

## 2009 Legislative Update

# Senator Janéa Holmquist

October 2009



### Olympia Address (Mailing Address)

106-B Newhouse Building  
P.O. Box 40413  
Olympia, WA 98504-0413  
Phone: (360) 786-7624  
Toll-Free Legislative Hotline:  
1 (800) 562-6000  
Fax: (360) 786-7819

### District Office Address:

326 S Cedar St., Suite B  
Moses Lake, WA 98837  
Phone: (509) 766-6585

### Standing Committees

- Labor, Commerce & Consumer Protection (Ranking Minority Member)
- Early Learning & K-12 Education
- Environment, Water & Energy

Please visit Sen. Holmquist's website for a full listing of her leadership assignments.

**Web Site:** <http://src.leg.wa.gov/holmquist/>

### Sign up for my e-mail alerts

Want updates about tax increases and other developments in Olympia?

E-mail me at:  
[holmquist.janea@leg.wa.gov](mailto:holmquist.janea@leg.wa.gov) with  
"Update Me" in the subject line.

Dear Friends,

This legislative session, years of reckless and unsustainable spending resulted in a deficit of more than \$9 billion. To make matters worse, we've seen unemployment skyrocket and an increase in the number of struggling employers. Consequently, I made preserving and creating new jobs my top priority in Olympia this session.

Unfortunately, some in Olympia have forgotten the money government spends is your money! Members of the majority party pushed numerous bills that targeted employers and sent an anti-business message; proposed a series of new tax increases, including the creation of a state income tax; and passed a budget that cut vital services, failed to reflect our state's core priorities, and relied on tax and fee increases and one-time money.

Individuals and families are making hard decisions, forced to do more with less. I believe state government should do the same. That is why I fought tooth-and-nail against every new or increased tax plan Democrats offered.

Fortunately, working with my Republican colleagues and some conservative Democrats, I was able to kill some of those harmful ideas... for now.

I will continue to fight for you in Olympia. If you have questions or comments to share, please call, send an e-mail or write a letter. I welcome your ideas and opinions.

Thank you for the honor of serving you!

A blue ink signature of Janéa Holmquist.

Sen. Janéa Holmquist

## Operating budget — a matter of dollars and sense

In every challenge, there is opportunity. The budget deficit lawmakers faced this session clearly presented some challenges, but I saw it as an opportunity to restructure government functions and truly prioritize state spending. The Democrats, however, did not see it the same way. They cut vital services, failed to prioritize, and backfilled more than half the

budget gap with increased taxes and fees and one-time dollars from the federal government, capital budget and other fund transfers. This is unsustainable. A recent forecast (Sept. 2009) states we will be right back where we started, with insufficient revenue to sustain the spending level the majority has adopted.

(Budget news continues — inside)

## 2009-11 Operating Budget

“What would I have done differently?”

They:	I would have:
<b>ACTED TOO LATE</b> Waited to deal with the budget until the last three days of session	Acted in <b>December</b> on a supplemental budget; doing so would have <b>prevented up to \$2.4B in cuts</b> seen in this budget
<b>PUNTED</b> Punted out two years/ committed the state to spending too much	Kept spending in line with expected revenue
<b>GAVE RAISES</b> Gave unionized state employees pay raises	Asked <u>all</u> state employees to <b>sacrifice</b> raises at this time
<b>SKIPPED GOVERNMENT REFORM</b> Minimal <b>government reforms</b>	<b>Reformed government:</b> <ul style="list-style-type: none"> <li>● <b>Basic spending reforms</b></li> <li>● <b>Employer regulation reform to create and save jobs</b></li> <li>● Pension policy reform</li> </ul>
<b>SLASHED HIGHER EDUCATION</b> Cut 10,000 <b>higher ed slots</b>  Raised tuition by 28 percent over 2 years (14%/year)	<b>Reformed higher education:</b> <ul style="list-style-type: none"> <li>● Eliminated subsidy of <b>career students</b> (1,500 slots)</li> </ul>
<b>MISSED ON SUSTAINABILITY</b> Spent \$5 billion in <b>one-time money</b> on ongoing programs	Made <b>permanent reductions</b> in our spending obligations, such as taking paid family leave off the books
<b>RAISED TAXES AND FEES</b> Liquor costs, banks, etc.	Not raised taxes and fees – saved <b>jobs</b> instead!



