

Senator Rodney Tom

June 2012

Dear neighbor,

As you have likely now heard, last month the Legislature concluded its business following a 60-day regular session, one full 30-day special session and a marathon 22-hour second special session. The result was worth the wait – a series of reforms to bend the future cost curve of state government and a balanced budget that lives within its means.

Over the past few years, billion dollar budget shortfalls have become more the norm than the exception to the rule – and the public has grown tired of it.

This year, we finally said enough is enough. **I joined a bipartisan coalition in the Senate that introduced the reforms necessary to put our state back on the right path.** The budget and bills we introduced and passed follow a few simple principles:

They don't spend more than they take in. They reduce our state's long-term financial obligations so we don't bankrupt the next generation with our unpaid liabilities. And they stop the bleeding when it comes to cuts to K-12 and higher education.

Getting these bills passed was a tough fight, but it was one worth fighting. My commitment to my constituents and to sound fiscal policy will always outweigh my commitment to the party hierarchy. The compromise that passed was not as strong as originally proposed, but represents a step in the right direction. You can find details regarding these reforms inside.

Serving as your state Senator continues to be a great honor. As always, please contact me should you have any questions or concerns. And if you'd like to stay up-to-date on what's happening in the Legislature and our district, please sign up for my periodic email newsletter at www.sdc.wa.gov/senators/tom.

think Peace!



Rodney Tom



**SENATOR
RODNEY
TOM**

Office: 220 John A. Cherberg Building
Olympia, WA 98504-0448
Phone: (360) 786-7694
E-mail: tom.rodney@leg.wa.gov
Web: www.sdc.wa.gov/senators/tom/

Standing Committees:

- Higher Education & Workforce Development, Chair
- K-12 Education & Early Learning
- Ways & Means

Washington *Lite*: Changing the status quo is hard. Changing the status quo when entrenched special interests oppose doing so is even harder, especially when they have their checkbooks out and it's campaign season.

Here in Washington, we have a difficult time coalescing around fundamental reforms – even when evidence showing their necessity is overwhelming.

The plea from Olympia every year revolves around deficits and I've heard it a thousand times...*Over the past three years the Legislature has made \$10 billion in cuts to services.* That may make for a great sound-bite, but the simple fact is that we spent over \$1 billion more this biennium than last. Next biennium, when we'll have an additional \$2 billion in revenue, don't be surprised when you hear the all too familiar call for more taxes to satisfy the insatiable growth of state government.

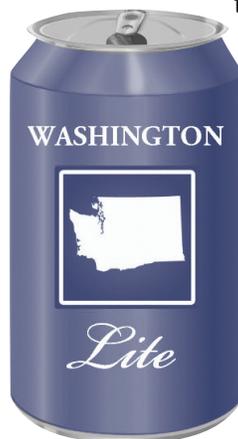
This year, with a week to go before the end of the regular session, the Senate was deadlocked between those that wanted more taxes and those that thought we needed to make the tough decisions and put ourselves on stronger fiscal footing. Since before this session began, the message from you has been clear. Washingtonians are tired of perennial budget deficits. They want us to fix the problem. They want wholesale government reform and change, and their pocketbooks are stretched thin as it is, so new taxes are not an option. They want government reform first.

Sometimes in order to move beyond the status quo, the system needs an electrifying jolt. That jolt came in the form of a parliamentary coup, the first of its kind in over two decades. Myself, and two other Democratic legislators joined a bipartisan coalition in the Senate to pass a more sustainable budget.

It was a difficult decision to make, but one lessened when you consider the alternative - yet another \$2 billion shortfall next year. The problem with deficits is higher education gets obliterated first since it has no federal or constitutional protections from cuts. Education is the key to getting us out of our current economic malaise and the prospect of future cuts was not an option.

The result was three compromise government reform bills. While they take us in the right direction, they are what I have come to call ***Washington Lite***.

They represent the most minimal change possible. Why? Because that's all we can get out of the more liberal House and to pass legislation, both the House and Senate need to agree. Unfortunately, ***Washington Lite*** is an all too common practice in Olympia. It is my hope that these reforms get the conversation started and that we can build on them in the coming years so we can avoid bankrupting the next generation while providing a world class education system that propels our economy forward.



