



36th Legislative District

Senator Jeanne Kohl-Welles

Summer 2011

Stay in touch!

Please keep me informed of your ideas, concerns and community activities.

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Senate Committees:

- Labor, Commerce & Consumer Protection-Chair
- Judiciary
- Ways & Means
- Rules

Other involvements (selected):

- Joint Legislative Audit and Review Committee
- Joint Legislative Systems Committee
- K-20 Education Network
- Washington State Arts Commission
- Washington Institute on Public Policy
- Western Interstate Commission for Higher Education

Dear Neighbors,

After an intense 105-day legislative session and subsequent 30-day special session, it is wonderful to be back home in the district! The back-to-back 105-day regular and 30-day special sessions finally came to a close last month after we grappled with the most challenging budget shortfall in our state's history. While I remain troubled by the many unfortunate outcomes, I believe it's important to communicate my perceptions of this worst legislative session I've experienced in my 20th year of serving you in Olympia.

The effects of the Great Recession are still being felt here at the state level. As the March revenue forecast was down by \$5 billion for the upcoming 2011-2013 budget cycle which begins July 1, that forced the Legislature to pass an operating budget that reduced state spending on critical services by \$4.6 billion--more than 12 percent of the overall state budget! This obviously was not something I wanted to vote for, but we tried to make the best of a terrible situation.

Despite the enormous budget challenges this session, I am pleased to report that there is some relatively good news. We were able to preserve rather than eliminate many critical services and programs in the budget and also managed to make significant policy reforms along the way. Read on for our accomplishments in these areas and on how we dealt with the budget crisis in various areas of government.

Now that session is over, I am back in the district office space I share with Reps. Reuven Carlyle and Ruth Kagi on the base of Queen Anne. The office is in Suite 421 in the Northwest Work Lofts building located at 3131 Western Ave, where Queen Anne Ave. North, West Denny and Western Ave. all come together. My office number is 206-281-6854. I enjoy meeting with constituents so please don't hesitate to contact my legislative assistant, Adam Cooper, to set something up (206-281-6854, adam.cooper@leg.wa.gov).

It continues to be an honor and a privilege for me to serve you as your state senator. Thank you for allowing me to represent your voice in Olympia. As always, never hesitate to share your thoughts and concerns about how we can work together to make our wonderful state even better.

Warmly,

Sen. Jeanne Kohl-Welles

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2011-2013 Operating Budget

This year we closed a daunting \$5 billion gap for the 2011-2013 budget cycle, which comes at a time when one-time federal stimulus dollars were no longer available and demands were outpacing government's abilities to adequately fund our public schools and colleges and essential services. Drastic reductions to state services were exacerbated by the hundreds of millions of dollars in cuts we made to close a \$12 billion shortfall in the 2009–11 budget.

It goes without saying that this was not a budget any of us wanted to pass as we faced the worst revenue shortfall in our state's history. But ultimately, we had to get the job done in order to keep state government running.

Although we unfortunately had to make significant reductions in education and social services, the final budget reduced K-3 class size in high-poverty schools, maintained the State Need Grant for qualifying college students, and expanded worker re-training and low-income housing support. In the face of our current political and economic realities, preservation and expansion of each of these services are noteworthy.

The budget also preserved key parts of the social safety net, such as Disability Lifeline, the Basic Health Plan and Apple Health for Kids. Unfortunately, the funding for these critical programs was reduced, but we were able to keep their core structure in place rather than eliminate them. We also did what we could to preserve funding for basic education, levy equalization and full-day kindergarten for students in some of the poorest schools. And we increased funding for student transportation and principal and teacher evaluations.

2011-13 Budget Overview

- Spends approximately \$32.2 billion.
- Makes reductions of \$4.6 billion for the 11-13 biennium.
- Leaves a reserve of over \$723 million
- Provides a funding level of \$13.8 billion for K-12
- Preserves as much of the social safety net as possible (e.g., Basic Health Plan, Children's Health, Disability Lifeline Medical)

Efforts to close tax loopholes will have to wait

It's important to note that some of the cuts we made could have been avoided or partially mitigated if we'd been able to raise revenue. But, unfortunately, we were unable to garner the super-majority of votes needed for any significant new revenues, to restructure our highly regressive tax system, or to eliminate tax exemptions or "loopholes" for special interest groups. You may recall that voter approval of Initiative 1053 last November reinstated a requirement for a two-thirds majority in the legislature to increase any tax or to repeal any tax loophole. An alternative would have been to send a referendum to the voters, but there was insufficient support to do so.

Back in April, several of my Senate colleagues and I announced the introduction of legislation targeted at closing some of the more egregious tax loopholes which are costing state taxpayers literally billions of dollars every year.

These tax exemptions – on everything from non-essential plastic surgery to private airplane ownership – represent revenue we're not collecting. That's money that could be going toward children's health care or reducing class sizes. The fact of the matter is we need a two-thirds majority to close even the most unnecessary loophole and, quite frankly, we did not have the sufficient votes to close even a single loophole.

