

WSLC Legislative Report



Washington State Labor Council report and voting record from the 2011 session of the State Legislature

Adding insult to injury

Workers' comp dismantled at business' behest

The debate over Washington's workers' compensation system—and the outcome of that debate—defined the 2011 session of the State Legislature.

A critical safety net was drastically, and needlessly, cut at the behest of powerful business interests. Gov. Chris Gregoire set the stage and the "Roadkill Caucus" of conservative corporate Democrats joined with the Republican minority to propel regressive "reforms." A core group of stalwart Democrats defended against the attack on working families' interests, but ultimately lost the battle in the 11th hour as the governor and legislative leaders applied enormous political pressure to concede the fight.

As you will read throughout this edition of the *WSLC Legislative Report & Voting Record*, it was a dynamic that repeatedly played out in 2011 on major policy issues from the budget, to privatization, to collective bargaining rights.

The 2011 session began with the business lobbyists bellowing for workers' compensation reform in the wake of the dramatic failure of their ballot initiative to privatize the system. Initiative

The 2011 WSLC Legislative Voting Record (on Page 7) weights the final vote on the workers' comp bill, EHB 2123, as 28% of each legislator's 2011 record. That is the approximate share workers pay in workers' compensation premiums.

1082 failed in every county in the state, but powerful corporate interests manufactured a crisis by claiming recession-caused rate increases were preventing businesses from hiring. Gov. Gregoire took up their cause, echoing complaints that there are too many permanently disabled workers, our system is teetering on the brink of insolvency, and the only way to fix it was to act like a private insurance company by allowing businesses to negotiate lump-sum buyouts where injured workers are paid less than what they would otherwise receive.

Although our century-old workers' compensation system is nowhere near insolvent and voters firmly rejected the private insurance model, organized labor agreed that more could be done to reduce system costs by lowering the number of injured workers who became long-term or permanently disabled.

From the start, there were two paths to reform. The first path, supported by

Continued on Page 8



More than 10,000 union members and supporters rallied April 8 to urge Washington's State Legislature to stop attacks on working families. (More rally photos on Page 5.)

Where have Washington's political leaders gone?



President's Column
Jeff Johnson

Every legislative session has its high and low points and the 2011 session was no different. But this session had a distinctive character that, at times, reflected the new wave of anti-public service, anti-public worker, anti-revenue mania sweeping parts of our country. Though played on a smaller scale, the Washington State Legislature engaged in its share of blame-the-victim, private-sector-is-better-than-the-public-sector comparisons, and attacks on workers.

Most importantly, Democrats failed to make the essential connection between the health of public services and the workers that perform these services and the success of the private economy. Given the opportunity, Democrats failed to lead.

After three years of mind-numbing deficits and staggering budget cuts, the Legislature acquiesced to the bad economy, national election results in 2010 and polling results to pass an immoral all-cuts budget. Playing the part of

victim, Democratic leaders failed to address the issues upon which most citizens are looking to them to take the lead—jobs, the economy, decent services—and instead cut their way toward an ending budget. As has been suggested by one public commentator, perhaps the Democrats could run in 2012 on the slogan: "It could have been worse."

Continued on Page 2

INSIDE

- Workplace Safety 2
- Unemployment Insurance; Building Trades; Immigrant Rights 3
- State Budget: Education, Bank Tax Loophole, State Employees, Health Care, Labor Rally 4-5
- Transit; Foreclosure Avoidance; "Good, Bad & Ugly" 6
- 2011 Legislative Voting Records** 7
- Jobs: Capital Budget and the State Debt Limit 8

War on workers comes to Washington

Democrats launch own attack on public workers

Fresh off last fall's national election gains, 2011 was the year the Republican Party declared war on workers.

From Wisconsin to New Jersey to Ohio, the GOP surveyed the damage caused by Wall Street's recession and pointed the finger at public employees. The workers who provide essential public services—teachers, nurses, fire fighters, prison workers, and all others—have been demonized in a concerted

The 2011 WSLC Legislative Voting Record (on Page 7) weights the vote on ESSB 5931, the agency consolidation/privatization bill as 22% of legislators' record. Together with the workers' comp vote, they comprise 50% of the 2011 record.

political effort to weaken unions and take away collective bargaining rights.

Shockingly, this political attack took hold, although to a lesser extent, in Washington state, even though we bucked the 2010 trend by retaining Democratic

majorities in both houses of the Legislature and its Congressional delegation.

At Gov. Chris Gregoire's request, legislation was approved that actively promotes privatization of state jobs, whether it saves money or not. Another new law decertified a union (state ferry captains) and requires a new vote should they seek to retain union representation. And throughout the 2011 session, Republican legislators and Roadkill Democrats pushed legislation that sought to undermine state collective bargaining

Continued on Page 8

Where have the political leaders gone?

Continued from Page 1

There is little to be proud of coming out of the 2011 session. The House Democratic “Freshman 11” led a late charge to close the out-of-state bank tax exemption, but the effort was pre-determined to fail because of a lack of Democratic support in the Senate and governor’s office. No leader took to the bully pulpit pointing out that what we have is a revenue and jobs deficit in our state. No one spoke to the fact that our quality of life and the success of the private market depends on how well we maintain and support our public infrastructure and services.



President's Column
Jeff Johnson

The failure to do this revealed a leadership deficit. It also resulted in a budget that is as immoral, cutting Disability Lifeline and Basic Health, as it is shortsighted, ending the opportunities for tens of thousands to attend higher education due to staggering tuition increases.

But it didn’t stop with the budget. While Ohio and Wisconsin eviscerated collective bargaining rights for hundreds of thousands of public employees, setting off nine recall elections in Wisconsin and 1.3 million signatures for a citizens’ veto in Ohio, Washington State did its own version of corporate love, with attacks on working people and union bashing.

The first bill signed by the governor this session will save the business community hundreds of millions of dollars in the short run and billions over the long haul in unemployment insurance taxes. In exchange, there were some changes to the training benefit program that will help a couple thousand workers a year and some unemployed workers, those filing new U.I. claims from March



to November will receive an extra \$25 a week for the life of their claim. Despite the efforts of unions and the social service community, the Legislature would not accept creating a dependents’ benefit that would have helped unemployed families in distress and created more consumer demand in the economy than will lowering employers’ payroll taxes.

Two months after the Legislature memorialized the 100th anniversary of Washington’s unique workers’ compensation system and six months after the defeat of Initiative 1082, HB 2123 was approved. Championed by the governor and supported by Democratic leadership in both houses, it opens the door to further attempts to privatize Washington’s workers’ compensation system by creating the tool that makes the market very profitable for private insurers: lump-sum “compromise and release” buyouts, or what proponents like to call “settlement agreements.”

