



## Olympia: Where legislation goes to die

Transportation, taxes, education, environment. Nada. Lawmakers close the book on another largely unproductive session.

**By John Stang**

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**Olympia is the Bermuda Triangle** of legislation. Most major bills entered there — and disappeared.

Proposals for heavy lifting on the Washington Supreme Court's McCleary ruling vanished. New taxes, new tax breaks and new attempts to close tax exemptions all dropped off the radar screen. Efforts to jumpstart new transportation projects faded away. Climate change proposals evaporated. Oil transportation safety took a detour into the Twilight Zone. The Reproductive Parity Act had its annual collapse in the Senate.

In some political circles, the lack of progress is good because no new taxes were levied on Washingtonians. But a massive pile of problems will be inherited by the 2015 State Legislature, assuming that today's reluctance to compromise won't also extend to next year.

Aside from the routine bills, three pieces of major legislation did make it through. One was a bare-bones supplemental budget that tweaked the state's current (2013-15) \$33.6 billion operating budget. The other two involved a change of heart by the Senate Majority Coalition Caucus on two originally Democratic proposals: One proposal allows high school graduates whose parents are undocumented immigrants to qualify for state college aid; the other preserves a \$40 fee on home sales until 2019, which helps the poor and homeless secure private and public housing. (This last minute conversion came after the Coalition took political heat for opposing both measures.)

Here is a breakdown of what did and did not get done in the 2014 legislative session:

### **Taxes and tax breaks**

Both sides agreed to get nowhere on levying new taxes, creating new tax breaks and closing tax exemptions. Republicans and Democrats let all these proposals die with the understanding that all will be re-tackled in 2015. Each side is praying that the other will magically change its mind between now and May of next year.

The casualties of this do-nothing approach include several Republican proposals for new tax breaks worth \$83 million in 2014-2015. Meanwhile, Democrats were eager to eliminate a tax break that mainly benefits five oil refineries; force out-of-state residents to pay Washington's sales tax; impose the sales tax on bottled water; and eliminate a B&O tax break for drug resellers. Eliminating those tax breaks would have raised a total of \$106 million in 2014-2015, and \$203 million in 2015-2017. That extra revenue would have financed education improvements and cost-of-living increases for teachers. But Democrats withdrew those proposals as part of the final budget deal.

Another session casualty was the tax on electronic cigarettes proposed by Rep. Reuven Carlyle, D-Seattle. Carlyle originally sought a tax rate of 95 percent on e-cigarettes, but dropped it down to 75 percent, and then to 50 percent before finally giving it up entirely. "There was very strong, fierce, overwhelming opposition from the Senate," said Carlyle, who plans to revive the proposal in 2015.

## Education

In its 2012 McCleary decision, the Washington Supreme Court found the state in violation of its Constitutional duty to provide a basic education for Washington's kids. The biggest thrust of the court's decision is to improve teacher-student ratios in Grades K-3. That means hiring more teachers and building more classrooms. The number of high school hours was also supposed to increase to 1,080, and the number of credits needed for graduation to 24. The estimated cost of these changes, between 2013 and 2019, is \$4-\$4.5 billion.

All Democratic attempts to raise those extra billions — by closing tax breaks and creating an electronic cigarette tax — failed. As did Democratic efforts to restore teacher cost-of-living raises.

The Legislature did overwhelmingly approve the 1,080 annual hours and 24 credits requirements. It also added \$58 million for McCleary preparatory work, which brings the total McCleary appropriations to \$1.04 billion. That leaves \$3-\$3.5 billion to be found and allocated during the next four years, with no funding sources identified so far.

Senate Democrats failed — 23-26, along caucus lines — to get the full Senate to adopt the House's supplemental capital budget. The \$166.5 million House proposal came with a plan to borrow \$700 million, against future lottery revenue, to help build the extra classrooms needed to comply with McCleary's mandate for lower teacher-student ratios. Democrats claimed that the supplementary budget would also fund 2,500 jobs. "This is the first time in my short career where we refused to invest in job creation," said Sen. Marko Liias, D-Mukilteo. The Senate's Majority Coalition soured on the House proposal's \$82 million for a Washington State Patrol building to be constructed near the Capitol campus in Olympia. "Hotel California. Palace. Whatever you call it. We don't need it," said Senate Republican Leader Mark Schoesler, R-Ritzville.