### New capital budget raided

Unlike the operating budget that pays for day-to-day public services and programs, the state’s capital budget is supposed to be about long-term investments – public buildings and lands – which preserve and create jobs, add needed infrastructure, and provide opportunities for continued economic development.

Unfortunately, this year I was forced to vote against the capital budget. The agreements hatched by House and Senate Democrats raided nearly \$800 million from the Public Works Trust Fund and other areas of the capital budget, transferred those funds to the operating budget, and relied on an increase in the state’s bonding limit to make up the difference.

This type of budget gimmickry sets a bad precedent that I could not support. Capital money should be used directly for vital infrastructure that creates jobs.

Still, I fought to secure funding for construction projects in Kittitas, Grant and Yakima counties in the final budget.

I am particularly pleased that \$250,000 is allocated to improve school safety for hundreds of students attending *Longview Elementary School* in Moses Lake. A railroad divides the school and the neighborhoods where a majority of the elementary school students live. An underpass will protect students who would otherwise trespass over the railroad to attend school. We are lucky there has yet to be an incident involving a student crossing the tracks. Other investments approved include:

- \$513,000 for Big Bend Community College
- \$6.5 million for Yakima Valley College
- \$2.7 million for Wenatchee Valley College
- \$40.5 million directed to Central Washington University, including more than \$27 million for Hogue Hall renovation

These are the types of projects for which capital money is intended – projects that create and sustain local jobs.

## 2009-11 transportation budget reflects economy

I voted against the final 2009-2011 transportation budget because of another budget gimmick: more than \$100 million was transferred to the operating budget. Transportation dollars should be spent on transportation projects. But as with the capital budget, I worked hard to ensure our district received its share of available funds. I was able to secure approximately 20 percent of federal transportation funds for the 13th District.

## Governor and state Democrats approve hikes in college tuition; reduce slots

At the governor's request, Democrats agreed to a huge hike in tuition for middle-income families. Over the next two years, tuition at the state's four-year institutions will go up by 28 percent; community and technical college students will see a 14 percent tuition increase.

In addition, the governor proposed a surcharge on four-year college students that could raise as much as \$120 million over the next two years.

### Awards & Recognitions

**Sen. Holmquist received the following recognitions for her leadership in protecting employers and their employees:**

- Association of General Contractors  
2009 Legislator of the Year
- Business Institute of Washington  
2009 Legislative Business Star Award
- Washington Restaurant Association  
2009 Legislative Hero



Because of my consistent voting record against taxes and fees, I was the only legislator invited to address more than 5,500 citizens who assembled in Olympia on April 15.

To watch video of my speech please visit: <http://src.leg.wa.gov/holmquist/>. Please allow a few minutes for video to load.

### “Stop spending our money!”

***Citizens tell both Washingtons to stop taxing their patience with bailouts and tax hikes***

On Tax Day this spring, hundreds of thousands of citizens gathered in more than 800 cities nationwide to voice their opposition to out-of-control spending and bailouts at all levels of government. Statewide, more than 20,000 Washingtonians—including 700 in Yakima and 3,000 in Spokane—participated in a local “tea party.”

I addressed a crowd of more than 5,500 people on the steps of the state Capitol. They came to demand that government live within its means, just like they must. They came to send a message to both Washingtons: “Stop spending our money!”

I heard their message, and I am committed to fighting for the taxpayers of this state.

This session, the good guys were able to score a few victories. Shortly after the tax-day tea parties, the Democrat Senate Majority Leader announced that no state income tax proposal would advance this year, and a Democrat representative was likewise forced to recognize there was not enough support to pass his sales tax increase.

## Bipartisan effort defeats job-killing/anti-employer bills

Even though Senate Republicans are outnumbered 31-18, I led a bipartisan delegation to stop several key pieces of job-killing legislation. While we lost some efforts by a single vote, we were able to stop or improve the bills before the session ended. In one instance, I was able to stop a huge tax increase on employers. While these bills failed to pass this year, they can all be considered during the next legislative session.