This is the largest benefit cut ever imposed on our workers’ compensation system and on injured workers. These agreements undermine the integrity of our system by codifying the fact that it is okay for injured workers to settle for

less than they would otherwise be statutorily entitled. “Settlement agreements” replace certainty with uncertainty for injured workers and their families.

HB 2123 was a huge gift to corporate Washington, \$300 million plus over the next year, if we are to believe the fiscal note. This is a zero sum game. It means that injured workers will receive \$300 million fewer benefits. Adding insult to injury, “compromise and release” settlements will not do one thing to reduce long-term disability, the primary cause of disability pensions. Nonetheless, workers will go on paying up to 30% of the total workers’ compensation premium, leaving us once again as the only state in the country where workers pay a portion of the premium.

In the waning days of the 30-day “special” session, two other attacks on working people were carried out. Captains on our state ferry system were decertified from their long-standing union and lost the decades-old practice of bargaining with the other maritime trades through 2ESSB 5742.

Finally, at the insistence of the governor, ESSB 5931 was passed, which circumvents the competitive

bidding statute and the spirit of collective bargaining that has existed in state employment since 2002. Services in the new Department of Enterprise Services can be privatized at will and the law expressly prohibits state employees from competing to maintain their work. This, pure and simple, is union busting.

Union members and working people have been the base of the Democratic Party, and some would argue, its backbone. While I don’t believe that people change their minds overnight whether they will vote Democrat or Republican, I do know that working people expect those they elect to stand up and fight for values and principles that uphold the Democratic institutions of workers and support their struggle to achieve a life of dignity, respect and security. When politicians manage and compromise values and principles, as evidenced by the 2011 legislature, they lose their base.

The “Roadkill Caucus” is certainly responsible for fracturing the Democratic Party, but they are not the real problem. As Jim Hightower is fond of saying, “the only thing in the middle of the road are yellow lines and dead armadillos.” The real problem lies with Democrats not being willing to work together and not having the courage to be leaders on the issues most people care about today—jobs, the economy and dependable public services.

Until Democrats take leadership and speak out against two-thirds majorities to raise revenue and close some of the existing 567 tax exemptions, we can only look forward to more attacks on the poor, the vulnerable, and workers. Until politicians understand that workers are not the enemy and did not create the economic crisis, we can only look forward to more transactional politics, where values and principles are no longer defended, just managed.

Until there is real leadership, there is no reason to follow.

‘Workplaces just got a whole lot safer’

Until this year, if a business appealed a state citation involving a serious workplace safety violation, there was no obligation to correct the hazard for which they were cited until the appeal was resolved. This can take months or even years and expose workers to uncorrected hazards. That will change with the passage of SB 5068, which requires businesses to correct serious safety violations—and the hazards they pose—during the appeal of any safety and health citation. Washington is the second state to pass such a law.

“With the signing of SB 5068, Washington workplaces just got a whole lot safer,” said Jeff Johnson, President of the Washington State Labor Council. “Not only will this stop many preventable injuries from happening, I’m also convinced it could save lives. Gov. Chris Gregoire, (bill sponsors) Sen. Steve Conway and Rep. Chris Reykdal, and all the legislators who supported this deserve our sincere thanks.”

SB 5068 easily passed the Senate on a bipartisan 47-2 vote (see Vote #6 on Page 7), but encountered opposition in the House. The Washington Farm Bureau and some other business groups began lobbying against it, claiming it was unnecessary.

Republicans attempted to pass a floor amendment sponsored by Rep. Cary Condotta (R-East Wenatchee) exempting businesses with fewer than 50 employees, which would have exempted more than 90% of all businesses in the state. Their amendment failed and SB 5068 passed 55-41 (House Vote #9). Every Democrat voted yes, and every Republican voted no.

But corrections officers are denied

HB 2011 was a bill borne of tragedy. On Jan. 29, corrections officer Jayme Biendl, unarmed and working alone, was killed by an inmate in the Monroe prison chapel. Subsequent inquiries into the slaying revealed many changes in staffing and procedure that could have prevented this tragedy.

Frustrated by chronic understaffing exacerbated by state budget cuts, Teamsters Local 117 supported HB 2011, sponsored by Rep. Mike Sells (D-Seattle), to let corrections officers negotiate on staffing levels and other safety issues in future contracts and seek binding arbitration to resolve any disputes with the state. It passed the House 59-36 (see Vote #8).

“We’re looking for the opportunity to have a voice,” Sgt. Mark Francis of Larch Corrections Center told the Senate Labor and Commerce Committee. But that committee never voted on SB 2011 and the bill died.

Hazardous drug handling addressed

SB 5594, sponsored by Sen. Jeanne Kohl-Welles (D-Seattle) and supported by the Washington Association of Nurses, the United Staff Nurses/UFCW 141, SEIU 1199NW and others, requires the state to establish regulations for the handling of hazardous drugs by health care personnel.

Such drugs are linked to higher rates of illness and disease among nurses exposed to them on the job. SB 5594 passed both houses without a single dissenting vote and was signed into law by Gov. Gregoire.

The WSLC Legislative Report and Voting Record is an annual publication of the

Washington State Labor Council, AFL-CIO

314 First Ave. W., Seattle, WA 98119
(206) 281-8901 — 1-800-542-0904 — www.wslc.org

President: Jeff Johnson
Secretary-Treasurer: Lynne Dodson

Vice Presidents:
David Baine, *IFPTE*
Darrell Chapman, *IBEW*
Todd Crosby, *UFCW*
James Davis, *APRI*
David Freiboth, *IBU*
Bob Guenther, *IBEW*
Bob Hasegawa, *APALA*
Don Houtchens, *USW*
Robert James, *NALC*
Rick Johnson, *IBEW*
Kandy Kraig, *AFSCME*
Vance Lelli, *ILWU*
Lee Malinda, *PAW*
Fred Monroe, *CBTU*
Lee Newgent, *Ironworkers*
Tim Pfeifer, *AWPPW*
Mark Reavis, *LIUNA*
Patty Rose, *IBEW*
Sandra Schroeder, *AFT*
Robby Stern, *ARA*
Beth Thew, *CWA*
Eric Thrift, *LIUNA*
Shannon Walker, *IAM*
Tom Wroblewski, *IAM*
Mari Wyatt, *CLUW*

Administrative Staff:
Kathy Cummings Communications Director
Karen Deal Political Director
D. Nolan Groves Publications Director
Rebecca Johnson Government Affairs Director
Viona Latschaw Project HELP Director
Bill Messenger WIA Labor Liaison
Teresa Mosqueda Legislative & Policy Director
Chelsea Orvella WIA Labor Liaison
Kairie Pierce K-12 Apprenticeship Director
Lori Province Field Mobilization Director
Bernice Vance Accounting Manager

Support Staff: Caitlyn Felling, Janet Hays, Kamaria Hightower, Robert New, Kathy Petruzzelli, Karen White

For more information about the WSLC, visit www.wslc.org.
For news affecting Washington’s working families, visit:

www.TheStand.org

Temporary relief for unemployed

HB 1091 set the tone for the 2011 session. The first bill out of the legislative gate, it was indicative of what was to come as Gov. Chris Gregoire and the Legislature made addressing the business community's concerns their first priority while skimping on assistance to the victims of Wall Street's recession: families struggling with unemployment.