Meanwhile, there was a little bipartisanship to report. A convoluted mix of Democrats — loyal to their ally, the Washington Education Association — joined with conservative Senate Republicans to kill a proposal from moderate Republicans for a teacher-evaluation system. The system would allegedly protect the state from the possible loss of federal No Child Left Behind funding.

The U.S. Department of Education requires a teacher evaluation system — like the one that died in the Legislature — before granting a waiver that earmarks federal aid for poorly-performing schools. Absent the waiver, local school districts have more discretion about how they use federal No Child Left Behind dollars.

Bottom line: By killing the teacher evaluation proposal, the state now has less say in how to allocate that \$40 million in federal aid, unless it can convince the feds to grant the waiver. Gov. Jay Inslee is pessimistic.

## Environment

Nothing proposed by either side passed. Gov. Inslee wants to explore limits on carbon emissions, a cap-and-trade program and lowering the carbon content in vehicle fuel. He put all three on hold until at least 2015, pending more study and more public input.

Sen. Doug Ericksen, R-Ferndale, offered the only climate change-oriented bill. It would have created a task force to study nuclear power as an alternative to high carbon

emissions sources of energy. The Senate passed the bill in a bipartisan manner, but the Democrat-controlled House failed to act.

A Majority Coalition bill to study and prepare emergency responses to oil train accidents died amidst internal feuding. A tougher House bill, which would have forced railroads to inform emergency responders and the public about the details of the petroleum being conveyed, made it to the Senate and died there.

A related Senate bill to set up two oil spill taxes totaling 5 cents per barrel never got to that far. The taxes were supposed to help fund the prevention of and response to oil spills. Sen. Kevin Ranker, D-Orcas Island, planned to submit amendments, which would have required railroads to alert local emergency responders and the public about timetables and cargoes for all oil trains. The Majority Coalition wanted to avoid public votes on those amendments, so it buried the spill bills.

### **Medical marijuana**

A bipartisan effort by House Democrats and the Senate failed to mesh the medical and recreational marijuana regulatory systems into one network. House Republicans wanted some marijuana tax revenue to go to local governments to help them deal with pot-related issues. House Democrats were opposed, contending that in a state where marijuana is newly legal there simply isn't yet data to make those kinds of local allocations.

The House Republicans, who make up more than a third of that chamber, held a trump card on this one. Since recreational marijuana became legal through the initiative process, a two-thirds majority in each chamber is needed to change any part of the original referendum during the first two years after passage.

Senate and House Democrats wanted to mesh the two systems to ensure that medical marijuana is regulated. Right now, it is mostly unregulated in Washington. The federal government wants Colorado and Washington to regulate both types of marijuana as a way to avoid federal pot crackdowns. It is unknown how the feds will react to the current failure to put medical marijuana regulations in place.

### **Transportation package**

Republican and Democratic negotiators acknowledged last week that it would likely be months, maybe 2015, before the transportation talks are finished. Each side blames the other for the lack of movement.

Both sides have engaged in political gamesmanship over two budget shifts that the Senate Majority Coalition Caucus wants, and that Senate and House Democrats do not. The Republican-dominated Majority Coalition wants to get rid of the sales tax on transportation construction materials, which would reduce money to the state's general fund. The Coalition also wants to change how stormwater-runoff projects are paid for, shifting from the current gas-tax revenue model to a state Ecology Department-related hazardous substances tax. Both measures are deal-breakers for the Democrats, who note that losing this money from the state's general fund will either cut into the Supreme Court-mandated education improvements or social service spending.

The tax-averse Majority Coalition has gradually unveiled a \$12.3 billion 10-year proposal fueled by an 11.5-cent-per-gallon gas tax increase. Last May, the House and Senate Democrats announced their \$10.5 billion proposals with a 10.5-cents-per-gallon gas tax increase. The current state gas tax is 37.5 cents a gallon.

Without new revenue, the Washington State Department of Transportation will be forced to cut ferry service and dramatically trim maintenance on highways and bridges. The longer the deadlock continues, the more likely it is that delays will plague other state transportation projects, such as overhauling State Route 520 west of the Lake Washington,

finishing the new 520 bridge, widening Interstate 90 in the Cascades and finishing the Interstate 395/North Spokane Corridor highway project.

### **Kids at risk**

The Legislature unanimously passed bills to keep most juvenile records confidential, to require attorneys for foster kids in court, and to track homeless students. All three are on their way to becoming law. The path was a bit more convoluted for a foster care extension, but the Legislature did finally pass a bill that would extend foster care for make young people up to 21 years of age who are employed at least 80 hours a month, or those with certain medical conditions.

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