Reforming early retirement and public pensions: The state's pension system is among the biggest cost-drivers in our government. Senate Bill 6378 is expected to save taxpayers approximately \$1.3 billion over the next 25 years by reforming early retirement benefits for new state employees. Washington's pension system is one of the top three funded systems in the nation, but that's all predicated on an 8% investment return. If our returns fall one point shy of this high watermark, our pension system falls another \$6.5 billion in the hole. Without reform, future state revenues will be dedicated to debt service and unpaid liabilities, not services we want and need like education and public safety.

Creating transparency and parity in healthcare for teachers: State employees, including myself, enjoy some great benefits – including top-notch insurance coverage. But our educators have long been separate from state employees when it comes to healthcare coverage and over time this has resulted in disproportionate benefits and a wasteful system of administration. We have 295 school districts here in Washington State, and every one of them negotiates separately for their health care coverage. State government isn't known for its efficiencies, but at least we don't have every agency and department negotiating their own coverage. We tried to change that, but again had to compromise on Senate Bill 5940 to a solution that simply adds transparency to the current system, along with requiring better equity between the cost of coverage for an individual and the cost of family coverage. Another case of ***Washington Lite***.

Budgeting for the long-term: The Legislature has a bad habit of enacting budgets without first considering what those changes have in store for later budget cycles. We use accounting gimmicks that make us more closely resemble Enron than a fiscally sustainable institution. Senate Bill 6636 requires budgets to be balanced across four years, as opposed to the current two-year cycle before they are adopted. This requirement will force legislators to consider the long-term costs that go with their spending choices and reduce the chance that one biennium's budget will lead to a big deficit down the road. Under this legislation, tricks like delaying a \$340 million school payment one day to push its payment off into the next biennium will be a thing of the past. Hopefully this legislation will get us back to household budgeting, where those kinds of accounting games don't work and it's recognized that they just make the problem worse.

Higher education

After years of compounding cuts to higher education funding due to the Great Recession, this year we were finally able to pass a budget that made no further cuts to Washington's public colleges and universities.

As chair of the Senate Higher Education Committee, I worked hard to pass legislation to make our colleges and universities accessible to every student that wants to go to college. Whether it comes to student financial aid, increasing safety on campuses or creating efficiencies in university administration, we made great progress this year in helping our aspiring students across the state find success.

Improving students' access to financial aid counseling.

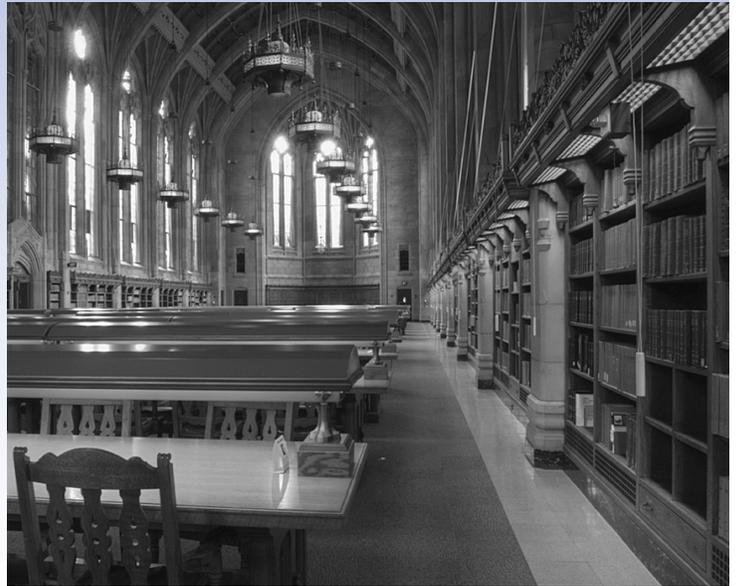
Senate Bill 6121 develops a financial aid counseling curriculum that will inform students about the realities of taking on student loan debt. Too many students are taking on student loans that their future career's earning capabilities have no means of meeting. It's important that everyone work in a career they love, but they also need to make sure they don't burden themselves with debt that forces them to make other career choices based on dollars, not on what they would really enjoy pursuing.

Ensuring safety on college campuses. In response to the horrific cases of child abuse at Penn State last year, we took steps this session to ensure Washington's college campuses remain safe for everyone. Senate Bill 5991 requires employees of higher education institutions to immediately report suspected child abuse or neglect to their appropriate supervisor.