And, what one person sees as a loophole, another sees as a revenue-producer.

One of the bills proposed would have amended I-1053 to allow the Legislature to close tax loopholes without a two-thirds vote. The bill would have appeared on the ballot for voters to decide on its approval, but did not have the support to pass the Legislature.

I introduced Senate Bill 5857, an idea proposed by Rep. Reuven Carlyle, which would have required a review of selected tax preferences as part of each two-year budget cycle and an automatic "sunset" of those not reauthorized by the Legislature. I also introduced SB 5932, which would have eliminated B&O tax exemption on one-time membership initiation dues or fees for all businesses other than non-profit organizations.

My hope is that we pursue such legislation again next year. I think it's irresponsible to give tax breaks on out-of-state coal purchases and mortgage-interest earnings for banks, as examples, while making cuts to education and essential services. Amending I-1053 will allow us at the very least to take a look at some of these tax breaks, some of which serve a very useful purpose, and change those that no longer offer a net benefit to the state.

Improving Washington's medical marijuana law

The use of medical marijuana for qualifying patients has been permitted in Washington since 1998, when voters approved Initiative 692 by 59 percent. Since then, the Legislature has twice clarified and enhanced the law with my legislation in establishing legal limits for medical use in 2007 and a measure passed last year allowing all health professionals having prescriptive authority to authorize use of medical marijuana to qualifying patients.

Despite these efforts, we still do not have in place an adequate statutory framework that protects qualifying patients from arrest and provides them legal access to their medicine. Current law provides for the authorization of medical marijuana, but unless patients grow for themselves or obtain it from a designated provider, the law doesn't offer a legal pathway for patients to access a safe, secure, adequate source of their medicine, creating a real Catch-22 with serious consequences for patients.

My top policy priority this session was Senate Bill 5073, which would have created a state regulatory system for licensing producers, processors, and dispensaries of medical cannabis. The legislation also focused on protecting qualifying patients from arrest and prosecution. Unfortunately,

around the time the bill passed the Legislature with bipartisan support, the U.S. Department of Justice reinforced its authority to prosecute those involved with commercial dispensaries. As a result, Governor Gregoire vetoed the most substantive parts of SB 5073 out of concern that state employees involved in regulating medical marijuana would be at risk of federal arrest and prosecution. Although I disagreed

they would be of risk, the veto was made and unfortunately, in my opinion, the situation for patients and their designated providers was exacerbated as a result. I introduced another bill, SB 5955, during the special session but it did not receive the traction needed to get through.

While we were not able to achieve much progress this session, we cannot continue to ignore this issue—it simply will not solve itself. Many cities, towns and counties, including Seattle and King County, are now having to wrestle with what they can do without state authority to regulate the increasing number of dispensaries popping up. It is clear that the needs of patients and local jurisdictions remain unresolved and will necessitate further legislative efforts in the 2012 legislative session.



Efforts to end human trafficking

Thousands of people are trafficked into the country each year and forced into prostitution and manual labor. And, with over 70 ports importing and exporting thousands of cargo containers per day and a long international border, Washington is a top destination for traffickers. In 2003, Washington led the country as the first state to criminalize human trafficking.

This year I continued my efforts of the past few years to end this modern-day form of slavery by sponsoring SB 5546, which expands the criminal definition of human trafficking and do more to hold traffickers accountable. I also introduced SB 5482, which authorizes local govern-

ments to use affordable housing funds to provide housing assistance to victims of human trafficking and their families.

And Rep. Mary Lou Dickerson introduced HB 1874, allowing law enforcement officers to conduct surveillance operations on suspected human-trafficking and child-prostitution activities with the consent of the victim and authorizing prosecutors to request assistance from juveniles in the undercover surveillance of telephone communications in trafficking investigations, without putting them in danger.

In all, the bills will greatly enhance the state's efforts in combating human trafficking.

Making smart investments in our future: Education

Like all areas of state government, our public schools were not immune from the harsh realities of the budget crisis this session, forcing us to make painful cuts to our K-12 education system that will undoubtedly be felt throughout the state. In light of the budget challenges, this session our efforts for our public schools focused on maintaining and improving existing K-12 programs and finding creative ways to help our schools do more with less.

While we maintained our commitment to building a strong foundation for all Washington students, we also acknowledged the need to locate savings without sacrificing the quality of our education system and opportunities for all. I was very disappointed that we had to pass House Bill 1131, which suspends Initiative 728 that allocates funds for K-4 class size reductions, and House Bill 1132, which suspends Initiative

732, that allocates funds to provide an annual cost-of-living adjustment (COLA) for educational and academic employees.

As a way to address potential funding problems in school districts, passage of House Bill 1815 ensures that local districts don't lose their ability to receive already voter-approved funds, which is especially important for districts that are property-poor. In high poverty areas of the state, we invested \$33.6 million toward reducing class sizes for students in grades K-3. We also moved a step further in addressing the serious problem of high school dropouts in our state with the creation of the PASS program (HB 1599), which provides a financial award to high schools that are able to show improvement in certain dropout prevention indicators.

