



Legislative UPDATE

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



APR. 26, 2005

Vol. XX, No. 13

Priorities of two governments

Associated Press reporter David Ammons, the senior member of the Olympia press corps, put it this way: "So this is what Blue State politics looks like."

In the final weekend before adjournment, the Democrats controlling the House, Senate and Governor's Office passed a fair budget that avoided major tax increases, doused a political fire that threatened to kill a major economy-boosting investment in road and transportation improvements, passed a couple of good bills on election reform and offshore outsourcing in between, and got out of town on time. Not a bad weekend's worth of legislative leadership.

But the experience left minority Republicans predicting (read: praying for) a voter backlash against Democrats. Said Rep. Mike Armstrong (R-Wenatchee): "I think this session is going to be a defining moment in how people look at the two parties."

We couldn't agree more. With the dueling single-party governments at the state and federal levels, this is a historic opportunity to compare what Democrats and Republicans do when they are in charge.

Democratic priorities in Washington (state): Balancing the budget without major tax increases; creating jobs through significant infrastructure investments in road and school construction; extending health care coverage to children; promoting apprenticeship training programs; reducing school class sizes; patching the safety net for unemployed workers; giving state employees a fair cost-of-living pay increase; and avoiding regressive tax policies by restoring Grateful Heirs taxes on the wealthy (a tax repealed by conservative activist judges).

Republican priorities in Washington (D.C.): Running up record budget deficits while granting huge new tax breaks to energy companies and certain other corporate interests; privatizing Social Security; trying to force-feed brain-dead

people; making it harder to declare bankruptcy; revoking union rights for federal employees; appointing more conservative activist judges and trying to change the rules if they aren't confirmed; and, oh yeah, starting wars based on faulty intelligence in countries with oil, while ignoring genocide in countries without it.

Historic investment in transportation

In the 2005 legislative session's final weekend, it looked like passage of a transportation package would crumble due to political pressures. But Gov. Christine Gregoire and a bipartisan group of legislative leaders stepped in with some timely and forceful leadership, and a record \$8.5 billion investment in our road and transportation systems was passed.

Yes, it is funded by a phased-in 9½ cents-per-gallon gas tax increase at a time when gas prices are already at all-time highs. That makes the strong leadership in Olympia even more remarkable. No one disputes the need, but some dispute the timing. Predictably, newspaper and television reporters have been tripping over each other to interview people at local gas pumps, asking whether they like the new tax increase. And guess what, it's not super-popular.

Look, nobody likes paying taxes. And believe it or not, nobody likes raising taxes. But, at the risk of creating even more right-wing talk show fodder, the truth is, most people won't even feel the gas-tax increase.

If the first 3-cent bump happened today (instead of July 1), gas prices would still have dropped in the past two weeks. During that period, the average price for all grades of gasoline nationwide has fallen nearly 4½ cents. But nobody at a gas pump near you knows that. All they know is

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The Washington State Labor Council will soon publish its 2005 Legislative Report & Voting Record summarizing the session. If you receive this newsletter, you will receive a free copy in the mail. If WSLC-affiliated unions would like to place bulk order, please contact David Groves at 206-281-8901. An abbreviated version of the 2005 Legislative Report will also be available online at www.wslc.org.

that those politicians raised the gas tax and gas costs a lot more than it did recently.

Blaming government is a national pastime, so many will blame it for their misery at the pump. But if they paid a little closer attention, they'd know that gas prices are being driven up by emerging economies in China and India. But even so, many industry analysts say the wild gas price fluctuations of recent months are largely the result of speculation.

This week, Bush family buddy Crown Prince Abdullah of Saudi Arabia was the honored guest at the president's ranch in Crawford, Texas. While Bush did not press him to bring oil prices down, he did secure a commitment from the Saudi royal to pump (sell) us more oil. That's some fancy negotiatin'! Last year Saudi exports to the United States totaled \$20.9 billion, of which \$20.3 billion was petroleum. That number will soar this year because of high gas prices. Meanwhile, the Saudi kingdom last year bought \$5.2 billion in U.S. goods, down from \$10.5 billion in 1998.