### Protecting employers and workers from higher taxes and a raid on UI Trust Fund

Employers pay into the Unemployment Insurance Trust Fund to provide benefits to unemployed workers. This session Democrats introduced legislation to divert millions from the fund to pay for new employee-training programs. One bill would have diverted \$56 million and would have represented a tax increase on employers at a time when many are struggling to keep their doors open and their employees working. Fortunately, I was able to protect workers and employers by using Initiative 960 to preserve the UI Trust Fund, while finding an alternative funding source for the training program. The bill, as amended, does not raid the trust fund but provides about \$18 million to community and technical colleges to retrain people for work in high-demand fields. The bill has been signed into law.

### Employer ‘gag bill’ stifled

The United States Supreme Court says states can't stop employers from discussing labor/management issues in the workplace, yet that is what Senate Bill 5446 attempted to do. In fact, the bill was written so broadly as to prohibit even discussions about charitable events, like a Walk For Life or Christmas party. Such discussions would have created a “right of action” for an employee to sue his or her employer. The bill appeared to be headed for passage until some legislators received an e-mail hinting that campaign contributions from labor depended on legislative approval. This forced majority-party leaders in the House and Senate to declare the bills dead to avoid the appearance of impropriety. Since session, the Attorney General's Office has responded to my request for a legal opinion on SB 5446. As many thought, the employer gag bill appears to conflict with federal law. Hopefully, this opinion will be enough to dissuade Democrats from considering the bill again next year.

### Child care collective-bargaining bill changed to worthwhile study

I led a successful bipartisan effort to change Substitute House Bill 1329, which would have required collective bargaining for child care centers. I sponsored an



amendment requiring the Department of Early Learning to study the issues, to ensure potential changes are right for children, parents and child care workers. The House, however, refused to agree with my amendment. Fortunately, legislators ultimately decided this issue does need more study, and the bill did not pass.

### Majority attempted to add to distress of residential construction industry

The booming housing industry that fueled our economy is in trouble; Engrossed Second Substitute Senate Bill 5895 would have made it worse, much worse. This bill would have driven up builders' insurance costs and home prices. Buyers of new homes already have legal protection from shoddy work; however, the higher cost of insurance and the threat of more lawsuits under this measure would likely drive small companies out of business. Fortunately, the House and Senate versions of the bill failed to pass.

### “Retro-buton” bill passes Senate, but dies in House

The state's retrospective rating program (known to employers as “retro”) lets small businesses join forces – voluntarily, through trade associations – to increase safety and reduce workers' compensation costs. Money recouped by the trade associations through safety improvements is private money, yet Engrossed Substitute Senate Bill 6035 would have restricted how trade associations use it. This measure is considered by some as a “payback” for the political views of such organizations as the Building Industry Association of Washington, Washington Farm Bureau and Washington Restaurant Association - the three largest retro users. Senate Republicans and I opposed this bill along with six Democrat senators. The bill passed the Senate by a single vote, yet I was able to work with my colleagues to stop the bill in the House of Representatives.

## Environment, Water and Energy

### Democrats thwart efforts to reduce your energy costs

This session several bills were introduced to add hydropower to the list of renewable resources under Initiative 937, which established the state's energy mandates.

The majority party rejected several Republican amendments aimed at reducing energy costs for consumers by expanding the amount of hydropower that is considered renewable. I also proposed an amendment that would have allowed additional conservation to count against the renewable-energy requirement.

In the end, the Legislature failed to improve I-937, recognize hydropower and reduce energy costs for consumers. This means that your electricity costs will likely spike in the near future thanks to the majority party. It put its allies in the Seattle "green" movement ahead of you and your family's budget.

Regardless, I am committed to making your electricity more affordable by continuing my work to achieve recognition of hydropower as a less expensive, clean, carbon-neutral, and renewable fuel source.

### Governor moves one step closer to job-killing 'cap-and-tax' plan

After her big-government approaches to dealing with climate change died in the Senate this year, Governor Gregoire announced a plan to sidestep the Legislature. She enacted her controversial environmental proposals through state agencies and an executive order. **I am not willing to sacrifice your jobs, force you to pay higher utility bills, and tax you based on the miles you drive or size of your engine.** Keep in mind, Washington contributes .001 percent of the world's greenhouse gas emissions.

The governor's actions set the stage for limits on how much you can drive your car, soaring energy rates, business closures and massive job losses.

I will continue to fight these efforts to tax you out of your car, run your employer out of the state, and spike your energy bills.

### Kittitas County Water Update!

In my next newsletter, I will discuss developments with the Upper Kittitas County water situation.

