



Legislative Update

December 17, 2008

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48th Legislative District

Thank You

Thank you for sending me back to the Legislature for another session. It's an incredible trust and I take it very seriously. I first ran in 2002 because I wanted to fix our crazy school funding system. Since then I've also focused on responsible fiscal management and taking care of our transportation infrastructure, issues you all told me you cared about.

This year will be particularly difficult due to the national economic disaster. Unlike the federal government, Washington is required to have a balanced budget. Our budget situation is dire due to a projected \$5 billion revenue shortfall, and managing it will require dramatic measures. This newsletter includes information on the budget situation, transportation choices we're considering, and the rewrite I'm trying to do to our school funding system.

You can sign up to receive newsletters like this (in email) on my website www.rosshunter.net, or by sending email to hunter.ross@leg.wa.gov.

2008 Legislative Agenda

While there are lots of small items I'm working on, these five rise to the level of weekly review.

First, we have to deal with the budget. This is both a tactical problem of responding to the national economic disaster, and a strategic opportunity to re-focus state government on what it's good at and get out of the business of things it's not good at. It will be a painful process but we will come out with a leaner government focused very carefully on our priorities. We'll prioritize budget items that are investments in the future like education, and we'll try our best to preserve the safety net for the most vulnerable: seniors, at-risk kids, and those

displaced by the national economy through no fault of their own.

Second, we must deal with education funding. Our constitution is very clear that education is our paramount duty. I've been working with a bipartisan group of legislators for 18 months to pull together a plan that changes our current system from an opaque, confusing, overly complex and inadequate set of formulas to one that is much more transparent and simple. The new system will clearly delineate what we need to fund and how we should do it. This will be my major policy effort this year.

Third, we need to get aggressive against climate change. America has an historic opportunity to shift away from foreign oil and towards energy sources and technologies that don't contribute to climate change. While we wait for a national effort to take place, states are leading the way to responsible solutions. Washington will have an opportunity this year to be part of the **Western Climate Initiative**, a joint effort of the major western states and big chunks of Canada. Developing a "Cap and Trade" system the right way could allow major changes in energy use and climate change. But it could also lead to one of the biggest transfers of wealth from consumers to polluters in history if done wrong. Getting the details right on this is crucial, and I'll be following it closely.

Fourth, we need to move forward on important transportation decisions such as the 520 bridge plan, how tolling will work, the Viaduct, and keeping the focus on I-405 work. We must ensure that decisions on the Seattle side don't push up the costs (and the tolls) beyond what we can afford, and we need to get the projects done. Now that voters have approved Sound Transit Phase 2 we must make sure projects make sense for the Eastside. I'll be pushing for them to start with the section from Bellevue to Redmond. This enables us to link up with the BNSF line north through Redmond, avoiding the difficult

Kirkland route, and will help drive redevelopment of the Bel-Red corridor.

Finally, there are a number of tax policy efforts I've been working on for a few years that will come to fruition this year. It's not an optimal time to make changes in the tax code, but as more of the products we buy become digital, the tax code needs to reflect this and maintain fairness across different means of distribution. I've spent 18 months leading a joint effort with the business community to update our tax policy and expect to pass a relatively non-controversial bill this year, even though it's a pretty big change.

King County: Unwinding the Stadiums

Long ago the Kingdome was created, and it was good... but only if you liked watching baseball in a concrete mausoleum. Since then we've built Safeco Field and Qwest Stadium, remodeled Key Arena, and built a convention center. The Kingdome was blown up, but the taxes that paid for its new roof are still in place. Sometime in the middle of this, funds were carved out to support the arts in King County.

These taxes will end in the next 10-15 years and groups of people have come together who think they know how to spend the money. Some of the taxes expire, some continue, and some should expire but don't.

I co-chair a committee responsible for working our way through the swamp and crafting a proposal. I don't have consensus on the committee yet, but my personal preferences are simple.

