



Legislative UPDATE

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



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Cover the kids on MLK Day

Monday is Martin Luther King, Jr. Day. It's a holiday from work for some of us, but the Legislature remains in session. And this year, members of the House Health Care Committee can celebrate King's legacy by taking bold and necessary action on children's health care, an indispensable component of the economic justice sought by the slain civil rights leader.

HB 1071, Gov. Gregoire's bill on children's health care access, is up for executive session in that committee on Monday at 1:30 p.m. The bill currently covers children in families whose incomes are under 250% of the federal poverty level, but the Washington State Labor Council and many other health care advocates around the state—including the Fair Share Health Care Coalition—are asking members to support an amendment to increase the income threshold to 300%. This is the standard that we should adopt in all of our health care policies.

The WSLC also urges legislators to resist any amendment that confuses immigration policy with health care policy. Children are children, and all the children of our state need adequate health care coverage. From both a moral and a public-health standpoint, this is the right thing and smart thing to do. Health officials point out it will cost taxpayers—and people who do not have health coverage—more if immigrants' children are excluded. As Don Hinman, chairman of the Yakima Neighborhood Health Services clinic, told the *Yakima Herald-Republic*: "If you don't cover them directly, the cost just gets shifted through the system and then it's a 20 percent increase on the bill."

In general, the WSLC is urging legislators and Governor Gregoire to be bold around health care issues this session. With discussions of possible federal waivers to the states and a number of states announcing plans aimed at universal coverage—plans that will help shape what eventually becomes a national health care policy—now is the time to be bold.

File minimum-wage news under: "Told You So"

On the front-page of Thursday's *New York Times* was a news story by Pulitzer Prize-winning journalist and author Timothy Egan about our state's \$7.93-an-hour minimum wage -- dateline: Liberty Lake, Washington.

Egan interviewed business owners and minimum-wage workers in that border town and across the state line in Idaho, where the wage floor is nearly \$3 lower. He found that the dire

WSLC Legislative Conference will be Feb. 22

Leaders, staffers and rank-and-file members of WSLC-affiliated unions are invited to get a progress report on labor's legislative agenda at the Washington State Labor Council's 2007 Legislative Conference, from 8:30 a.m. to lunchtime on Thursday, Feb. 22 at the Olympia Red Lion Hotel. As always, there will be a reception from 6:30 to 8:30 p.m. the preceding evening on Wednesday, Feb. 21 at the hotel with many legislators and other state officials in attendance. The conference registration fee, which includes materials, lunch and one admission to the reception, is \$30. Get more information, including registration forms, at www.wslc.org.

predictions of job loss and business closure made by corporate interests and their hired neo-economists before our state passed its ground-breaking minimum wage initiative simply have not come true. By a 2-to-1 margin in 1998, voters wisely ignored all the tassel-toed Chicken Little-Lobbyists and passed Initiative 688. (Fun Fact™: It was *during* then-U.S. House Speaker Newt Gingrich's address to a joint session of the Republican-controlled State Legislature, that WSLC President Rick Bender filed I-688, downstairs in the Secretary of State's office.)

Our indexed minimum wage has raised wages, on both sides of the border, with no measurable impact on unemployment or business closure, the Times reports. One Clarkston pizza shop owner who was previously the Association of Washington Business's poster child for doomed border restaurateurs now tells a different story: "To tell you the truth, my business is fantastic. I've never done as much business in my life."

And, ladies and gentleman, we are pleased to announce that Brunell has left the bandwagon. AWB President Don Brunell's new inconvenient truth (for him) about Washington's business climate is that -- even with the nation's highest minimum wage -- Washington "is a great place to do business."

The context of the story is this week's U.S. House passage of the first federal minimum wage increase in 10 years, and the

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debate in the U.S. Senate over whether tax breaks should be approved to help businesses "harmed" by the increase. The only good thing about the inexcusable decade-long neglect of the minimum wage is that states like ours took action, creating a national patchwork of higher minimum wages that have clearly disproved the notion of any such "harm." Instead, as business owners and workers along the Washington-Idaho border have discovered, higher minimum wages BOOST local economies and especially small retail businesses.