As originally proposed by the governor, HB 1091 was weighted heavily towards cutting Unemployment Insurance tax rates for business, while proposing modest improvements for the dislocated worker training program. Labor and human service advocates argued that the unemployed needed additional support to feed and house their families, not marginal training improvements for jobs that don't exist.

HB 1091's urgency was driven by a Feb. 8 deadline to avoid an average 36% increase in employers' UI premiums this year. (Remember: this increase is the result of a volatile rate system supported by business and approved just a few years ago.) HB 1091 aimed to avoid the increases by dipping into the \$2 billion, 14-month cushion in the UI Trust Fund reserves. It would permanently cut UI tax rates. Almost all employers would avoid the 2011 tax increase, and about half would actually pay less this year.

What would be done for families struggling with unemployment?

The original bill proposed to expand access to dislocated worker training for about 1,900 more people. While labor supports worker training, this ignores the reality that community colleges are already turning away students due to budget cuts and increased demand.

Instead, the WSLC joined social service and anti-poverty organizations, unions, children's advocates, small businesses and faith groups to call for a more balanced approach. This United for Washington Families coalition supported coupling the significant business tax cut with a "children's benefit" of \$15/week per child (capped at \$50/week) for unemployed families. Washington would join 14 other states in accessing federal UI modernization funds to target UI benefits to families struggling to provide for their children's needs. It would help about 167,000 fam-

ilies, as opposed to the training benefit approach, which helped 1,900.

Thanks to strong advocacy from United for Washington Families and the leadership of House Labor & Workforce Development Committee Chair Mike Sells (D-Everett), HB 1091 was amended in that committee to include the children's benefit.

That's when business groups' entitlement mentality kicked into high gear. Their lobbyists aggressively opposed the children's benefit. The Association of Washington Business testified that the mere inclusion of a training benefit was "an acquiescence" on their part. They and the Washington Roundtable of local corporate execs referred to the UI Trust Fund as "employers' money."

The RCW says UI's purpose is "the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own"—not for the benefit of businesses to refund to themselves or spend as they deem fit.

As the Feb. 8 deadline approached, the Senate passed SB 5135, sponsored by Sen. Jeanne Kohl-Welles (D-Seattle), a temporary one-year tax cut and an extension of federal benefits for UI recipients. But it wasn't enough for business lobbyists—or the governor.

In the final negotiations, the children's benefit was axed and replaced with a temporary benefit increase of \$25 per week for new claimants from March to November 2011. Recipients get the increase for the life of their claim.

HB 1091 also included the enhanced training benefit, allowed our state's unemployed to continue receiving federal extended benefits, and of course, business got a permanent tax rate cut that will cost \$300 million from 2011-17.

So, as was typical this session, business got what it wanted. However, putting an extra \$25 on the kitchen table for struggling families does provide some relief. This extra \$100 a month will have an immediate beneficial impact on them and the businesses in their communities.

But, as of this writing in July, due to computer glitches, the \$25 boost has yet to appear on checks. (Somehow, the computers printing employer notices of lower 2011 taxes worked just fine.)



The Laborers union brought its inflatable "fat cat" to the April 8 labor rally.

Employee misclassification bill weakened, then killed in Senate

HB 1701, sponsored by Rep. Timm Ormsby (R-Spokane), set out to increase penalties for construction contractors that misclassify employees as independent contractors to avoid paying unemployment and workers' compensation premiums.

After passing the House 54-43 (House Vote #4 on page 5), proponents were surprised and dismayed when an unfriendly amendment

BUILDING TRADES

by Sen. Janéa Holmquist Newbry (R-Moses Lake), an opponent of the entire measure, passed the Senate 25-23, by a single vote (Senate Vote #7). Sen. Marilyn Chase (D-Shoreline), normally a strong supporter of pro-worker legislation with a 98% lifetime voting record, joined conservative Democratic Sens. Tim Sheldon (D-Potlatch) and Mary Margaret Haugen (D-Camano Is.) siding with Republicans on the vote.

The change exempted contractors with fewer than 50 employees, which meant it would not apply to more than 80% of contractors by one estimate. It was telling that, Sen. Holmquist Newbry and the other three GOP sponsors of the amendment all voted against the amended bill anyway.

The House refused to concur with the change, and given the opportunity

to reconsider the issue, the Senate let HB 1701 die without a second vote.

It's as if some legislators don't want the state to level the playing field for honest contractors who pay their taxes and play by the rules.

'Reciprocal' bid preferences

SB 5662, sponsored by Sen. Steve Conway (D-Tacoma), set out to maintain and create jobs in Washington by applying a 7% bid preference for in-state contractors—those with at least an 85% in-state workforce—on public works projects. The idea is to put our state's tax dollars to work creating jobs right here in Washington.

In this economy, more and more out-of-state companies are bidding on local public-works projects and bringing in an out-of-state workforce to do the work. Prioritizing in-state contractors is an opportunity for us to use our public funds to continually invest in our workers and our economy. Alaska, New Mexico, Indiana and Wyoming have all established similar bid preferences in their states.

SB 5662 was amended into a "reciprocal bid preference," applying only when bidding against contractors from other states with in-state preferences, and passed (Senate Vote #4). It represents a step forward in using our taxes to invest in Washington jobs.



Legislative efforts to target immigrants turned back

In the third straight year marked by devastating revenue shortfalls, you'd think legislators would be focused on ways to raise revenue, cut corporate tax loopholes, and create jobs for Washingtonians. Instead, a handful of bills were introduced that attempted to scapegoat the poor, the working class, and immigrant workers.

The Washington State Labor Council and members of the United Labor Lobby worked in collaboration with human service advocates to oppose efforts to marginalize the working class and people of color. Bills that attacked immigrant families and children were exposed for what they were—an attempt to divide communities and distract from the real cause of the economic crisis: corporate greed and the public policies that condone it.

At the massive April 8 labor rally, advocates for immigrant rights joined some 10,000 in attendance to proclaim "We Are One," a rallying cry that echoed not only on that historic day, but throughout the 2011 session.

The WSLC was proud to stand in alliance with a broad coalition that lobbied the Democratic leadership to stop the half dozen anti-immigrant bills endorsed by Republicans and conservative Democrats to limit access to driver's licenses for identification purposes. The House members of color and the Senate and House Democratic leadership deserve thanks for holding their caucus members together to stop these attacks.

