, which the governor signed on May 2, will simply require school districts to:

- Offer employees the option to enroll in a high-deductible health plan with a health savings account;
- Move toward employee premiums so family coverage costs no more than three times the premiums charged for employee-only coverage;
- Offer at least one comprehensive plan in which a full-time employee's share of premium costs does not exceed the share of premium costs paid by state employees in the PEBB plan; and
- Use responsible procurement standards, such as competitive bidding, for all contracts.

I have supported the WEA in many ways over the years, but I was concerned that their rhetoric on this issue had become overly aggressive: that SB 6442 represented a "state takeover" of their healthcare. That proposal was a more efficient way to *administer* that care, which would still be provided by private carriers of each bargaining unit's own choice. (In any case, what's wrong with government as *provider*? That's what Medicaid is.) Tellingly, the Oregon teachers union opposed this same step when that state took it in 2007, and now favors the new system.

Driving While Poor



Over the last few years, I have authored two bills, both of which were enacted, that have whittled down the use of driver license revocation as a way of punishing those who fail to pay driving infraction penalties *for lack of funds*. In 2005, the Legislature passed SB 5644, which required the Department of Licensing to delay its routine suspension of a license based on a DUI arrest, if the arrested person seeks a deferred prosecution.

In 2011, we passed SB 5195, which required law enforcement officers to refer certain traffic offenses (Driving While License Suspended, 3rd Degree, when based on failure to pay a fine or appear at a hearing) to the county prosecutor or city attorney, so a determination can be made whether to charge or to divert the case to a pre-charge diversion program. Now, real scofflaws get charged; incidental violators get to pay off their fines on installment plans. Previously, these tickets had been filed in court automatically, with no opportunity to pay the unpaid tickets. Both bills were aimed at low-income wage-earners who typically need to drive in order to work, and need to work to pay off

their tickets. It makes no sense to charge people with even a low-level crime if the “offense” is simply empty pockets. While we’re not talking about debtor’s prisons exactly, the logic of using the license-suspension authority to penalize the poor has simply turned desperate working folks into scofflaws. The more widespread use of installment plans by the courts has allowed some progress in this approach, and this past session the Legislature capitalized on this progress in passing my third bill on the subject, SB 6284, which the governor signed in March.

Drafted with a great deal of help from Seattle City Attorney Pete Holmes and his staff, the original version of the bill removed the Department of Licensing’s automatic license suspension from all DWLS-3 charges that were based upon failure to pay outstanding fines or failure to appear at a court hearing. After much resistance from county sheriffs and city police chiefs, a modified version was passed, affecting only fines for those underlying charges that were not moving violations, and thus not safety-related. (Failure to pay fines for serious offenses like DUI, or worse, vehicular assault, were never included in the bill.) Because DWLS-3 constitutes about 30 percent of the dockets of the lower trial courts, the compromise was worth the effort: in its current form, the new law is expected to reduce court case-loads by 10-15 percent, and thus to free up judges and staff for cases involving real threats to public safety.

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