1. The state should not be funding special projects in King County with statewide taxes, unless the facilities are of value to the rest of the state.
2. The jurisdiction in which taxes are collected should make decisions about the taxes including whether they continue being collected and what they should be spent on.
3. We should be responsible landlords for publically-owned buildings, making sure enough money is dedicated to maintenance to avoid the problems we're having with Key Arena.
4. Some of these taxes should end. Every decision we make here will sunset and require renewal by the Legislature at some point in the future.

I'll try to build some consensus in the committee before we get back to Olympia in January, but it's a difficult process. I'm open to feedback. Should we fund:

- Husky Stadium remodel (\$150M)?
- Community preservation in the international district (\$3M/year forever)?
- Key Arena (\$75 M)?
- Federal Way Performing Arts Center (\$25-30M)?
- Convention Center expansion (lots)
- Continuing support for Arts in King County (\$10M/year forever)

Basic Education Funding Task Force

The following text comes from the League of Education Voters, who seem to like the plan we've put together.

"For the first time, we have a comprehensive plan for building a K-12 system that better prepares our children for college, work and life.

Here's how:

Early learning is included in basic education: *Task Force members broadened the definition of basic education to include early learning for low-income preschool children, who are disproportionately at risk of not meeting state learning standards. Providing early learning wisely invests public dollars to help young children with the greatest needs begin their school careers on the right track.*

A new compensation system: *For the next generation of teachers, a new compensation system would be based on their skills and responsibilities in the classroom, and won't require teachers to earn master's degrees and PhDs simply to earn a professional level salary. The new system would be informed by regularly conducted salary surveys, which could incorporate regional cost of living factors. Current teachers could opt-in to the new system.*

Raises the bar and lengthens the school day: *The Task Force supports [CORE 24](#), which would raise high school graduation requirements so all children are prepared for life after high school, whether that is a university, college, vocational school, or work. The state would also pay for six periods per day, instead of five.*

A more transparent way of budgeting: A new “model schools” approach would all but require the state to fund the true cost of Basic Education. The Legislature would create four prototype schools--primary, elementary, middle and high schools--and build the state budget to fully fund actual class sizes, teachers and support staff and operating costs. This new system would greatly improve the ability of legislators, educators and parents to understand and make the best budgeting decisions to improve learning.

Phase-in of recommendations over six years: The Task Force did not identify additional funding sources necessary to implement these recommendations. However, in light of the looming state budget shortfall, Task Force members committed to a six-year plan to fully phase-in their recommendations.”

This is the biggest change in school funding in a quarter of a century and should position us well for the 21st century. You can find out more at www.whatittakesforkids.com, a web site my group of co-conspirators have put together to share information on the progress we’re making.

The Budget

At the time I write this the national economy is in free-fall, with banks and other businesses failing right and left. The car companies may be next. The state’s two biggest employers, Boeing and Microsoft, are still in good shape, but there are concerns if the overall economy continues to worsen.

Like my family and yours, Washington state does not have the freedom to spend beyond our means. We must balance our budget. The decline in consumer confidence and housing meltdown has devastated our tax receipts.

I don’t know what will happen with this budget yet, but am looking forward to seeing the Governor’s ideas in her proposed budget this month.

The current forecast predicts a \$5.1 billion difference between expected revenue and “planned” expenditures. Different assumptions lead to different figures so you might hear various numbers, but the bottom line is that we face a horrendous problem. We could have dealt with a \$2-3 billion shortfall with relatively little pain, but this much larger shortfall will require major surgery.

Washington works off a two-year budget, so the biennial numbers tend to mask important things. For example, the budget in the second year of a biennium is usually larger than the first year. The forecast for the first year of the next biennium (fiscal year 2010) actually declined about 4.5% from the last year of the current biennium. This is not a common occurrence, and is significantly worse than the short recession we faced in 2001-2003.

As I said in my intro, we will come out of this with a significantly leaner government. I hope that it will be one that tries to do fewer things well, rather than one that insists on doing many things poorly.

