

Washington State Senator • 6th LD–Spokane

# Michael Baumgartner

Spring 2012 Newsletter

Friends and Neighbors,

Summer will soon be upon us and that means we'll all be preparing to enjoy the beautiful outdoors of our wonderful inland northwest. I wanted to take the time to give you a little insight into what I've been working on in the Legislature this year and provide an update on your state government in Olympia.

Inside this newsletter, you'll find facts about your state government, a discussion about state debt, information on reforms to make your government smarter, and how you can interact directly with me in the state Legislature.

The major issue of the 2012 legislative session has been the state's on-going budget challenge. As you see in this newsletter, Washington has had a budget shortfall even at a time of increasing revenue – illustrating the structural budget problems for our state. Solving these problems and getting our state off of the “budget crises roller-coaster” requires real reforms and a commitment to not only passing budgets that balance today, but making sure that they are sustainable for tomorrow.

The governor has called six “special sessions” to deal with the budget in only the last two years and in my view enough is enough. It's time to get it fixed.

Fortunately, I think that we've made progress. I believe that the people of Washington are best served when politicians on both sides of the aisle work together for fiscal responsibility. Like last year, this session I worked with both Republican and Democrats to form a coalition in the Senate and pass a bipartisan, reform-minded and priority-driven budget.

It certainly wasn't a perfect budget. The ending fund balance is too low and I'd have liked to have more funding in some critical areas like higher education and less in others that aren't core functions of government – like the state printer. However, the spending reform bills that we passed along with the budget are a big step in the right direction towards fiscal responsibility.

One of my main goals in coming to the Senate is to reform state government – make it leaner, more efficient, less costly and more service-oriented. In essence, I want to help make Washington's government “smarter.”

If that is going to happen, it's going to take your help. Remember, the folks in Olympia work for you and if you want to see change you need to make your voice heard and get involved. That's why my favorite part of this newsletter is the reminder on the back page about my “shadow your senator” program to come and visit me in Olympia. You are always welcome and it remains an honor to serve you!

We've got work to do,



Senator Michael Baumgartner, 6th District



*Gov. Gregoire signs Sen. Baumgartner's bill to consolidate government agencies.*

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## Highlighted successes and failures of the session

### Government Consolidation

Last year I was extremely proud to introduce **Senate Bill 5931**, a key piece of legislation that dramatically reformed our state government by consolidating several state agencies and making them more efficient. This year, some in Olympia actually tried to take us backwards by introducing bills to overturn key components of my legislation. Working together with my colleagues on both sides of the aisle, we were able to stop these bills from advancing.

### Pension Reform

If Washington is going to have fiscally sustainable budgets, reforms to our state pension system are essential. People are living longer and the state can no longer afford to provide pension bonus payments to those who retire at age 55. However, it is also important that we honor all commitments made to current state employees. That's why the pension reform I helped pass this year only impacts future state employees who have not yet been hired. As the son of two outstanding public sector employees, I know first-hand how important our state workforce is. At the same time, as a father of a young son, I also know that our current public retirement system is unsustainable if we want it to still be around for future generations. I'm committed to the often tough political decisions required to create fiscally responsible budgets.

### Higher Education Funding

Over the last 10 years our state has spent a lot of money, yet even during times of budget growth higher education has been deprioritized. Increasing tuition has shifted the cost to students and put many deeply into debt they can't afford.



To address this concern, this year I introduced **Senate Joint Resolution 8225**, a measure that would have protected higher education in the State Constitution and provided it a dedicated revenue stream from existing taxes.

