23rd Legislative District

September 2003

2003 Legislative Report

Senator Betti Sheldon

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Dear Neighbors,

If you had to balance a state budget facing a $2.6 billion shortfall in revenue — and do it while trying to protect our most vulnerable citizens and without hurting a sputtering economy — what would you do? That was the fundamental challenge we confronted when the 2003 Legislature convened in January.

After taking what was admittedly a difficult route — featuring two special sessions — the Legislature passed a no-new-taxes "operating" budget that preserves the most critical health care services for low-income children and approved transportation and construction budgets that will create thousands of new jobs and stimulate the state economy.

But, as is true whenever you are trying to live within your means, tough decisions were made. Here are a few examples of the bitter medicine: 25,000 fewer low-income adults will have health insurance through the state's Basic Health Plan; monthly premiums charged for children's health services for low-income families are likely to result in 20,000 children losing coverage; tuition at our four-year universities and community colleges will go up.

In balancing the budget, we postponed making improvements to our educational system that the voters wanted: teachers will not receive the automatic cost-of-living wage increases that the voters asked for when they passed Initiative 732, funding for school improvements under Initiative 728 will remain at current levels for the 2004 fiscal year and then increase slightly in 2005 — less than projected by the initiative and less than what districts need to achieve significantly reduced class size.

However, given the magnitude of the hole in the state budget, we emerged from the nearly six-month session with some notable achievements, including:

- **A no new general taxes $23.1 billion operating budget** that recognizes that families and small businesses are already struggling to stay afloat during this time of widespread economic distress.
- **A $4.2 billion, 10-year transportation plan** that will reduce congestion and create as many as 3,000 new jobs over the next 12 months.
- **A prescription drug plan** that will help seniors get access to lower cost medicines.
- **A $2.7 billion statewide capital construction plan** that will create jobs and build a stronger economy.
- **A strong incentive plan to convince Boeing to make Washington the home of the new 7E7** so our state gains the hundreds of high-paying aerospace jobs at stake now and in the future.
- **Reforms to laws affecting forests, farms and fish** that will protect jobs and preserve our environment.

Inside you'll find more information about these and other issues. And thank you again for giving us the chance to represent you in Olympia.

Sincerely,

Betti Phil

Betti & Phil

Transportation:
Less congestion, more jobs

The Legislature approved the first new investment in transportation in 13 years. The resulting 10-year plan will improve safety, reduce choke points, enhance mobility and boost the state's lagging economy. Fueled by a $4.2 billion revenue package, the plan will generate 3,000 new construction jobs over the next 12 months and direct investment to a specific list of transportation projects.

The bulk of the revenue will come from a 5-cent gas-tax increase, which will cost the average motorist about $27 a year. Other revenue sources are a 15 percent increase in weight fees for commercial trucks and a 0.3 percent motor-vehicle sales tax. The new funds will be used in the following areas:

- **Ferries**: $298 million will be used for terminal improvements, preservation work on the existing fleet, and a new auto ferry. We also directed Washington State Ferries to use internal savings and commercial revenues to finance three new auto ferries over the next decade.
- **Highways**: $3.4 billion will be invested in safety and congestion-relief improvements statewide. Most notable in the Kitsap area are funding for:
  - ❖Completion of the Highway 304 (Gateway) project in Bremerton and the Highway 3-Waaga Way interchange in Silverdale
  - ❖An overpass at Highway 16 and Burley-Olalla Road
  - ❖Widening of Sedgwick Road from Highway 16 to Long Lake Road
  - ❖$339 million worth of improvements to highways leading to the Tacoma Narrows Bridge
- **Rail**: $239 million will be invested in passenger- and freight-rail projects, including major improvements to the tracks between Bellingham and Vancouver, WA.
- **Public transportation**: $236 million for programs and grants, including para-transit, commute trip reduction, vanpools and park-and-ride lots.

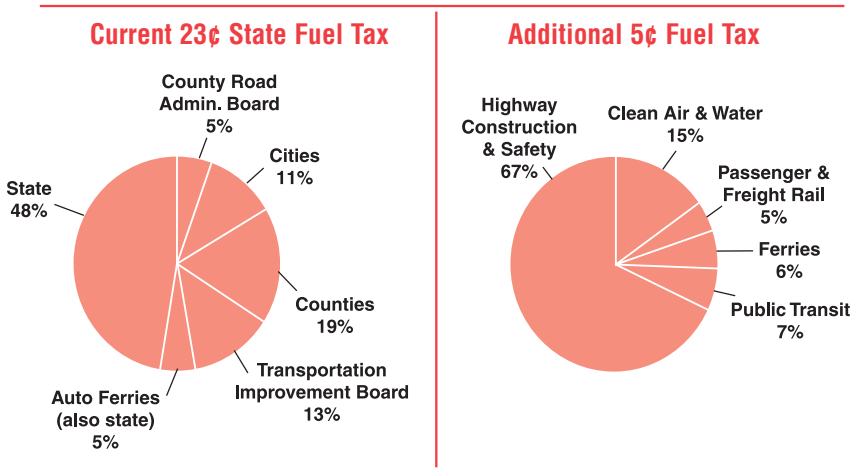
For more information, visit the Department of Transportation's Web page at http://www.wsdot.wa.gov/projects/nickel/ProjectList.pdf.

