



WSLC

APRIL 28, 2009

Legislative Update

Vol. XXIV — No. 17

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



A fitting end to an anti-worker session

In final hours, legislature removes benefits from unemployment bill, cuts health funding for state employees, passes new tax breaks

If there was any doubt remaining about whether corporate interests superseded those of working families in the 2009 Legislature, it evaporated in the session's final weekend.

The State Senate, where Democrats have a 31-18 majority, refused to concur with the House-approved version of SSB 5963, the unemployment insurance bill. The Senate voted to strip the bill of its restoration to a 4.0 benefit multiplier, an \$8 to \$19 weekly benefit increase that would have taken effect next year when the temporary benefit increase expires. The Senate also voted to CUT benefits by taking away the discretion of the Employment Security commissioner to award benefits in unique circumstances of good-cause quits.

What remained was a permanent business tax cut lowering 2010-2015 rates about \$377 million, and when the economy recovers, about \$1.6 billion every five years after that.

The Senate did approve a small technical change that will allow unemployed workers who've exhausted their yearly benefits in Washington to continue to receive federal benefits. This no-brainer doesn't cost the state a penny and helps an estimated 22,000 workers.

Even so, what it took to pass even this amendment was absurd. And the Senate added insulting unaccountability to working-family injury by taking extraordinary steps to try to keep you from finding out how they voted on all this.

Here's how this black comedy played out.

When it became clear the Senate would strip the amendments from SSB 5963, Sen. Karen Keiser (D-Kent) did the right thing to create some accountability by demanding a roll-call vote on each of the three House amendments. Nine votes were all that was needed. But unfortunately, five of the nine Senators who said they would sustain a roll-call vote did not.

Shock at this betrayal led to chaos on the floor as Democratic Lt. Governor Brad Owen, who presides over the Senate, went forward with a stand-up non-recorded vote on the

first amendment before Senators even understood what they were voting on. Sen. Chris Marr (D-Spokane) had posed the original motion as non-concurrence rather than a positive motion and... well, we're getting a little "inside baseball" here. In the end, many Senators not only didn't know what amendment they were voting on, but they were also confused whether to vote "yes" or "no."

By the time Owen finally clued Senators in on what they were voting upon—this is what democracy looks like!—the Senate had rejected all three House amendments, including the 100% federally funded technical fix. Labor lobbyists went to Sen. Linda Evans Parlette (R-Wenatchee) and Sen. Jim Kastama (D-Puyallup) to explain that they had just accidentally refused free money that could be spent by struggling families in local businesses, and this amendment was brought up for reconsideration and then passed.

SB 5963 then went back to the House, where State Representatives ultimately receded from their amendments on the 4.0 multiplier and commissioner discretion. In this case, a group of progressive legislators demanded roll-call votes on receding, but given House Speaker Frank Chopp's reportedly tearful plea to caucus members to back off on the amendments, the votes to recede weren't even close.

The Washington State Labor Council very much appreciates the courage it took for 53 State Representatives to stand up to opposition from Boeing, other corporate interests and their own House Democratic leadership to pass the labor-backed amendments in the first place. But in the end, what prevailed was a "deal" agreed to by Democratic leaders—and without labor's knowledge—to do nothing for unemployed workers in 2009 except pass the *temporary* economic-stimulus benefit increase that expires Dec. 31. In exchange, business got hundreds of millions of dollars in *permanent* tax cuts plus they took away commissioner discretion. Nice deal.

Chopp to GOP: I'll give you U.I., if you'll shut up

An interesting side note to Speaker Chopp's role in convincing his colleagues to recede on unemployment benefits, was that he reportedly used SSB 5963 as a bargaining chip

(CONTINUED ON BACK)

(CONTINUED FROM FRONT)

to get Republicans to shut up as time was running out. In the end, it backfired when the Republicans reneged -- by not shutting up -- and time expired before everything got passed.

As you've probably heard, the House was unable to pass all of the bills Democratic leaders and Gov. Chris Gregoire had agreed were needed to implement their all-cuts budget. That means there will likely be a special overtime session, perhaps as short as one day and perhaps as soon as next week.