We hope that lawmakers in the other Washington take these lessons to heart and don't give in to President Bush's veto threats and demands for more unaffordable tax giveaways based on a disproven myth. We also hope that state legislators take pride in the trail our state has blazed on this important issue—and vows to blaze some new trails of their own...

The time is right for Family Leave Insurance

The House Commerce and Labor Committee holds a work session on Family and Medical Leave Insurance on Thursday, Jan. 18. The WSLC supports creating this program based on the principle that workers who face serious health conditions in their families should be assured both job security and economic security. This year's legislation will:

- Provide partial pay when workers must take leave to care for a newborn or newly placed adopted or foster child, care for a seriously ill child, spouse, domestic partner or parent, or recover from a serious medical condition;
- Provide up to five weeks of job-protected paid leave;
- Provide wage replacement of \$250 per week, starting after a one week waiting period (pro-rated for part-time workers);
- Be funded through a payroll premium of two cents per hour, paid by workers; and
- Include strict standards to protect employers.

For decades, California, Hawaii, New Jersey, New York and Rhode Island have had paid disability leave for all workers, including coverage for women following childbirth. In 2004, California became the first state to add a family leave component to its existing disability insurance program. In 2005, a Family Leave Insurance bill here in Washington passed the Senate, but failed to get a vote in the House.

We hope that legislators listen closely to the case that will be presented at Thursday's hearing that Family Leave Insurance is not only the right thing to do for children and families, it will help companies retain good workers, and increase their productivity and profitability.

Workers' compensation: The high, low of It

As reported by the Department of Labor and Industries in the House Commerce and Labor Committee, Washington state remains in the enviable position of being a relatively high-benefit, low-cost workers' compensation state. We rank 5th in

the nation in benefit adequacy and 44th in cost. Even if you exclude the workers' share of the premiums, Washington would still rank 36th in terms of costs to employers. But workers here do pay, and we are the only state where this is true.

Because we have a State Fund system that isn't run by the private insurance industry, our administrative costs are estimated to be nearly \$800 million less per year than in private workers' compensation insurance systems. Our administrative costs run at 7%, where as the national average is more than 21%.

This public-sector efficiency is one of the main reasons why Governor Gregoire was able to propose a six-month suspension of the medical-aid portion of workers' compensation taxes. The WSLC supports this proposal, which allows businesses and workers to share equally in this \$315 million tax break.

This legislative session, Labor and Industries will be putting out a bill that will deal with employers who attempt to suppress workers' compensation claims and the Governor will introduce a ground-breaking vocational rehabilitation retraining bill. We will write more about these in the weeks to come.

Certify safe cranes, and safe crane operators

When a 210-foot tower crane in Bellevue collapsed on Nov. 16, killing one man and damaging several buildings, the state and construction companies stepped up their inspections of cranes across the state. In the subsequent weeks, structural problems were found in three more cranes around Western Washington. Plus, recent high winds caused another crane's rigging to swing loose and damage a downtown Seattle skyscraper.

On Tuesday at 1:30 p.m., a joint House and Senate committee hearing will be held on crane safety. Labor will be supporting mandatory certification not just of the cranes themselves, but of their operators. A representative of the National Commission for the Certification of Crane Operators who met with legislators, labor leaders and crane company owners in December told the *Seattle Post-Intelligencer*, "If you can believe it, they're all on the same page for once." We hope that's true.

Some other hearings next week

MONDAY @ 10 a.m. – Senate Labor & Commerce: hearing clarifying what workers are excluded from prevailing wages on public works projects. @ 3:30 p.m. – House Appropriations: hearing on Health and Human Services funding in the Governor's proposed budget.

TUESDAY @ 10 a.m. – House Finance: work session on state contributions to funding public stadiums, cultural arts facilities and regional centers. @ 3:30 p.m. – Senate Ways & Means: work session on health care budget issues.

WEDNESDAY @ 8 a.m. – Senate Health and Long-Term Care: work session on the Blue Ribbon Commission of Health Care. @ 3:30 p.m.–House Appropriations: work session on pensions.

THURSDAY @ 8 a.m. – House Commerce & Labor: work session on Family and Medical Leave Insurance.