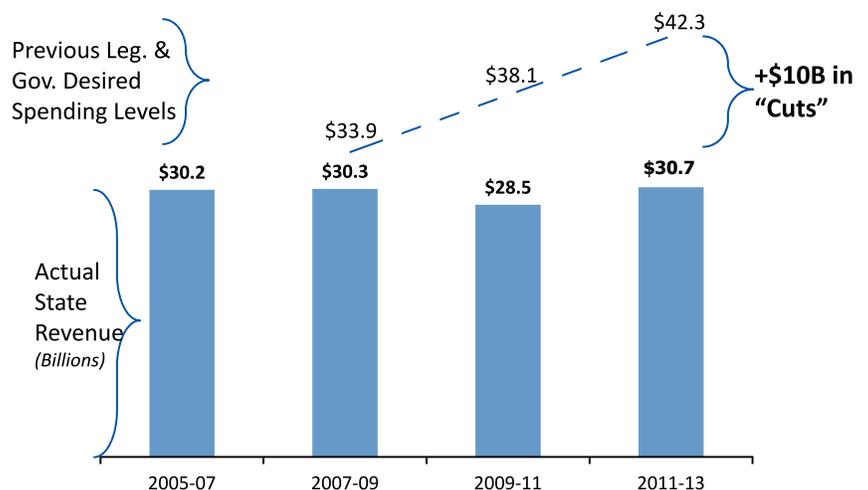
Unfortunately, the majority party missed an opportunity to act on this key reform and denied my measure the opportunity to even have a public hearing. That's a shame, but you can rest assured that I'll continue to fight for quality, affordable education here in Washington.

## Increases or Cuts? How much is your state government spending?

It can often times be difficult to cut through all of the rhetoric coming out of Olympia. Perhaps you've heard a lot about the budget in the news media, and heard some groups talk about budget cuts, while other groups talk about increased spending. Which is true?

Depending on your point of view, both. Our state will spend approximately \$31 billion in this operational budget. In fact, that's more of your tax and fee dollars than it has ever spent before. However, at the same time that amount is less than many in the Legislature and the governor wanted to spend. So, when you hear talk about more than \$10 billion in "cuts" to the state budget it's from a baseline of an "expected" spending level, not an actual spending level. Talking about overall state spending cuts at a time of increased real spending is what some of us call "Olympia math."

### "Olympia Math": Actual State Spending vs. "Expected Spending"



In the current budget, Washington is expected to spend a record amount of state tax and fee revenue, but that amount is more than \$10 billion less than some in Olympia had expected the state to spend.

## Just the Facts! – Some information about your state government

- In 2011 170,000 state employees worked for you.
- In 2011 61,000 executive branch state employees worked for you, that total is 6% lower than in 2007.
- Their median salary was \$50,000. The governor makes \$167,000.
- In 1992, your state government paid 82% of the cost of in-state tuition at Washington’s public universities. Today, it pays 36%.
- The budget for your Department of Ecology is more than \$920 million, up 75% in the last 10 years.
- In an average year, your state legislature passes 400 bills into law, that totals roughly 12,000 new laws for you since 1983.
- Because your state government makes itself subject to “joint and several liability” even if Washington is found to be only 1% at fault in a lawsuit, it can be made to pay 100% of a settlement. In 2009 Washington paid out more than \$50 million in your tax dollars for settlements while similarly-sized Massachusetts only paid out \$13 million.

## Maxing out the state credit card? Is your government borrowing wisely?

Over the past several years Washington has significantly increased the amount of money it borrows. Given this increasing debt it is important that we use the state “credit card” wisely to make good investments.