Passenger-only ferries:
Fate is in the hands of Kitsap voters

Will Kitsap residents support locally funded and privately operated passenger-only service?

That is the question facing voters this fall. With the loss of most state funding for the capital needs of passenger-only ferries, the State Transportation Commission decided last December to end all passenger-only service in June. In Olympia, legislators took the lead in searching for ways to keep passenger-only service for Kitsap residents. We worked to persuade other legislators to continue a redesigned state passenger-only service and to allow for a public-private partnership as well as independent private service. The result was that all three of these approaches could play a role in helping

How the Gas Tax Is Spent



Sheldon, Legislature work to keep Boeing in Washington

As the aerospace industry accounts for 200,000 jobs in our state, it's critical that Washington make every effort to convince Boeing that our state remains a great place to build jets. After all, at stake is both the short-term gain of hundreds of jobs involved in the assembly of the 7E7 Dreamliner and the long-term health of the entire aerospace industry in Washington.

To make the state more attractive to Boeing, the Legislature established a task force this session dedicated to keeping Boeing's business in Washington. Sen. Sheldon, a member of the task force, helped craft a package of bold measures which the Legislature adopted including:

- **A $3.2 billion, 20-year tax incentive package** that would lower Boeing's cost of doing business in Washington. The tax break is contingent upon Boeing locating the 7E7 in Washington.
- **Reforms to the state unemployment insurance system**, which will reduce all businesses' costs by about $200 million a year. The downside of the reform is that it will reduce the duration of benefits from 30 weeks to 26 weeks and cut the maximum weekly payment (from 70 percent of the average weekly wage to 63 percent). However, we will still be providing benefits that are twice the national average and still among the best in the nation.
- **Changes in the workers' compensation system** that put a two-year limit on a worker's ability to file a hearing loss claim.

Boeing is expected to make a final decision on the 7E7 assembly site by the end of the year.

Kitsap residents travel across the Sound. A limited and reduced public subsidy allows state passenger-only service to continue until September 20 for Bremerton and for two years for Vashon Islanders. We passed our bill (HB 1853 gained unanimous approval) enabling Kitsap Transit to seek voter approved financing for passenger-only service. And we joined with our Kitsap colleagues to remove legal barriers for eventual entry of private operators if the public-private partnership fails to develop.

Kitsap Transit's startup plans include delivering Kitsap commuters from Bremerton, Kingston, and Southworth across the Sound, with significant improvements in travel time.

Under the proposal, the new system would be partially funded by two sources that would generate about $11.4 million a year:

- A three-tenths of a cent increase in the local sales tax amounting to a three-cent tax on a $10 purchase.
- A three-tenths of a cent increase in the local Motor Vehicle Excise Tax (MVET) for license renewals only. On a $10,000 car, this would amount to a $30 fee.

The election will be held on Nov. 4.

Prescription drugs: Making medicines more affordable

Thousands of Washington residents who rely upon prescription drugs to maintain their health have to dig deep into their pockets to pay for these vital medicines. Particularly hard hit by the rise in prescription drug costs have been the uninsured and seniors on Medicare.

This session the Legislature took steps to make prescriptions more affordable. We passed a bill (SB 6088) that:

- **Creates a discount program** for the disabled and people 50 or older who have incomes of

less than $36,000 (for a family of two). These folks will be able to take advantage of the lower prices state agencies will negotiate with drug companies.

- **Establishes a "pharmacy connection" program** that will help low-income people obtain no-cost or low-cost drugs by informing them about the various programs sponsored by drug companies.
- **Saves taxpayers' money** by creating a state-purchasing consortium that will enable the state to negotiate better prices with drug companies in behalf of people in state health programs.

Forests & fish: Protecting the environment

Forestry is among our state's largest industries, employing 50,000 people directly and supporting another 120,000 jobs indirectly. Over 8 million acres of forest land are devoted to commercial forestry, and literally thousands of miles of prime salmon streams and habitat are found in these forested areas. In the late 1990's, however, the state and the forestry industry struggled to cope with major challenges caused by multiple federal listings of depleted salmon stocks as endangered species. To keep the industry "in business" while also meeting the concerns of the federal government and advocates for salmon recovery, we adopted the 1999 Forests & Fish Act — a landmark measure to conserve our salmon resource and stream habitat, while ensuring that forestry could function long-term under clear and predictable rules.