So next time you get pissed off at the pump, spread the blame a little and think about where your money is going. Some of it is investing in making our roads and transportation system safer across this state, and creating tens of thousands of good-paying jobs in the process. But much more of it is going to Saudi Arabia, so Prince Abdullah can buy some more Airbus jets for his entourage.

Operating budget funds first contracts

The final compromise budget approved Sunday funded historic first contracts for unionized state employees. Those contracts grant long-overdue pay increases of 3.2% this July and 1.6% next July, pay gap adjustments and stabilizing health insurance premium rates at the current level of 10% for represented employees. Non-represented state employees will have to wait until September 1 of each year to receive their COLA, and could face higher out-of-pocket health costs as well.

The budget also trims 1,000 Washington Management Service and other mid-level positions, freeing up funds for frontline services, and saves Fircrest School's residential services for persons with developmental disabilities.

The budget advanced home care services for the elderly and disabled by honoring the state's contract with individual provider home care workers, providing wage parity for workers at private agencies, and rejecting client eligibility cuts to home care services. But at the last minute, unfortunate language was inserted that will cut health care benefits for many home care workers employed by private agencies.

Though not perfect, this budget was very positive for working families and it was accomplished without raising property, sales and business taxes. However, it did raise taxes on cigarettes and liquor, and reinstate an estate tax for people fortunate enough to die with more than \$2 million.

With little else to criticize, government critics have seized on these tax hikes as evidence Democrats like raising taxes.

We refer them to the comments of Rep. Fred Jarrett (R-Mercer Is.), as reported in Sunday's *Seattle Times*, "I think we as Republicans have staked out our no-new-taxes mantra for so long, we've forgotten there's a reason for government and a reason for taxes."

Face-saving about-face rescues outsourcing study

Like the transportation package, another apparent casualty of partisan politics last weekend was the creation of a task force to study the issue of offshore outsourcing. But then, within the span of about two hours on Saturday night, SCR 8407 went from declared dead to 45-1 passage. It was then approved on a voice vote in the House.

What changed? It could have been a number of things that swayed Republicans to lift their opposition, including the compelling and irrefutable case made on behalf of SCR 8407 in last week's *WSLC Legislative Update*. Plus, there would be obvious political consequences of opposing a mere study on this hot topic. But in the end, GOP floor leader Sen. Luke Esser (R-Bellevue) played a key role in lifting his caucus' opposition to the bill.

The bill is considerably less than what had been sought previously in the session. Other bills would have prohibited or restricted state agencies from entering into contracts that outsource work overseas. But those bills died as legislators debated the extent of the problem, and whether it even is a problem. This debate created momentum for answering those questions through the new task force, which will include union representation.

SCR 8407 was strongly supported by SPEEA/IFPTE 2001, WashTech/CWA and other WSLC-affiliated unions. Thanks go to Sen. Jeanne Kohl-Welles (D-Seattle) who never gave up on the bill when its prospects looked bleak, and to Reps. Steve Conway (D-Tacoma) and Zack Hudgins (D-Tukwila) who provided strong leadership in the House.

Gov. Gregoire quickly signs U.I. relief bill

The bleeding on unemployment insurance benefits has stopped. Thanks to Gov. Christine Gregoire's signature of EHB 2255 last Friday, any new claimants since Sunday will have their benefits calculated using the restored two-quarter averaging formula. Thanks again go to Senate Majority Leader Lisa Brown (D-Spokane), Sens. Jeanne Kohl-Welles (D-Seattle), Mark Doumit (D-Longview) and Karen Keiser (D-Des Moines), along with House Speaker Frank Chopp (D-Seattle) and Rep. Steve Conway (D-Tacoma).

And for its good karma earned in supporting EHB 2255, The Boeing Co. has been rewarded in the past two days with about \$14 billion in firm jet orders, including about 40 787 Dreamliners. Your lucky lobbying partners from labor will see you next session!