## Our family values versus Olympia's secular values

### Democrats pass bill to force Washington into the abortion business

Democrats passed Senate Bill 5629 that eliminates reducing the rate of abortions as a goal of the state's sex-education policies. The measure eliminates the Department of Health's mandate to "reduce the rate of illegitimate births and abortions" and replaces it with "reduce the rate of unintended pregnancies." This law, which went into effect, will undoubtedly result in increased abortions. Whether you are pro-life or pro-choice, no one wants that result.

### New law equates domestic partnership with marriage

Second Substitute Senate Bill 5688 is being hailed by same-sex marriage advocates in Washington as "everything but marriage." The bill declares that for all purposes under state law, state-registered domestic partners shall be treated as married spouses. A majority of Washingtonians have said – at every opportunity – that marriage should be between one man and one woman. This bill effectively overturns the Defense of

Marriage Act without being honest about it. Same-sex couples have a right to form meaningful relationships, but they don't have the right to redefine marriage. A referendum (R-71) to overturn this bill will appear on November's General Election ballot.

### House Democrats reject bill to keep child pornography from locked-up sex predators

Senate Bill 5218, which passed the Senate unanimously, would have restricted computer access for violent sex predators housed in the state's Special Commitment Center on McNeil Island in Puget Sound. In 2007, it was discovered that some individuals held at the SCC had used its computers to view child pornography on discs and flash drives smuggled in, or create it themselves using drawing programs. Republicans won Senate passage of a similar bill in 2008, but it also died in the House of Representatives.



## A few good bills . . .

### Legislature approves bill to protect all students from school employees who prey

Many high schoolers turn 18, and even 19, before they graduate, and youths with developmental disabilities may attend public schools through age 21. I co-sponsored legislation to clarify the law to protect all high school students. HB 1385, signed May 4<sup>th</sup>, clearly makes it a crime for school employees to have sexual contact with students through age 21. The new law went into effect on July 26<sup>th</sup>.

### Legislature adopts critical jobs bill for Columbia Basin

*Measure to save jobs in Grant County*

It's not all partisan bickering at the state Capitol. I worked with Rep. Dean Takko, D-Longview, and Sen. Brian Hatfield, D-Raymond, to champion legislation aimed at boosting our local economy. House Bill 1062, signed May 11<sup>th</sup>, removes an expiration date that's looming for the public utility tax exemption for electrolytic processors. I sponsored the original tax exemption passed in 2004 and this year co-sponsored the Senate "companion" bill worded identically to HB 1062. This new law took effect July 26<sup>th</sup> and will continue to safeguard family-wage jobs in the Columbia Basin. Volatile energy costs are a major concern for local employers like Eka Chemicals. Their competitors worldwide receive similar tax exemptions, and our employers need a fair playing field. They contribute a great deal to our local and regional economies, and this small reduction in their energy costs will help them remain competitive, helping protect these jobs and keep them in our community.

### Another successful bipartisan effort helps small businesses and saves jobs

A bill I co-sponsored to protect jobs and help small businesses won unanimous legislative approval. It can be daunting for new, small businesses to comply with all the paperwork because Washington's regulatory burden is so overwhelming. Senate Bill 5042, signed May 6<sup>th</sup>, recognizes most paperwork errors made by companies filing forms for the first time as simply mistakes. This new law, which took effect July 26<sup>th</sup>, will ensure small businesses are not fined, penalized or given administrative sanctions for first-time paperwork violations.

## Education

### Multibillion-dollar 'empty promise' to our state's children passes Legislature

An education reform bill with a cost that could be as high as \$10 billion every two years passed the Legislature. Engrossed Substitute House Bill 2261 adds to the definition of "basic education" – making increased state funding mandatory under a decades-old court ruling. Meanwhile, House and Senate Democrats' 2009-11 operating budget proposals cut deeply into K-12 funding. Some of the reductions are to class size reduction and state levy equalization funding for property-poor districts. Everyone wants better schools, but adopting a plan when there is no money to implement it is unfair to our state's children and their parents. HB 2261 was signed into law, parts of it went into effect on July 26<sup>th</sup>.

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Senator Janéa Holmquist  
106B Irv Newhouse Building  
P.O. Box 40413  
Olympia, WA 98504-0413