■ SB 5704, sponsored by Sen. Mary Margaret Haugen (D-Camano Is.), and HB 1577 sponsored by Rep.

Mike Armstrong (R-Wenatchee), attempted to limit an individual's ability to get a driver's license and stamp an individual's card if they did not have documentation. Many feared that this scarlet letter would cause individuals not to get a license at all for fear of being a marked target, raising public safety and civil rights concerns. Both bills died in their houses of origin.

■ Sen. Don Benton (R-Vancouver) attempted to hold the transportation budget hostage while he repeatedly ran anti-immigrant amendments on the Senate floor to limit an individual's ability to get a driver's license. Sen. Benton's three amendments were ruled out of order and all of his attempts to amend the transportation budget bill failed.

Education needs more than words

Drastic school cuts mean bigger class sizes, higher tuition, lower teacher pay

Every legislator says that education is critical to the success of the state, that we need a well-trained workforce, that education is the best way to lift people out of poverty, and that every dollar invested in education returns a great deal more to the state. They all say that.

Yet, in this legislative session—like the last, and the one before, and the one before that—one would be hard-pressed to find evidence of a commitment to education in the budget or legislation.

The Legislature started the 2011 session by “suspending” the overwhelmingly popular initiatives passed in 2000 to provide cost-of-living adjustments to K-12 employees and two-year college faculty, and to reduce class sizes in K-12 schools. Lawmakers



Secretary-Treasurer's Column
Lynne Dodson

then cut our elementary and high school educational system budget by \$1.19 billion over the biennium. So much for constitutional protection of basic education!

Higher education, unprotected by the Constitution, fared even worse. The Legislature reduced its already diminished investment in state colleges and universities by another 24%, cutting more than \$640 million over the next

two years. State support for four-year and research colleges is now at about 37%, making it increasingly difficult to consider them “public institutions.”

So they can make up some of the lost revenue, the Legislature authorized four-year institutions to set their own tuitions, which will result in hefty hikes (11% at Eastern and up to 22% at the research universities this year alone). The community and technical colleges, once proud of their ability to provide affordable higher education for working-class families, will see tuition increases of 12% this fall and increases again in 2012.

Bargaining rights also attacked

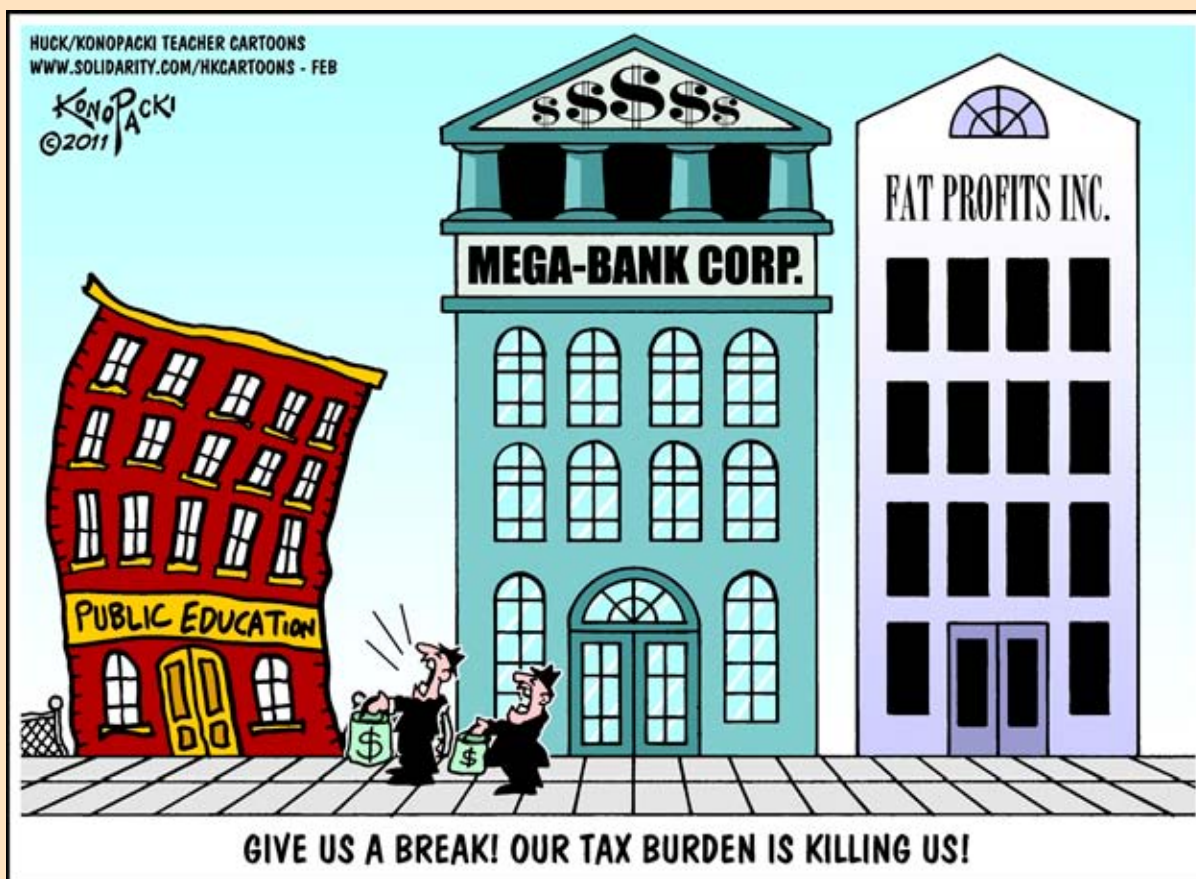
While the budget cuts were devastating, they were not the only challenge educators faced this session. Not to be left out of the nationwide attacks on public employees, legislators launched an attack on collective bargaining rights in our public education system.

K-12 teachers faced an onslaught defending their right to bargain seniority when Stand On For Children, teamed up with the Washington Business Roundtable group, “Partnership for Learning,” to try to ram through HB 1609/SB 5399 tying teacher evaluations to layoffs—without including any layoff abatement funding—despite the fact that there is no systematic, equitable teacher evaluation system in place statewide. One would think the crisis in our schools was caused by teachers, rather than chronic underfunding and a shifting of our priorities away from the public good.

Fortunately, Rep. Sharon Tomiko Santos (D-Seattle) in the House and Sen. Rosemary McAuliffe (D-Bothell) in the Senate respectfully heard the bills, but kept them from advancing.

