



WSLC

Legislative Update

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



There's blood in the water in Olympia

Believe it or not, despite all the doom-and-gloom you've heard about the 2010 session of the State Legislature that begins Monday, and the \$2.6 billion projected budget deficit legislators face, not everyone is upset. In fact, there are some who are very excited and view this session as a great opportunity—one they've been waiting to happen for decades.

Most of us see the devastating, unconscionable harm that another all-cuts budget would cause.

We are the people who value public safety, public health, public schools, public roads, public transit and other public services intended to protect our society's most vulnerable. We are the people (and the children and grandchildren of people) who fought for safety nets for workers who lose their livelihoods due to layoff or injury. We are the people who understand that all these public services cost money. And we believe it would be morally reprehensible to eliminate those services at the precise time they are needed most: during an economic downturn when people are suffering.

But there are those who see this crisis as something else entirely: an opportunity to make more money.

Some of them sit in corporate boardrooms and at the computers of the think tanks they finance. They think sacrifice is for chumps. They know that the best time to increase private profits by cutting wages, benefits and regulatory costs is when unemployment is high, working people are desperate and the government is broke. They know that blood is in the water in Olympia and there's never been a better time to eliminate government regulation of their businesses. They know it's open season on the unemployment and workers' compensation systems and anything else they declare to be "uncompetitive" or a "job-killer." They know the lure of privatization and its false promises of cost savings have never been more powerful. Their greed and hubris is best exemplified by the fact that, despite this historic budget crisis, they are seeking even more corporate tax breaks—and just might get them.

And then there are the anti-government ideologues, those who want government to either "wither on the vine" or "drown in the bathtub"—depending on how well their anger-management classes are going. They want to starve state programs into ineffectiveness and undermine public confidence

WSLC Legislative Conference will be Feb. 11

Leaders, staffers and rank-and-file members of all WSLC-affiliated unions are invited to get a progress report on our legislative agenda at the Washington State Labor Council's 2010 Legislative Conference, from 8:30 a.m. to lunchtime on Thursday, Feb. 11 at the Olympia Red Lion Hotel. As always, there will be a reception from 6:30 to 8:30 p.m. the preceding evening, Wednesday, Feb. 10, at the hotel with legislators and other state officials in attendance. The registration fee, including materials, lunch and one admission to the reception, is \$50. For details, including registration forms, go to www.wslc.org.

in government. They demonize public employees as overpaid bureaucrats who don't deserve their luxurious wages and benefits. They seek to divide us.

The Washington State Labor Council and the rest of the state's union movement understand the importance of unity in the face of this kind of adversity. We will demonstrate that unity by advocating for all working people—unionized or not—and especially the real victims of this recession: the unemployed. We will show unity with public employees, our neighbors who police our streets, put out our fires, teach our children and protect them from abuse, make our jobs safe, tend to our wounds and save our lives. We will advocate for shared sacrifice to preserve necessary state services and our quality of life here in Washington. And that will mean more revenue from all who can afford it, including businesses.

How will we do that? (Thanks for asking.)

WSLC's legislative agenda: Jobs, jobs, jobs

The Washington State Labor Council's 2010 legislative agenda -- at both the state and national levels -- is focused on jobs, jobs, jobs.

Creating jobs. Retaining jobs. Strengthening jobs.

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The WSLC's agenda includes creating jobs by investing in public infrastructure, environmental clean-up and other emerging green industries; maintaining jobs by eliminating or suspending corporate tax exemptions and avoiding the closures of state institutions that protect public safety and health; and strengthening jobs by empowering more workers to form unions, if they so choose.

But while we are mindful that quality jobs will lead us out of recession, the WSLC and its more than 500 affiliated unions also recognize the moral imperative of protecting and strengthening the safety nets that the victims of this recession need to survive; we must raise revenue to protect our families' health and safety; and we must make sure our state is prepared to effectively implement national health care reform.

And as always, our agenda will include active support for our affiliated unions' individual legislative priorities and support for coalition efforts in such areas as the passage of a Homeowners Bill of Rights and strengthening our public initiative system. Our detailed legislative agenda is available at our web site: www.wslc.org.

Unemployment system saving jobs, businesses

What state program has saved more jobs and enabled more businesses in our local communities to weather this economic storm than any other? Without question, it's our Unemployment Insurance system.

UI benefits are the best kind of economic stimulus because recipients immediately spend their money, which then gets circulated at local businesses. That's why their economic impact is magnified. The U.S. Department of Labor estimates that for every \$1 of UI benefits, \$1.64 of purchasing power is created in local economies.

Our state's UI system pumped some \$4 billion in benefits into the state economy in 2009, translating to more than \$6.5 billion in buying power on Main Street. That money is saving jobs and businesses. That's what it's designed to do, and that's what it's doing every day.

The bad news is that the temporary benefit increase approved in 2009 by the legislature expired on Jan. 1, effectively cutting benefits by between \$45 to \$71 a week. Given that we are experiencing a "jobless recovery" with economic data indicating recovering consumer spending and business profits, but few jobs, all stimulus benefits targeted to working people like last year's temporary UI increase, should be maintained. Therefore, the WSLC will advocate to restore those benefits.

More bad news is that, despite getting a big, fat and *permanent* UI tax cut last year, given the aforementioned blood in Olympia's water, business lobbying groups are poised to seek more. Last year's tax cut will keep 2010-15 tax rates an estimated \$377 million lower than they would have otherwise been. Assuming the economy recovers, the tax cut will save

businesses some \$1.6 billion every five years after that.

So now, they are taking aim at benefits. Falsely claiming that high unemployment taxes were a reason Boeing chose to expand 787 production in South Carolina instead of here, business groups and their political surrogates in places like the Snohomish County Executive's Office are clamoring to "restore the UI reforms of 2003." That's when benefits were slashed with four-quarter averaging (hundreds of dollars a week for some workers) and eligibility was severely limited. Nevermind that those benefits and eligibility were gradually restored—with Boeing's support!—given the new tax system the business community sought, and got.

The WSLC will aggressively oppose efforts to further cut UI benefits. This is the worst possible time to do so, and in fact, the appropriate time to *increase* them, as we did in 2009.

The insurance industry sharks are circling

Speaking of blood in the water, if you read the newspapers (Anyone? Bueller?), you know a movement is afoot to undermine confidence in our state-run workers' compensation system. Despite having some of the lowest employer costs in the nation while maintaining some of the best benefits, our model system is squarely in the sights of the private insurance industry. They would love to bring their unique corporate talent for quashing claims, restricting benefits and profiting from injury into Washington state. And they might pay to put the question on a ballot near you this fall. So stay tuned....

United Labor Lobby meets Monday at 10 a.m.

The United Labor Lobby, a meeting of WSLC-affiliated union representatives and coalition partners, will hold its first meeting on the session's opening day, Monday, Jan. 11 from 10 a.m. to noon at the WSLC's Olympia office. Subsequent meetings will be Mondays from 8:30 to 10 a.m.

Some hearings of interest next week...

Many, many committees are holding work sessions next week on the governor's proposed supplemental budget. Visit www.leg.wa.gov for times and agendas.

TUESDAY, Jan. 12—10 a.m. in House HR B, Commerce & Labor hears HJM 4017, urging Congress to enact AgJOBS legislation, bipartisan immigration reform supported by labor; and HB 2554, establishing a farm worker-grower advisory committee.

WEDNESDAY, Jan. 13—1:30 p.m. in House HR B, Commerce & Labor will have a work session on Unemployment Insurance and a hearing on HB 2553, to secure \$98 million in federal UI Modernization money by extending benefits to part-time workers.