



Legislative UPDATE

A weekly report from the Washington State Labor Council, AFL-CIO



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Fast and furious budget action

Things are happening and deals are being struck at such a fast pace in Olympia right now, that today's edition of this newsletter may be old news by the time you read this. For that reason, we'll send out another edition early next week.

This week's upsetting news of Senate Majority Leader Jim West's illness (best wishes for successful treatment and a speedy recovery, Senator) has generated new momentum to agree upon transportation and operating budgets in time for Sunday's scheduled end of the regular session.

That's good news, and possibly really bad news.

The good news is that there may finally be an agreement on a transportation budget addressing what has for years been the No. 1 priority issue for Boeing and many other Washington employers in terms of making this state more competitive. Reports indicate that significant compromises have been reached between House and Senate negotiators and a transportation budget may come to fruition as soon as today that includes \$4.15 billion in road and transit improvements. We'll keep you posted.

The potentially bad news, if you believe what you read in the papers, is that new pressure to finish on time has a number of State Representatives giving up on negotiations within the House Democratic Caucus to generate new revenue, and possibly agreeing to a Senate-style all-cuts budget. That's bad news for state employees and teachers, who would likely get a pay freeze to go with their steep increase in out-of-pocket health costs under such a scenario.

Keep calling the Legislative Hotline at 1-800-562-6000 and tell your elected Representatives and Senators to insist on a balanced approach, including some new revenue and the closing of business tax loopholes, and to oppose passage of an extreme all-cuts budget that severely punishes public employees, home care workers and the working poor already struggling because of national economic woes.

And speaking of Boeing...

The competagogues' rhetoric in Olympia has gone from the sublime to the absurd this week. And given the potential consequences to working people in this state, it ain't funny.

The effort to convince Boeing to assemble its proposed

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7E7 next-generation aircraft here in Washington state is an important one that the WSLC strongly supports. But on Thursday, it became very clear that effort may be losing its focus thanks to lawmakers who insist on invoking its name for every bill du jour.

One example is SB 5448 that for the next six years would give statutory tuition-setting authority for graduate-level programs at four-year colleges and universities to the Boards of Regents. The eventual operating budget will grant that authority for just two years.

Labor opposes this bill. GSEAC/UAW, which represents University of Washington teaching and research assistants, told lawmakers the bill is unnecessary and harmful. This significant statutory change shouldn't happen during a major budget crisis if the authority will be granted temporarily anyway. Plus, the change will almost certainly make higher education considerably more expensive, less accessible and less accountable to the public.

Rep. Steve Conway (D-Tacoma) spoke against the bill, saying that if business interests want to support higher education, they should step up and help fund it instead of insisting on all-cuts budgets. He also noted that many of the younger legislators oppose the bill because the high cost of college education is fresher in their minds.

But Rep. Laura Ruderman (D-Kirkland) responded that she is a young person and she supports the bill because, among other reasons, if you can't afford to pay for college, "you ought not to go." We respectfully suggest that Ruderman's experience as a now-"retired" Microsoft program manager may set her apart from her youthful peers, and is perhaps effecting her ability to sympathize with those less

CONTINUED ON NEXT PAGE

fortunate than her.

In the end, the bill passed easily after a couple of legislators dramatically invoked the Boeing 7E7 cause during floor speeches in support of the bill: We need to do this to keep Boeing jobs in Washington!

A reality check seems in order. Who among us believes for a split second that when the 7E7 decision is made at a conference table in Chicago, it will make one lick of difference that UW Regents can indiscriminately jack grad students' tuition for six years, as opposed to just two? Anyone?

Boeing has not released site-selection criteria that spell out exactly what they are looking for among the competing states that want the 7E7 work. That has allowed business lobbyists and anti-government conservatives to run wild with claims that every bill remotely spun into a competitiveness issue, even the most egregious anti-worker legislation, must pass or else the 7E7 won't be built here.

Has it occurred to anyone that these corporate coattail-riding ideologues with their deregulation panacea may actually be *hurting* Boeing's cause by invoking it at every turn? At some point, legislators will have passed so many 7E7-stamped bills that they'll say "enough already."

Our state's case for keeping good Boeing jobs here will be far stronger if we keep our eye on the ball. Governor Locke, who has been working closely with Boeing representatives on the company's legislative agenda, issued a list of priorities Thursday that he thinks will help Washington land the 7E7 work. Here they are, in no particular order:

- Transportation improvements
- Streamlining regulations and permitting
- Getting SeaTac's third runway built
- Higher education improvements
- Unemployment insurance reform
- Workers' compensation reform

Assuming a transportation package passes, significant progress will have been made this year in each of the first three areas.

Higher education, unfortunately, is facing budget cuts just like every area of state government right now, but the good news is that a strong capital budget is likely to pass that is focused on major renovations to improve higher education facilities across the state.

Which, of course, leaves the last two.

Regarding unemployment insurance: On Tuesday of this week, the WSLC received proposed draft legislation from the business community regarding unemployment insurance. The draft proposes major structural changes on both the benefit and tax side of the system. We have begun the process of analyzing and modeling this proposal. We have also begun analyzing and modeling some alternative proposals that will help reform the UI system. It is our hope that over the next several weeks we can reach an amicable agreement with the business community on a proposal that strengthens our unemployment insurance system.

Regarding workers' compensation: The WSLC has been negotiating in good faith to make changes that will improve the system for employers and workers. Objective observers agree that organized labor has brought some significant reforms to the table to address employer concerns. At this point, it appears those are not enough because business representatives did not attend the most recent scheduled negotiations. Despite this disturbing development, labor remains committed to working to make positive changes in the system. However, we simply will not agree to extreme anti-worker "reforms."

The Washington State Labor Council is working closely with its affiliated unions—including the International Association of Machinists District 751 and the Society of Professional Engineering Employees in Aerospace, IFPTE 2001—to advance Boeing's legislative agenda. At the same time, we remain committed to protecting the interests of all working people in the State of Washington, as reflected in our constitutional Declaration of Principle: "The Concern of One is the Concern of All."