Good bills succumb to Roadkill

A lot of good bills that would have helped students and faculty died ignoble deaths in 2011, the most notable being a requirement that—after the economy recovers—the Legislature will pay the bill it owes faculty in the community and technical colleges for the salary steps they earn through professional development (HB 1631/SB 5507). Long needed and supported by almost everyone, Sen. Rodney Tom (D-Medina) heard it and passed it out of his Higher Education Committee, only to walk out of Ways and Means Committee (with Sen. Brian Hatfield of Raymond) to kill it later as part of the Roadkill Caucus strategy to hold everything hostage while



Led by freshmen, House Dems target banks' tax loophole, but GOP blocks

The greed and fraud of big Wall Street banks caused this recession. Although the resulting high unemployment and government revenue shortfalls persist, the banks have been bailed out and are now making record profits.

Given all this, HB 2078 seemed like a no-brainer. It would have repealed a tax loophole for big out-of-state banks and used the \$83 million saved to reduce K-3 class sizes at public schools. The vote was 52-42 (House Vote #11), but House Republicans—every single one of whom sided with banks over kids—dismissed the failed effort as a stunt.

Thanks to voter approval of Tim Eyman's I-1053 last fall, a two-thirds supermajority is required to raise revenue, even if it's just to ask banks to pay their normal share by removing a special tax preference that isn't creating or maintaining jobs. As it fell well short of the 66 votes needed for passage, Republican Leader Richard DeBolt of Chehalis ridiculed the HB 2078 vote as “political theater.”

they worked to eviscerate workers' compensation. A similar bill (HB 1503/SB 5434) that would have finally let the same faculty bargain for salary increases, a right held by other public employees, suffered the same fate.

Contracting out: Look, more B.A.s!

While cutting public education, the Legislature contracted out a chunk of its secondary degree production by passing an odd and vague bill that “partnered” the state with an entity called Western Governor's University, recognizing it as “a Washington baccalaureate degree granting institution that is self-supporting.”

As far as anyone can tell, this means the state gets to pretend it has increased B.A. degree production for its citizens because it can count WGU's graduates as though they came from publically supported institutions. There will be no improved access for the state's students though; not one new seat has been opened in this state. WGU was here before and its offerings have not changed. Of course, its instructors are paid far below the industry standard, which is already low compared to peer institutions in other states.

The good news...

There were a few, tiny bright spots for education in 2011. The wage-and-career ladder for early childhood

educators was funded at \$1.25 million; and the Working Connections child care subsidy for families, which helps working families get quality child care, was retained in E2SHB3141. Worker retraining funds were reduced but not eliminated, and state need grant tuition assistance for low-income students was increased to account for tuition increases. Unfortunately, it was not increased enough to cover all the students who are currently eligible, but underserved.

There may come a time when lawmakers recognize that sustaining a high quality pre-K through higher education public school system requires more than nice words about education and hand wringing about budget cuts. That time was not this year. While there were clearly some shining stars in the Legislature who pushed to save our schools by trying to drive more revenue into the budget—notably, Rep. Chris Reykdal and the “Freshmen 11” (see story above)—the lack of moral courage and will proved insurmountable.

Unfortunately, four Democrats voted “no,” siding with the Republicans/banks: Christopher Hurst, Troy Kelley, Mark Miloscia, and Sharon Wylie.

The next two years will see more crowded classes at all levels, inadequate and demoralizing pay for educators, higher tuition, and fewer resources for our students. Clearly, if we want a quality public education system in Washington, we'll have to demand it from our legislators.

AFT Washington's Sandra Schroeder and Bernal Baca and WEA's Lucinda Young contributed to this report.

10,000 say 'Put People First!'



"We do not have a budget deficit," proclaimed Jeff Johnson (left), President of the Washington State Labor Council, at the April 8 labor rally. "We have a social services deficit, we have a jobs deficit, we have a revenue deficit, and we have a deficit of leadership."

State workers make sacrifices, but still targeted

Unless you are one, it's difficult to imagine what the past three years have been like for state employees.

If you are fortunate enough to have kept your job (thousands haven't been so lucky), your pay has been frozen and then cut as you are forced to take unpaid furlough days. Your out-of-pocket health costs have skyrocketed. Your workload has jumped as co-workers are laid off and you are told to do more with less.

And all the while, you've got some politicians and pundits publicly pointing at you—like YOU caused the recession and the \$5 billion state revenue shortfall—and doing everything in their power to cut your pay and benefits even more and to take away your collective bargaining rights.

Given all that, the solidarity and resolve demonstrated by state employees in the 2011 session was nothing short of remarkable. From Day 1, members of the Washington Federation of State Employees/AFSCME Council 28 and many other unions representing state workers were tireless. In Olympia and across the state, they rallied, they testified, they packed hearings, and they put a human face on the folks who provide public services and the clients they serve.

Corrections officers represented by the Teamsters union spoke out for safe staffing in the wake of the tragic murder of one of their own by an inmate. Unions and their members representing nurses, fire fighters, ferry workers, engineers and countless other public servants were a constant presence in the halls of the State Capitol to fight to maintain quality public services for us all.

And of course, union members from across the state—from the public and private sectors—turned out to proclaim "We Are One" at a massive Labor Rally on April 8.

More than 10,000 people called on lawmakers to "Put People First" and stop the attacks on working people and their unions, to demand that powerful corporations share in the sacrifice of addressing the state's \$5 billion revenue shortfall, and to refocus on creating good jobs.

It made a difference. As frustrating as the 2011 legislative session was, much of the damage was mitigated. But even more importantly, organized labor demonstrated that we will not back down when we are attacked. We will stay true to our principles, we will refuse to be divided and pitted against one another, and we will work even harder to make sure lawmakers are held accountable for their actions.



On April 8, more than 10,000 urged lawmakers to stop the attacks on working people and their unions, to demand that powerful corporations share in the sacrifice of addressing the state's \$5 billion revenue shortfall, and to refocus on creating good jobs.



State's health care safety net shredded

For the ninth straight year, studies in 2010 found that fewer workers and their dependents received health coverage through their employer. That trend is expected to continue, until significant components of federal health care reform go into effect in 2014, as more and more workers lose employer-sponsored health coverage. The consequences for Washington families are devastating.

That made 2011 a critical year both for protecting health care programs and for beginning to implement federal health care reform. Public health care options for low-income individuals and families have been cut drastically since the beginning of the recession. And despite strong efforts to protect it, the insistence on another all-cuts budget meant 2011 was another horrible year for the health care safety net.

