

Senator

Craig Pridemore

WASHINGTON STATE SENATE

49th LEGISLATIVE DISTRICT

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My friends,

This year we took some of the most difficult steps to balance our budget that I've seen in my six legislative sessions.

Last year, when the recession depressed our revenues by one-fourth (\$9 billion), we made up the gap with a combination of budget cuts, one-time federal dollars and fund transfers. This year, with revenues still down by 9 percent (\$2.8 billion), we made even more cuts and closed a number of tax loopholes. Then, when we reached the point where further cuts would have threatened basic services to our most vulnerable citizens, we passed a modest tax increase to close the final portion of the gap.

Before we did that, we cut spending everywhere we could. We froze state employee pay. We suspended hiring to fill vacancies. We imposed budget reductions, furlough days and other measures to reduce spending at state agencies. We consolidated and eliminated state commissions and boards.

By comparison, the tax increase amounts to less than a third of this year's budget gap and just 6.7 percent of the total \$12 billion budget gap for the two-year budget cycle. By far the lion's share of the revenue gap was made up in cuts to state government: \$5.13 billion. We then used \$3.6 billion in federal assistance and \$2 billion in reserves and fund shifts. The tax package is for \$794 million — that's less than one-twelfth of the biennial shortfall and less than one-fifth of the size of the cuts to public services and staff. What's more, almost half the tax increase is temporary and will come off the books in three years, which is about how long economists predict it will take for our economy to recover.

In a normal session, you count your successes by the things you gain; in a session like this, you count your successes by the things you spare. In this light, the 49th came out ahead on two counts. First, we were able to persuade our colleagues not to close the Larch Corrections Center, as had been proposed in an early budget plan. Second, we were able to double the funds to upgrade the Chelatchie Prairie Railroad tracks from \$1 million to \$2 million.

You'll find more details on those and other legislation inside this newsletter, including ways the federal health care reforms will affect us here in Washington state and our efforts to coordinate those benefits as quickly as possible.

My very best regards,

A handwritten signature in green ink that reads "Craig".

Sen. Craig Pridemore
49th Legislative District



Our top three priorities are jobs, jobs and more jobs

With unemployment here at a state-high 15 percent, the residents of the 49th know better than anyone that jobs are our most urgent priority. To help our state economy along the road to recovery, the 2010 Legislature passed a wide-ranging package of bills to preserve existing jobs, create 60,000 new jobs and position Washington's economy for future growth.

Putting people to work

- **The 2010 supplemental transportation budget** keeps all projects in the current 16-year transportation finance plan on schedule. Of the 391 projects funded by the 2003 "Nickel" and 2005 "TPA" gas tax increases, 241 have been completed, 54 are under construction and 21 will be advertised for construction in the next six months, which translates into **18,000 additional jobs**.
- **The 2010 supplemental capital construction budget** reprioritizes projects in the construction pipeline according to readiness, capitalizes on significant construction bid savings and adds several notable new projects that will create **4,800 additional jobs**.
- **The 2010 supplemental operating budget** funds retraining for existing, unfilled high-demand jobs in fields such as health care and aerospace for **an additional 3,800 workers**.

Positioning Washington for future growth:

- Washington's global health care industry is responsible for **approximately 50,000 jobs and more than \$1.7 billion in salaries** in the state. To spur growth, the Washington global health technologies and product development competitiveness program will award grants for research, development, and production within Washington. (SB 6675)
- The aerospace industry accounts for **\$36 billion in economic value** to Washington and **more than 82,000 jobs**. To improve the state's aerospace training, education, research and development programs, the Legislature created the Washington State Aerospace Training and Coordination Institute to be located in Snohomish County. To drive a collaborative effort between the state's universities, private industry and government, the Legislature also created a Center for Aerospace Technology Innovation to be headquartered at the University of Washington. (SB 6678)

Helping small businesses stay in business

- **Small businesses will gain increased access to capital, training and technical assistance** from the Department of Commerce and the Small Business Development Centers. (SB 6667)
- **Small businesses looking to finance exports or to accommodate increased export sales** will be eligible for loans or loan guarantees from the Small Business Export Finance Assistance Center, which must also develop a rural export outreach program. (SB 6679)
- **Small businesses will receive leeway on paperwork violations.** Small businesses must receive a copy of the state law or agency rule being violated when cited with paperwork violations, and must be given a period of at least two business days to correct the violation before a fine, civil penalty or administrative sanction is imposed. (HB 2603)
- The General Administration, Information Services, and Transportation departments **must increase the number of small businesses receiving state contracts for goods and services** by 50 percent by 2012 and 100 percent by 2014. (HB 1096)
- All small service businesses earning less than \$80,000 a year in gross receipts **will pay less in B&O taxes**, thanks to an increase in the B&O tax credit. (SB 6143)
- **Sole proprietors will now be able to obtain more affordable health care coverage** by changing the definition of "small group" for insurance purposes from covering two to 50 people to covering one to 50 people. (SB 6538)
- Thanks to health care reform efforts at the federal level, **92,500 Washington small businesses will receive tax credits** to help make providing coverage more affordable.
- Last year, the Legislature created the Local Revitalization Financing (LRF) program, which builds infrastructure to spur economic activity and uses tax revenues from the increased economic activity to pay off the cost of having built the infrastructure -- in other words, letting growth pay for growth. This session, the Legislature added six more demonstration projects to the 2009 Local Revitalization Financing program. The expansion will create **13,000 additional jobs**. (SB 6609)
- **The Washington Works Housing Act** allocates \$1 billion of the Housing Finance Commission's outstanding debt to the Washington Works Housing Program, which allows nonprofit organizations and public agencies to purchase, build, and own real property used for affordable housing. This program will help **create 8,000 jobs** and long-term community equity in affordable housing. (HB 2753)



Sen. Pridemore discusses a revenue forecast with Dr. Arun Raha, the state's chief economist, during a meeting of the state Economic and Revenue Forecast Council.