Seat Belts in School Buses

When my son told me about the Bellevue High School football team bus rolling over, I was horrified. We followed the news all afternoon via phone from the Tacoma Dome where he was waiting to photograph the game. (Check out his pictures at www.jackhunterphoto.com. I don’t do many commercial plugs in my newsletters or blogs, but hey, it’s my kid!) The players all had their pads on and thankfully nobody was seriously hurt except for superfan Gary, who’s still recovering. Two coaches were thrown from the bus.

Why aren’t school buses required to have seatbelts, like cars are? I’ve heard this question from many people, particularly from parents. I immediately asked our staff to see what had been done in the past and how I would go about fixing this. It seems so obvious to do. They immediately came back with a ton of research showing that it’s not quite the obvious policy issue you would have thought. I’m still mulling it over, but there a lot of reasons why this might not be as much of a good idea as you would have thought on first blush.

New York, New Jersey, California and Florida require belts to be installed now. Texas will after the 2010-11 school year. Only New Jersey requires that they be used.

The top reasons for not doing it are:

- You can’t install 3-point belts without a huge engineering change in the design of the buses. Lap belts have problems with kids folding over and whacking themselves on the seatbacks in front with their heads.
- The buses are pretty safe, almost certainly safer than allowing the kids to drive to the game in

private cars with seatbelts. In the late sixties there were some federal design changes that created a “safety box” between the seats that works well as long as they have 28” backs.

- Buses are big, heavy things and tend not to get pushed around too much in accidents, particularly when hit by relatively smaller cars. This isn’t persuasive when you look at the pictures of the overturned bus on the side of I-5 from the Bellevue accident.
- The drivers have no way to enforce usage. This seems like the real problem, and the practical observations that kids whack each other with the buckles, causing more injuries than accidents do.
- Districts complain that on some routes they have more kids in a seat than there are belts.

Advocates offer several rebuttals to the safety arguments and cost effectiveness concerns. They claim that most of the arguments against using the belts are cost-driven, not safety-focused. In my short review of the arguments I tend to agree.

There are many commercial agendas circulating in this policy arena. I intend to spend some time researching the issue over the next couple of weeks and decide if I’m going to push a seatbelt bill. School bus funding is another broken funding system where the state tries to get out of what I would call its basic ed requirements for funding, but that’s another story.

Global Warming / Foreign Oil

Last year the Legislature instructed the governor to negotiate our entry into the Western Climate Initiative (WCI) and come back with a plan we could approve. She has, and now we get to make some very big choices for Washington and the rest of the country. The WCI is a “cap and trade” system, a way of using market forces to control the amount of carbon we emit, and consequently the amount of global warming we create.

A cap and trade system puts a cap on the amount of carbon that can be emitted by creating a set of “allowances.” You can think about these as pollution permits. If you’re going to emit carbon you need a permit for the amount you generate. These permits can be bought and sold, and in a pure system we would auction them off, effectively setting a price for carbon emissions. The polluters who can most cheaply limit their emissions will do so, and will buy relatively few permits. For some companies it will be much more difficult. They’ll buy more permits.

Since half of the carbon emissions in WA come from transportation uses, this will affect us as individuals too. The permits would have to be purchased by fuel importers, raising the price of gasoline and diesel.

Over time the number of permits would be reduced, causing the price to rise. We may not be able to completely eliminate emissions, but we can take a big whack out of them. The rub here is that the price may rise quite high. This would generate a lot of revenue for the state, and create huge pressure to spend the revenue on all kinds of things tenuously connected to climate change.

There are a lot of technical details in designing a system that would actually work. I’m concerned that in trying to do the right thing here we may inadvertently create the biggest transfer of wealth from consumers to polluters in the history of mankind. I will be pushing for a very “pure” system, and won’t vote for one that looks more like a pork barrel than a climate change proposal.

For more information on this I recommend the overview of cap and trade systems published by Sightline, one of the wonkier think tanks in WA. I love the work these folks do, and can’t recommend them highly enough.

www.sightline.org

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