The cuts included:

- **Health care coverage for 27,000 children**—HB 2003, sponsored by Rep. Eric Pettigrew (D-Seattle), required immigrant families to pay full cost for undocumented kids between 200-300% of federal poverty level on Apple Health for Kids. It raised premiums to just under \$100 per child on average, but avoided the complete elimination of health coverage for this population.
- **Medical interpreter services**—The 2011-13 budget cut interpreter services by 20% to about \$37 million, which will have a negative effect for patients and providers across the state.
- **Basic Health Plan**—While not eliminated completely, as proposed by the governor, Basic Health suffered a loss of 20,000 slots. More than 150,000 people are already on its waiting list,

adding to the state's record high number of uninsured. No new enrollees are allowed for the next two years, shrinking BHP dangerously to 34,000 by 2013.

■ **Public health departments**—Local health districts suffered from across-the-board cuts imposed in December by the governor. Those cuts will now be compounded as the Legislature cut an additional \$10 million in flexible funds.

■ **Maternity support services**—Vital services for low-income women with high-risk pregnancies suffered a 30% cut in the final budget.

■ **Weakened public employee health benefits**—SB 5773, by Sen. Joe Zarelli (R-Ridgefield), introduces high-deductible insurance as an option in the PEBB program, undermining the concept of health insurance and creating a situation where overall costs could increase.

Some small positive steps toward implementing health care reform:

□ **Health Insurance Exchange**—SB 5445, sponsored by Sen. Karen Keiser (D-Kent), establishes that Washington will operate a health care exchange by 2014, and creates a board and agency to govern the exchange. Many details will have to be decided in the 2012 session. No progress was made this session on creating a public option.

□ **Regulating Health Insurance Companies**—HB 1220, sponsored by Rep. Christine Rolfes (D-Bainbridge Island), creates more transparency and accountability in health insurance rate setting by allowing the Office of the Insurance Commissioner to make public the justification for rate increases.

Transit bill Eyman-ized: ‘We hate to do this, but...’

The recession has hit the state’s 31 transit agencies with the same serious revenue crises that have been faced at all levels of government. This has resulted in major service cuts at a time when the high cost of gas has working families looking for transportation alternatives. Big cuts have already been imposed and more big cuts are on the way, with proposals to cut another 20% or more of the bus routes and service hours before the boards governing Pierce Transit, King County Metro, Spokane Transit and several other agencies.

SB 5457, sponsored by Sen. Scott White (D-Seattle), allows transit agencies to create a temporary con-

gestion reduction charge of up to \$20 per vehicle to fund the transit agencies’ operational and capital needs.

But against the sponsor’s wishes, SB 5457 was amended in the Senate to impose a two-thirds supermajority vote requirement on the agencies’ governing boards in order to approve the charge. While simple majorities continue to suffice when creating special interest tax breaks, these supermajority hurdles make it nearly impossible to pass measures to increase revenue. The amended SB 5457 passed the Senate, 26-23.

A labor-supported House amendment by Rep. Reuven Carlyle (D-Seattle) removed the two-thirds

requirement and the bill passed, 51-46. A conference committee was created to resolve the dispute and the panel agreed to include the two-thirds vote requirement, but to decry it and explicitly state that its inclusion does not indicate the Legislature believes that Tim Eyman’s Initiative 1053, requiring supermajorities to raise state revenue, applies to local governments.

Essentially, what this language says is, “We hate that this applies to us, and we don’t think it applies to you, but we’re going to do it anyway.”

This final version passed the House 50-47 and the Senate 25-21, and was signed by the governor.

Bills that didn’t get votes

Votes on lots of good, bad and ugly legislation affecting working families never get a committee or floor vote. Here are some of these bills and a list of legislators who co-sponsored them (prime sponsors are listed in parentheses; Democrats in **bold**):

THE GOOD

■ SB 5238 (Sen. Margarita **Prentice**) & HB 1320 (Rep. Bob **Hasegawa**) —Creating the Washington Investment Trust. Modeled after a successful state-run institution in North Dakota, it would put state’s money to be at its own disposal, instead of parked at Bank of America or another commercial bank. The Center for State Innovation estimates that this would increase small-business lending in our state by up to 8.2%, and create up to 10,700 jobs as a result. Co-sponsors: SEN. **Conway**, and REPS. **Hudgins, Kenney, Appleton, Kirby, Moscoso, Ryu, Goodman, Roberts, Takko, Ormsby, Hunt, Fitzgibbon, Upthegrove, Dickerson, Darneille, Seaquist, Van De Wege, Green, Blake, Sullivan, Moeller, Frockt, Stanford, Pettigrew, Eddy, Reykdal.**

■ HB 1682 (Rep. Tim **Probst**)—Providing a B&O tax credit for newly hired aerospace apprentices. To maintain our state’s competitive edge, the aerospace sector needs to employ the highest skilled machinists and technicians. This would incentivize the hiring of aerospace apprentices credentialed by a state-approved apprenticeship program. Co-sponsors: REPS. **Warnick, Dunshee, Sells, Hurst, Maxwell, Ormsby, Kelley.**

THE BAD

■ HB 1531 (Rep. Cary Condotta)—Adopting the “McKenna minimum wage,” the Attorney General’s fanciful interpretation of the law—quickly rejected by a judge—that would block annual increases in certain years. Co-sponsors: REPS. **Shea, Warnick, Fagan, Taylor, Chandler.**

■ SB 5111 (Sen. Tim **Sheldon**) & HB 1116 (Rep. Gary **Alexander**)—Voters just rejected two initiatives to privatize state liquor stores, but these bills were introduced to privatize state-run liquor stores. They went nowhere, so Costco and others have bought a spot on the ballot again this fall. Co-sponsors: SENS. **Rockefeller, King, Hobbs, Litzow.** and REP. **Dammeier.**

■ HB 1189 (Rep. Cary Condotta)—Killing, rather than postponing the paid family leave insurance program approved in 2007. Co-sponsors: REPS. **Chandler, Crouse, Warnick, Nealey, Shea, Fagan, Bailey, Armstrong, Taylor.**

■ HB 1742 (Rep. Ross **Hunter**)—Significantly increasing the early retirement reduction “penalties” for newly hired public employees. Co-sponsors: none.



The “Road Kill Caucus”, from left, Senators **Paul Shin, Mary Margaret Haugen, Brian Hatfield, Craig Pridemore, Jim Kastama, Rodney Tom** and **Steve Hobbs.** 20110415-1511 WASENATE db

Who is the Roadkill Caucus?

The “Roadkill Caucus” of conservative corporate Democrats has controlled the agenda in the State Senate. They side with the Republicans in the minority to support regressive policies opposed by traditional Democratic constituencies. Its members have played a key role in passage of the all-cuts budget, workers’ comp buyouts, attacks on collective bargaining, and more.

This year, they basked in some post-session adulation from the commercial media, which hailed them for leading the way on “bipartisanship.” But bipartisanship is a two-way street. This was simply Democrats supporting conservative Republican values and issues. There are no cases of the Roadkill Caucus convincing

their Republican partners to support a Democratic value—such as raising revenue to preserve public services or (God forbid) supporting unions—or to cross the aisle and oppose their party leadership, as Roadkillers so often do. There are no Republican members of this caucus. That’s why their “bipartisanship” is simply a one-way street.