Arts funding restored for King County

Funding for arts and cultural programs in King County that was set to expire in 2012 was revived in the final day of the special session. SB 5834 redirects King County's hotel/motel tax from debt service on the Kingdome stadium— which will be paid off later this year— to fund arts programs throughout the county.

Our vibrant arts community helps make Seattle and King County one of the most desirable places to live in the country, and the industry also generates significant revenue in our local economy, accounting for over 30,000 jobs and \$1.75 billion in business activity each year. In addition to funding for the arts, the legislation also makes an important investment in affordable workforce housing so that workers and their families can live closer to their places of work.

Capital Projects funding in the 36th Dist:

- Low Income Housing Institute - \$ 313,000
- Boys & Girls Clubs of King County - Ballard - \$ 475,000
- Seattle International Film Festival - \$ 491,000
- Taproot Theatre Company - \$ 570,000

Highlights from 2011 Session

Technology as a Core Concept in Education — Adds technology as a core concept and principle in the definition of basic education. **SB 5392**

Innovation Schools — Authorizes creation of Innovation schools and Innovation Zones focusing on Science, Technology, Engineering and Math (STEM). **HB 1546**

Coal-Fired Electric Generation — Reflects an agreement by the TransAlta Company, government and environmentalists to phase out TransAlta's two coal-fired boilers at its Centralia facility in 2020 and 2025. **SB 5769**

Oil Spills — Enhances oil spill protection, response mechanisms, and liability for clean-up efforts related to spills. **HB 1186**

Phosphorus in Lawn Fertilizer — Prohibits — with some exceptions, such as for starting a new lawn — the use and retail sale of phosphorus-containing turf fertilizers in order to reduce pollution to rivers and lakes. **HB 1489**

Campaign Finance Disclosure — Tightens election laws to prevent campaign donors from hiding the source and agenda of campaign contributions to run shadow campaigns that mislead voters. **SB 5021**

Medical Provider Networks for Occupational Health — Establishes medical provider networks and expands centers for occupational health and education in the workers' comp system. **SB 5801** (I was the prime sponsor.)

Tuition-Setting Authority — Grants higher education institutions tuition-setting authority through the 2018-19 academic cycle while mitigating tuition increases by providing financial assistance to low and middle income students. **HB 1795** (Representative Carlyle's bill.)

Opportunity Scholarship — Creates a scholarship program to assist middle-income students pursuing degrees in high demand programs, as well as a grant program for higher education institutions to increase degree production in high demand fields. **HB 2088**

Highlights from 2011 Session *(Continued)*

Unemployment Insurance — Permanently caps employers' Unemployment Insurance tax rates, and temporarily extends and increases unemployment benefits for unemployed workers. **HB 1091** (I was the prime sponsor.)

Workers' Compensation — Creates an industrial insurance health care provider network to reduce incidents of long-term disability and costs to the system. Authorizes claim resolution structured settlement agreements, initially for workers age 55 or older. **HB 2123**

Prison Safety — Strengthens prison worker safety by enhancing review of security policies and increasing correction officer training in response to the death of a corrections officer at the Monroe Correctional Center. **SB 5907** (I was the prime sponsor.)

Pedestrian/Bicyclist Safety — Increases penalties for drivers who commit traffic violations, such as texting, running a red light or speeding, and seriously injures or kills a vulnerable roadway user. **SB 5326**

Foreclosure Fairness Act — Requires banks meet with homeowners and explore options outside of foreclosure. **HB 1362**

2011 bills I sponsored that became law

In addition to the previously mentioned bills of mine that have been signed into law, the following other bills I sponsored this year also became law:

SB 5594: Requires the development of mandatory workplace standards for health care workers who handle chemotherapy and other hazardous drugs routinely in the workplace. This law is the first of its kind in the county.

HB 1172/SB 5029: Establishes a pilot program for up to 10 farmers markets across Washington to provide wine/beer tasting of Washington products.

SB 5045: Removes gender-based references in state statutes.

SB 5156: Creates new airport lounge license.

HB 1701/SB 5599: Provides a contractor registration violation for a contractor to engage more than two independent contractors with no covered workers to work on or in a single building on the same task involving a similar material. (Included funding in budget for additional auditors.)

HB 1749/SB 5046: Makes assault of a judicial officer, court-related employee, or county clerk who was performing his or her duties at the time of the offense an assault in the third degree offense.

HB 1419/SB 5426: Requires the Department of Social and Health Services and the Department of Early Learning to share fingerprint-based background check results regarding individuals who may have unsupervised access to vulnerable children or adults in licensed care.

HB 1726/SB 5583: Allows workers suffering the loss of two major limbs or total eyesight to receive vocational services under some circumstances.

HB 1202/SB 5150: Creates a pilot project to allow spirits sampling in state liquor stores and contract stores.

HB 1295/SB 5206: Allows Fire Protection Contract License Fund expenditures to be used for developing and publishing residential fire sprinkler educational materials.



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