Unfortunately, some unintended consequences of the law jeopardized the future of small forest landowners, who collectively oversee 4 million acres of forestland. While corporate landowners could afford to respond to the requirements of the 1999 Act for road maintenance and barrier removal, smaller owners faced the prospect of added investments well beyond their reach. This year, we amended the 1999 Act by passing HB 1098, a Rockefeller-sponsored bill, to set up a cost-sharing program under which most costs of improvement related to fish passage will be paid with public funds, federal or state. As a result, family-owned forestry — and vital salmon and steelhead runs — will continue to be in Washington's future for years to come.

Water: Ensuring adequate supply for people, farms and fish

As our state continues to grow, it's become increasingly difficult to assure the availability and safety of water for municipal, residential, farm, industrial, and recreational uses, and at the same time to protect in-stream flows, the treaty rights of Native Americans, and water quality essential to salmon and wildlife. With persistent efforts, and aided by Gov. Locke, we succeeded this year in passing several reforms to assure long-range water supplies, strengthen conservation and management practices, and improve certainty of vested water rights. Both of us have been actively involved in the writing and passage of the legislation to ensure adequate water supplies, and will continue work on other needed reforms next year.

Rockefeller continues work on audit committee

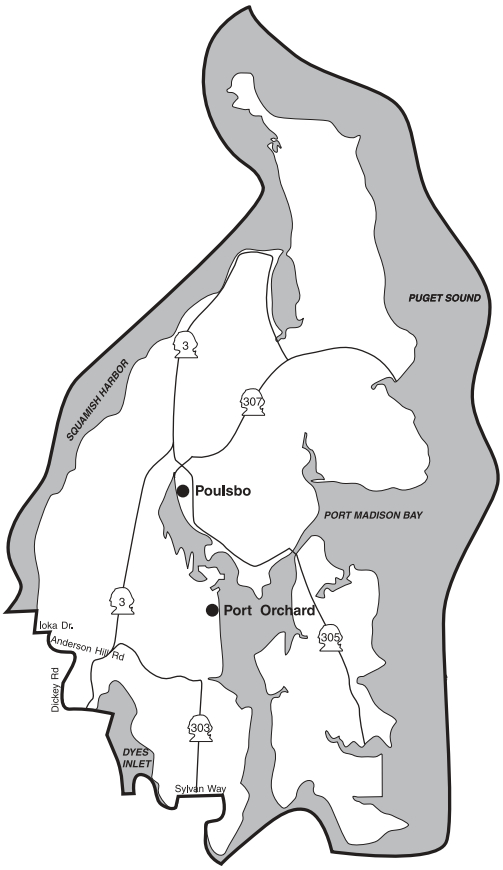
As a legislator, it's always been my goal to ensure that tax dollars are spent wisely and well, and that we monitor the performance of state government carefully and make needed improvements. During this year's legislative session, as chair of the 16-member Joint Legislative Audit & Review Committee (JLARC), I had the opportunity to continue this work, overseeing independent performance audits, sunset reviews, and program evaluations of state functions. At the end of session, the chair's position rotated to the Senate side, and I was elected Vice Chair for the next two years. I'm pleased to continue this important work with JLARC, a body that has saved the taxpayers nearly $400 million in savings since its inception, even when applying the most conservative estimates.

If you are interested in JLARC activities and reports, you can visit their website at **www.jlarc.leg.wa.gov**. Also the committee's hearings are broadcast on TVW, which has program information at **www.tvw.org**.

Capital budget: Construction projects to boost the local economy

We fought for and secured significant investments from the state's $2.6 billion statewide construction budget that will boost jobs in Kitsap, as well as statewide. The following local projects will get funding:

- **Olympic College**, which will receive $22 million in state funds for construction of a new science and technology building.
- **The Regional Conference Center and Plaza**, which will get $1 million in state funding for projects aimed at enhancing the site as a waterfront destination.
- **The Japanese-American Memorial on Bainbridge Island,** also to be known as Nidoto Nai Yoni ("Let It Not Happen Again"), will receive $1.5 million to fund a memorial honoring the Japanese-American men, women and children who were interned during World War II.
- **The Bremerton Naval Museum**, which will benefit from $500,000 in state funds to move the building from the naval shipyard to the north end of Maritime Park.



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23rd Legislative District

Sen. Betti Sheldon and Rep. Phil Rockefeller invite you to a:

Budget Workshop

Please join us for a budget game that simulates the real fiscal issues confronting the state.

Weigh in on issues ranging from how much to pay teachers to how much a college education should cost.

Thursday, Oct. 16, 6:30–8:30 pm.

Central Kitsap Fire & Rescue
Administration Building
5300 NW Newberry Hill Road

Pre-registration is recommended, but not required.
Please call Sen. Sheldon's Olympia office at (360) 786-7644, Rep. Rockefeller's Silverdale office at (360) 792-2140 or the Legislative Hotline at (800) 562-6000.

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