Who are they? The following legislators self-identify as members:

SENS. **Steve Hobbs, Brian Hatfield, Jim Kastama, Derek Kilmer, Mary Margaret Haugen, Craig Pridemore, Paul Shin,** and **Rodney Tom.**

REPS. **Brian Blake, Judy Clibborn, Deb Eddy, Fred Finn, Kathy Haigh, Chris Hurst, Troy Kelley, Larry Seaquist,** and **Dean Takko.**

■ HB 1824 (Rep. Cary Condotta)—Exempts employees of armored vehicle companies from requirements for meal and rest breaks. It arises from a \$1.3 million class-action judgment against Brink’s Inc. for their failure to comply with the law. This is a safety issue for workers who need to be alert and rested just as much, if not more, than others because of the dangerous nature of their jobs. Co-sponsors: REPS. **Shea, Warnick, Tharinger.**

■ SB 5405 & 5406 (Sen. Mary Margaret **Haugen**), SB 5408 (Sen. Curtis King) HB 1511 (Rep. Judy **Clibborn**), HB 1512 (Rep. Mike **Armstrong**)—Labor-opposed bills to interfere with or restrict the collective bargaining process for employees of Washington State Ferries. Co-sponsors on at least one of the above-listed bills: SENS. **Becker, Fain, Hargrove, Haugen, Hobbs, King, Prentice, Sheldon, Shin, Tom.** and REPS. **Ahern, Armstrong, Angel, Clibborn, Condotta, Johnson, Kagi, Kristiansen, Ladenburg, Morris, Rodne,**

Schmick, Smith, Van De Wege, Warnick.

THE UGLY

■ SB 5347 (Sen. Dan Swecker of Rochester)—Making Washington a so-called “Right-to-Work” state; banning workers and employers from negotiating union-security clauses requiring all workers covered under contracts to share in the costs of representation. This is union-busting, plain and simple. Co-sponsors: SENS. **Jim Honeyford** and **Mike Hewitt.**

■ SB 5349 (Sen. Jim Honeyford)—Eliminating state employees’ right to collective bargaining over wages. Co-sponsors: SENS. **Dan Swecker, Mike Hewitt,** and **Bob Morton.**

■ SB 5345 (Sen. Dan Swecker)—Promoting privatization and banning state employees from bargaining over its effect. Co-sponsors: SENS. **Jim Honeyford, Mike Hewitt,** and **Doug Erickson.**

Foreclosure ‘speed bump’ is approved

Washington ranked 10th in the nation in 2010 in terms of total foreclosed properties, up from 24th in 2009. In December alone, there were 4,029 foreclosure filings in Washington, mostly in King, Pierce and Snohomish counties.

SB 5275 and HB 1362, from Sen. Adam Kline (D-Seattle) and Rep. Tina Orwall (D-Des Moines), are a speed bump in the process. This legislation offers lenders, borrowers, homeowners and communities a better opportunity to avoid foreclosures. It passed and was signed into law by Gov. Chris Gregoire.

Rules requiring lenders to “meet and confer” with borrowers to assess their financial situations before initiating foreclosures will be expanded to cover all properties. Plus, a “good faith review” is required to determine the borrower’s potential eligibility for a loan modification or other options to avoid foreclosure.

TransAlta agreement OK’d

In 2009, Gov. Gregoire issued an order requiring Centralia’s TransAlta power plant, the state’s only coal-fired electricity generator, to start using cleaner energy sources and meet new emissions standards by 2025. The idea was to identify a plan for phasing out coal-fired power while protecting precious family-wage jobs in Lewis County.

Legislation was introduced this year to require TransAlta to make it happen up to 10 years earlier, a timetable the company couldn’t possibly meet while maintaining its jobs and energy production. After negotiations between the state, TransAlta, labor and environmental advocates, an agreement was reached to shut down the first of two coal-fired burners at its Centralia plant in 2020. The second will stop burning coal in 2025. SB 5769, formalizing this agreement, was passed and signed into law.

Airport service workers

HB 1832, by Rep. Dave Upthegrove (D-Des Moines), aimed to protect the rights of employees of airport service contractors by guaranteeing seamless transitions and “labor peace” with successor contractors. This labor-backed bill passed the House 52-44 (see Vote #3), but died in Sen. Jeanne Kohl-Welles’ labor committee without a vote.

It’s not JUST about the votes

Rep. Bob Hasegawa (D-Seattle), a strong champion of working families’ issues throughout his legislative career, twice voted *against* labor-supported bills this session (House Votes #5 and #7). Knowing his vote would not affect the outcome, his “protest votes” were

aimed as expressing displeasure at language in those bills that he thought didn’t go far enough to protect workers’ interests. Nonetheless, he was counted as making “wrong” votes in the WSLC 2011 Voting Record.

This is a perfect example of why

these votes shouldn’t be the only measure of which legislators have earned labor’s support. That’s why the 2012 election year edition of the Voting Record will also track legislators in other areas, including bill sponsorship and caucus advocacy.

Debt concerns trump jobs (sound familiar?)

Addressing America's jobs crisis and stalled economic recovery have not been a priority in Washington, D.C. in 2011. Instead, Congress has focused on cutting the federal budget as House Republicans refuse to raise the nation's debt ceiling, threatening a U.S. default on its loans.

A similar scenario played out in Washington state in the 2011 session. The Democratic-controlled State Senate approved SJR 8215 (Senate Vote #8), a contentious constitutional amendment to lower the state's debt limit from 9% of state revenues down to 7%. When they couldn't get the House to agree, they held the state's capital construction budget hostage, blocking one of the only opportunities this session to create jobs, as opposed to cutting them.

The Senate, led by Sen. Derek Kilmer (D-Gig Harbor), Chair of its Capital Budget Committee, wanted to lower state debt to reduce interest payments, freeing up some money to mitigate cuts in the state operating budget.

In other words, in order to limit the damage from an all-cuts budget, rather than raise some revenue by closing some of business' tax-preference entitlements, the Senate fought to eliminate job-creating construction projects fixing our schools and colleges.

Unions and other advocates for job creation through investments in our state infrastructure strongly opposed SJR 8215. Pointing to sustained high unemployment—particularly in the construction trades—now is the worst time to cut

back on capital spending, they said.

"Reducing the debt limit from 9% to 7% means cutting one-third of public infrastructure jobs in 2013-2015. Over the next 20 years, SJR 8215 will cut \$10 billion in capital projects. That translates to the loss of at least 150,000 jobs," wrote Jeff Johnson, President of the Washington State Labor Council, and David Johnson, Executive Secretary of the Washington State Building and Construction Trades Council, in a letter to all legislators.