Gregoire hopes to limit the scope of the session to three or four bills that are needed for the budget, including a school levy equalization bill. Opposed by Republicans and some Democrats, this bill would cut about \$60 million in "levy equalization dollars" intended to help poor districts that can't raise much tax money. To make up for it, the bill increases the limit on what the districts can raise for themselves.

With only a few hours left in the session, this bill was being talked to death by Republicans, and the Democrats still had a lot of bills requiring action. So Speaker Chopp called a timeout and cut a deal with Republicans. He would move the unemployment insurance bill—sans benefit amendments—if they would stop delaying and let him move some bills.

So the House receded on U.I., and for a while anyway, the Republicans let a couple bills move.

One of those late bills—approved 85-11 amid unconscionable cuts to the state's Basic Health Plan, state employee and teacher layoffs, and the slashing of various public services—was SB 6170, an assortment of tax cuts for Hanford contractors, log haulers, solar energy producers, and others. They passed this bill, complete with an "emergency clause," before they even got the fiscal note. That's right. They aren't sure what all the tax breaks will cost.

And let's not forget that on the session's final day, the Senate resurrected a tax break for newspapers that was previously reported to have died. It will cost \$1.2 million in the first year and about \$1.3 million thereafter.

Anyway, getting back to Chopp's "I'll-give-you-U.I.-if-you'll-just-shut-up" deal, the punch line is that after Republicans got what they wanted on U.I. and a few bills like these tax breaks passed, they decided not to shut up after all. They again began speechifying and floor-amending in the last hour and Chopp ran out of time before he could revisit the GOP-opposed school levy equalization bill.

The moral of this story? Well, morals have nothing to do with it.

Brother, can you spare another \$3 per month?

Where, you ask, were Democrats coming up with the money to pass final-hour special-interest tax breaks?

Well, they found some of it in state employees' pockets.

"Funding for state employee health insurance was reduced

yet again in the budget proposal released Friday by majority Democrats," wrote Adam Wilson of *The Olympian*. "The change means workers will be more exposed to cost increases in health care. The bill specifies some ways to make up the difference, including higher co-payments paid by workers."

The final budget set aside \$745 per employee, per month, for the next year to cover health insurance. That's \$3 less than the lowest figure Democrats previously had considered.

State employees already had their union contracts tossed, their wages frozen, payments into their pension deferred, and their out-of-pocket health costs increased -- IF they were fortunate enough to keep their jobs. So, hey, what's another \$3 a month, when special-interest taxes need a-cuttin'?

Senate to police, firefighters' widows: Stay single

Here's another gem of an outcome from the final days.

Last Friday, we thought we had reached agreement with Sen. Jeanne Kohl-Welles (D-Seattle) on concurring with the House on HB 1212, which would allow surviving spouses of firefighters and police officers killed in the line of duty to continue receiving survivor benefits after they get remarried. The agreement was to include a study to look at whether this policy should be extended to other groups of workers. We had received assurances from the Governor's office that the governor would be OK with this, as was L&I.

But by Saturday, Sen. Kohl-Welles had changed her mind. She stuck with her committee, which wanted to turn the bill itself into a study. Even the offer of a sunset and review of the policy would not budge her. This time, the losers are widows and widowers. But quite frankly, we all lose when agreements shift from moment to moment -- a tragedy replayed many times over this legislative session for working people.

Paid family leave: See you in 2012?

Paid family leave. Remember that?

Historic legislation was approved back in 2007—when Democrats were Democrats—to grant Washington workers up to five weeks of partial wage replacement of up to \$250 per week upon the birth or adoption of a child. It was scheduled to begin in October of this year, but the legislature never figured out how to pay for it. That wasn't going to happen in the Year of the Axe, so legislators approved SB 6158 delaying implementation for three more years until October 2012.

Our 2009 Legislative Report & Voting Record

It will be published in late May or early June. If you are on the mailing list to receive these Legislative Updates, you will receive that publication as well. Until then, we wish we could say it's been a pleasure.