Creating the Student Achievement Council.

The Higher Education Coordinating Board has been in charge of directing a coherent strategic plan for our state's higher education institutions for over two decades. For some time, the word from our schools was that instead of helping, it was only growing more bureaucratic and less effective. Over the last two years, we've studied and debated how we could replace it with a council that would add value to the state and to the individual institutions. House Bill 2483 creates the Student Achievement Council, a vastly slimmed down agency that will help coordinate the growth of our institutions to maximize our tax dollars, while also providing our employers with the world-class workforce needed to compete in a global, high-tech marketplace.

FACT: In 1992, state government paid 82% of the cost of in-state tuition at Washington's public universities. Today it pays 36%.

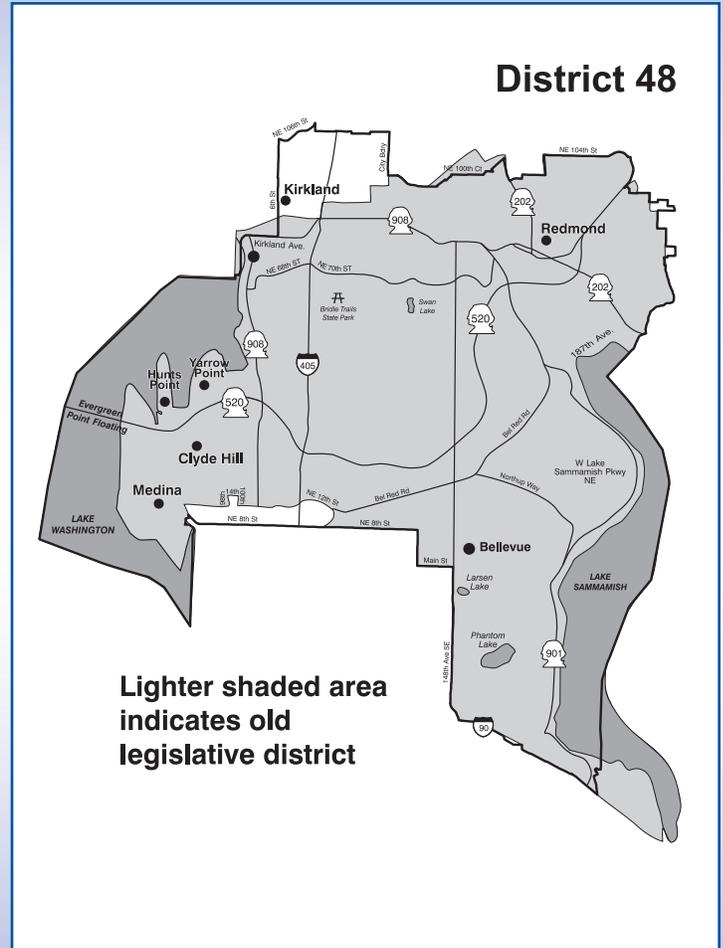


Capturing efficiencies in higher education. Given the years of cuts to higher education, the need to provide colleges and universities with the tools necessary to get the most out of every dollar has never been greater. House Bill 2585 would relieve a series of administrative regulations that have proven costly and unnecessary to universities and colleges. This would include exempting institutions from formal procurement processes for certain goods and services and would allow payment of salaries and wages using alternate methods such as automatic direct deposits.



Redistricting

Every 10 years, with new Census information as a guide, the Redistricting Commission is tasked with adjusting legislative districts so that each one of our 49 districts across the state has the same number of constituents. To the right is a map that shows the new boundaries of our 48th Legislative District. If you're uncertain whether you still fall within the lines of the 48th, you can go to my webpage, type in your address and know for sure.



KEEP IN TOUCH

As always, please contact me with your thoughts and ideas on how we can make Washington an ever better place to live and work. I am happy to discuss any issues or ideas you have. Don't forget to sign up for my digital newsletter at my website, www.sdc.wa.gov/senators/tom

Sign up for my weekly electronic newsletter at:
www.sdc.wa.gov/senators/tom



**Senator
 Rodney Tom**
 PO Box 40448
 Olympia, WA 98504-0448

PRSRT STD
 US POSTAGE PAID
 OLYMPIA WA
 PERMIT #133