Legislation that makes sense for our district and our state

Keeping Larch open

With all the partisan sniping that goes on these days, you'd think Democrats and Republicans have become mortal enemies. Not so. My priority has always been the needs of the 49th District, and those needs aren't partisan — they're local. That's why Ridgefield Republican Sen. Joe Zarelli and I worked together to persuade our colleagues on the Senate Ways and Means Committee to spare the Larch Corrections Center in rural Clark County from being closed, as had been proposed by the governor early this session as a budget cutting measure.

Closing this well-run facility made no sense, either for the district or for the state. The loss of Larch would have further depressed our local economy and eliminated a source of vital wildfire response, fish habitat restoration and other valuable services that Larch inmates provide free of cost to the state.

To free up funds for Larch, Joe and I amended the budget to shift funding from the McNeil Island Corrections Center in Puget Sound. Both facilities are part of the Department of Corrections.

Improving our infrastructure

It's not as dramatic as putting up a new building or putting in a new road, but maintaining our infrastructure is every bit as important to our continued economic vitality — and, sadly, infrastructure is one of the most overlooked needs when times and budgets are tight. That's why I fought hard to add \$1 million in funds for the Chelatchie Prairie Railroad tracks from Vancouver to Battle Ground in this year's supplemental transportation budget. This effectively doubles the money already dedicated to upgrading the tracks and ensures our ability to efficiently and economically move the freight that is the lifeblood of our economy.

Reducing our exposure to mercury

Of all my bills this session, I was happiest to see the passage of Senate Bill 5543 to provide a system that lets us recycle fluorescent light bulbs safely and easily. Everyone knows these bulbs save energy — but they contain small amounts of mercury that can contaminate the environment and damage the human

nervous and cardiovascular systems if not properly disposed of. My bill creates a recycling program similar to the program I created back in 2006 for computers, monitors, and televisions, which also contain hazardous materials such as lead and cadmium, and took effect in 2009. Thanks to that legislation, our state safely recycled more than 38 million pounds of electronics last year alone.

Disability awareness

I sponsored SB 5902 to increase fines for parking in disabled parking spots. This will not only help make sure those spaces are available for those who need them but will generate additional revenue to promote greater awareness of disability issues. This is a huge victory for our neighbors who live with disabilities.

Faster criminal background checks

Another bill of mine, SB 6288, will simplify and speed the processing of criminal background checks. I proposed this legislation at the request of the City of Vancouver.

Filling the fire marshal's post

SB 6546 allows the state fire marshal to refuse membership in the state employee retirement system. The fire marshal's position has gone unfilled because prospective candidates would have to forfeit their existing retirement plans in order to accept the post, causing this important position to remain vacant.

Biomass facilities

SB 6692 gives counties the ability to participate in ownership agreements for electric generating facilities powered by biomass, and was requested by Clark County.

Leeway in meeting the Growth Management Act

SB 6611 gives cities and counties more time to develop comprehensive land use plans required under the Growth Management Act.

Meet three terrific Senate pages

Even on the most frustrating days of a legislative session, I can usually count on one thing to brighten the mood — the enthusiasm of our legislative pages. These great kids get to learn all about the Legislature and how their government works while running errands between legislative buildings and on the Senate floor, and we lawmakers get the joy of seeing some of our best and brightest young people making the most of their citizenship, so eager to learn about how their state government works.

I was pleased to host Peter Hunter from our 49th District this year, along with Andrew Forrest and Alexander Van Dinter from the 18th District. All three brought distinct personalities and skills, and I wish them nothing but the best in their future endeavors.



Alexander Van Dinter



Peter Hunter



Andrew Forrest

How federal health care reform affects us here in Washington

The impact of this year's federal health care reform legislation will be dramatic. Here are some of the major changes you will see in the coming months:

- We'll receive up to \$3.9 billion in federal funding during just the first five years of this coverage expansion.
- A Medicaid waiver made possible by the reforms would provide nearly \$100 million per year in federal matching funds to refinance our Basic Health and General Assistance — Unemployable programs, including up to \$30 million per year to expand the state's high risk pool and a reduction in premiums for up to 100,000 uninsured Washingtonians with pre-existing conditions.
- 92,500 Washington small businesses will receive tax credits to help make coverage more affordable.
- Insurance companies will be barred from excluding children for coverage because of pre-existing conditions or dropping people from coverage when they get sick. Lifetime coverage limits will be eliminated, helping many avoid bankruptcy.
- More than 600,000 young adults in Washington will be able to stay on their parents' insurance policies until age 26.
- Family health insurance premiums will cost \$1,470 to \$2,090 less than what they would cost by 2016 without health reform.
- A reinsurance program will be created to help companies maintain health coverage for early retirees between the ages of 55 and 64.
- Of the more than 900,000 Medicare drug beneficiaries in our state, those in the "doughnut hole" coverage gap will receive a \$250 rebate this year and the gap will be closed over several years.
- Medicare payments to Washington hospitals and providers will increase immediately.
- Starting in 2014, we'll receive 100 percent federal matching funds to cover nearly 60 percent of uninsured Washingtonians.
- Up to 457,000 Washingtonians will receive tax credits to make health insurance more affordable.
- Tens of millions in more federal funding will be provided for 232 Community Health Centers operating in every region of Washington.

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