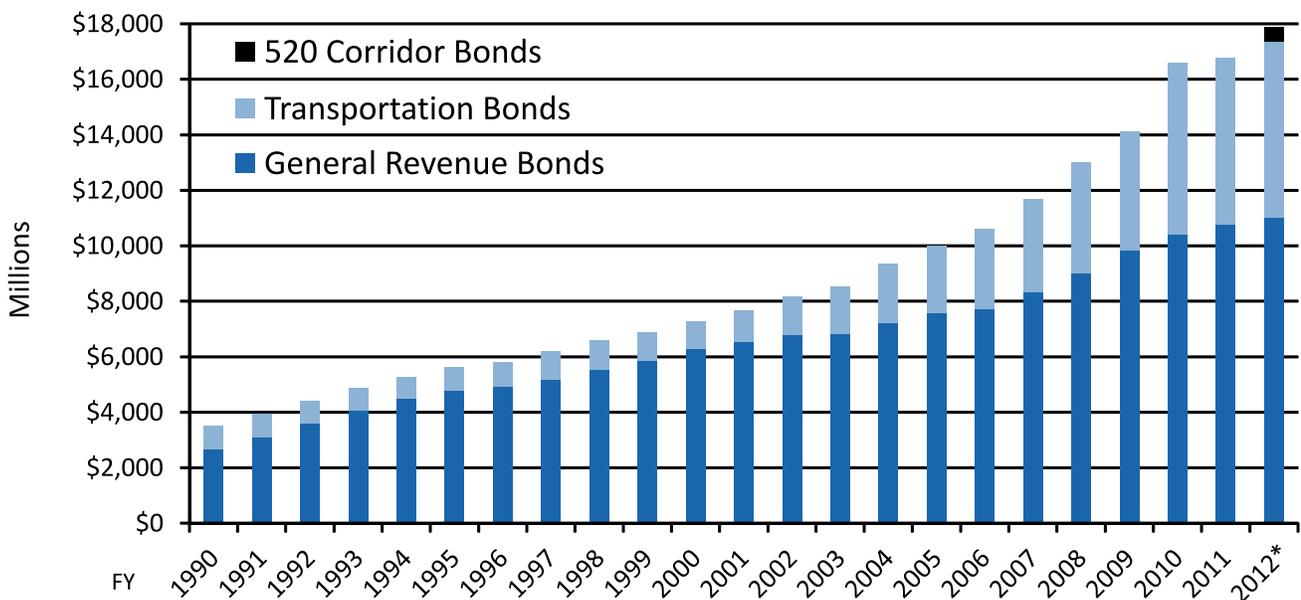
**X** One unfortunate example of your money being wasted is the new \$300 million government data center building in Olympia. This ornate structure is one of the most expensive buildings in our history and the state charges itself a rate in rent that is nearly double the price of available office space in the tallest building in downtown Seattle. All this waste for a function – data man-

agement – that could be more efficiently provided by one of Washington’s private technology companies.



In contrast, an example of wise public investment is the new Spokane Medical School. This 4-year medical school, operated by Washington State University, will help meet eastern Washington’s physician shortage by producing 120 graduates a year and facilitating medical research that has an estimated \$2 billion worth of economic benefit to Spokane. I fought hard for the first half of the medical school funding last year, and I’m pleased to report that **we obtained the second half this year!**

## Washington State Debt



Source: Office of the State Treasurer

\*As of 1/27/2012



Washington currently owes \$18 billion in debt. In the current operating budget, \$3.2 billion is allocated to debt repayment, an amount greater than what Washington spends on community college education (\$2.6 billion) or corrections (\$1.7 billion).

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# Michael Baumgartner



### Our 6th District Senate team works for you!

*From left: Aide Ronnie Valencia, Legislative Assistant Michael Cathcart, Senator Michael Baumgartner and intern Karmen Abbott.*

It's important to thank my outstanding office team in this newsletter. Ronnie, Mike and Karmen, thanks for all of the hard work this year!

It's also important to once again stress that I strongly believe that smarter government requires more transparent government. My "Shadow your Senator" program provides those interested an opportunity to visit me here at the Legislature. You are welcome to spend a day attending meetings, committee hearings, and votes in the Senate chamber.

I'm always keen to have school groups visit and once again was pleased this year to host the outstanding Ferris High School Leadership class. If you know a school or community group that would like to come over Olympia, please be in touch.

Remember, it's your government. Come see it in action.

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Please join us for our 2nd annual  
**Community Potluck  
and Legislative Wrap-up**  
Flag Day, June 14, 5 p.m. to 7 p.m.  
Comstock Park (near the flagpole)  
Just bring your friends, family, questions  
and ideas for smarter government,  
along with your favorite side dish.

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