In the House, Rep. Hans Dunshee (D-Snohomish), Chair of the Capital Budget Committee, led the opposition to reducing the debt limit and the fight for a robust job-creating capital budget.

The House-Senate standoff continued in the special session. When it

reconvened April 26, the Senate's very first item of business was to re-approve SJR 8215 and announce that they would refuse to advance the state's capital construction budget unless the House approved the amendment.

In the final week of the special session, negotiators from both houses reached a deal to gradually lower the debt limit, but not to tie the Legislature's hands by changing the constitution. The debt limit is scheduled to start dropping in 2016 and end up at 7.75% in 2022.

The capital budget, ESHB 1497, was then passed (Senate Vote #10 and House Vote #12), creating some 51,000 construction jobs by authorizing \$1.7 billion in new projects from sources other than bond proceeds.

War on workers

Continued from Page 1

agreements in order to impose bigger and bigger pay and benefit cuts upon public employees.

PRIVATIZATION—Last fall, voters in Washington were asked about privatization and the resounding response was "NO" (workers' compensation), "NO and NO" (liquor stores).

But, in a disturbing sign of how deeply some Democrats have dipped into the pool of anti-government ideology, Roadkill Democrats—led by Sens. Brian Hatfield, Jim Kastama and Rodney Tom—joined Republicans in supporting ESSB 5931. This governor-requested bill consolidates four agencies into the Department of Enterprise services, but abandons the state's competitive bidding process and actively promotes privatization of the new agency's jobs. Proponents said requirements to allow state employees to bid to keep their work and to demonstrate cost savings were too cumbersome.

The original bill veered into a Wisconsin-style attack on collective bargaining rights for the new agency's employees, replacing seniority rights with a system that allows favoritism, and specifically disallowing bargaining over certain issues, including the agency's ability to privatize.

After aggressive opposition by members of the Washington Federation of State Employees, those attacks on bargaining rights were removed from the bill but the language promoting privatization was retained. ESSB 5931 passed at the end of the special session (Senate and House Vote #2).

FERRY WORKERS—The unions representing state ferry workers were the very first to step forward and agree to wage-and-benefit concessions when the recession hit our state. Their reward was to have their collective bargaining rights attacked in 2011.

In an effort led by Sen. Mary Margaret Haugen (D-Camano Island), multiple bills were introduced to curtail ferry workers' bargaining rights, ostensibly in response to a TV news report about overtime pay and travel allowance abuse by individual ferry workers.

After the bills failed to gain support in the regular session, the persistent Sen. Haugen linked this attack of ferry workers to legislation funding construction of a new ferry. In the end, she succeeded with the passage of 2ESSB 5742 (Senate Vote #9), which funded the ferry construction and set management performance and accountability standards, but also decertified the ferry captains' union and effectively eliminated the labor-supported Marine Employees Commission.

The WSLC and unions from across the state urged Gov. Gregoire to veto the section of the bill decertifying the union, calling it an affront to labor, but the governor signed the bill with that section intact.

She did, however, veto the section creating management performance standards.



Photo courtesy of the Washington State Senate

Surrounded by business lobbyists and Republican legislative leaders—with nary a Democratic legislator in sight—Gov. Christine Gregoire signed HB 2123 to "reform" our workers' compensation system on June 15.

Workers' comp

Continued from Page 1

labor, community and human service advocates and progressive legislators, aimed to reduce disability rates and costs by preventing injuries, improving medical treatment and getting people healthy and back to work as quickly as possible. In contrast, the second path—championed by business groups, the Roadkill Caucus, Senate Republicans and Senate Democratic leadership—didn't focus on improving outcomes, but on subsidizing business by slashing the safety net and buying out workers' benefits.

The Senate, which was functionally controlled by the Roadkill Caucus (see Page 6), whose members made it clear they would defy their leaders and side with Republicans—chose the second path and passed SSB 5566, authorizing lump-sum buyouts for all injured workers (Senate Vote #5).

Despite repeated efforts by Republicans and a handful of Democrats to bring SSB 5566 to the House floor, Speaker Frank Chopp and the majority of the House Democratic caucus held strong against buyouts throughout the regular session.

By the end of regular session, several responsible reform policies had passed:

■ SB 5801 (Senate Vote #3 and House Vote #5)—Creating a statewide provider network and improving medical care for injured workers by expanding access to the Centers for Occupational Health Education. This bill is expected to save the system \$218 million over the next four years.

■ SB 5068—Preventing injuries by requiring employers to remedy serious hazards (Senate Vote #6 and House Vote #9; see story on Page 2).

■ SB 5594—Reducing injury and illness by regulating the handling of hazardous drugs (see Page 2).

■ HB 2002—Helping workers return to work by subsidizing wages and other needs (House Vote #7).

■ HB 2026—Smoothing rate volatility created by massive refunds to employers—like the ill-timed

\$315 million pre-recession rebate in 2007—by creating a workers' comp rainy day fund.

(The latter two passed the House only, but were eventually integrated into the final workers' compensation legislation.)

Meanwhile, the WSLC opposed HB 1487 to expand the authority of Retrospective Rating employers to increase their refunds by closing injured workers' claims. It passed the House (see Vote #6) but died without a vote in the Senate.

Entering the special overtime session, working family advocates asked the Governor and Senate to embrace the responsible House-promoted package addressing long-term disability and generating significant savings. But Boeing, the business lobby, and conservative Senate members insisted on buyouts—and they were willing to hold everything else, including the operating budget and other unrelated legislation, hostage until they got it.

It worked. With the help of Gov. Gregoire, Senate Democratic leadership, and ultimately, House Democratic leadership, the end result was HB 2123, sponsored by Rep. Tami Green (D-Lakewood). Like the 2003 Unemployment Insurance benefit cuts—also done at Boeing's behest—the final package was rammed through in the waning hours of the special session with no public hearing (Senate and House Vote #1). The bill incorporates some elements of the responsible path (return-to-work, rainy day fund, claims management improvement), but fundamentally changes our system by allowing buyouts.

Beginning Jan. 1, 2012, businesses will negotiate with injured workers over age 55 (50 in 2016) to settle for less. Some argue HB 2123 is less predatory than lump-sum buyouts because the settlements will be paid out over time, but any savings is predicated on workers getting less than their guaranteed benefit. Settlements of any kind fundamentally change this safety net into a gamble as families bet on what will be enough for them to survive in the long term. It opens the door to private claims-adjusting insurers looking to profit through buyouts.

The debate and outcome was disappointing but illuminating. It revealed true champions of working families who stood up and fought. And it exposed those willing to fabricate a crisis to put corporate interests ahead of the injured workers' interests.