



2005 Legislative Agenda



East King County
Chambers of Commerce
Legislative Coalition

The Coalition Represents

9 Chambers of Commerce

Over 4,000 Businesses

Over 230,000 Employees

11 State Legislative Districts

Bellevue
Issaquah
Kirkland
Mercer Island
Northshore
Redmond
Renton
Snoqualmie Valley
Woodinville



ANNUAL COALITION EVENTS

Legislative Breakfast January

Our premier annual event, with over 200 business members and our legislative delegation.

Chamber Conference Calls January-May

Chambers participate in regular calls with their districts' legislators.

Advocacy Efforts January-May

In Olympia during the legislative session advocating for your business concerns.

Chamber Day in Olympia February

Chamber members from across the state visit Olympia to meet with legislators.

Legislative Wrap Up May/June

Legislators discuss session highlights and provide insight into next session's priorities.

Legislative Report Card June

See how legislators voted on the issues that matter most to the Eastside business community.

To Our Legislative Delegation and Business Members,

Eleven years ago, Eastside leaders ensured that our interests would be represented in Olympia by forming the East King County Chambers of Commerce Legislative Coalition. Since that time, the Coalition has grown to include nine chambers, and we have had a number of successes advocating for business issues, including:

- ◆ Repealed cumbersome ergonomics rules which would have cost businesses hundreds of millions of dollars to implement.
- ◆ Reduced Labor & Industries' proposed rate hike from 19.4% to 9.8%.
- ◆ Passed the Nickel Gas Tax Package allocating \$658 million to Eastside transportation projects on I-405, 520, and I-90.
- ◆ Engaged in a statewide organization that worked to hold off tax increases in the state budget.
- ◆ Supported successful condo liability reform legislation to help bring insurers back to the construction market.
- ◆ Fought for a levy rollback measure to allow school districts to collect the full amount of voter-approved levies, and for WASL reform giving all students a fair chance to pass the test.
- ◆ Prevailed with \$24 million in funding for 3,000 new higher education enrollment slots, one-third of which will be in high-demand fields like technology, health care, and engineering.
- ◆ Renewed high tech business tax incentives that will continue to give our state a competitive advantage in technology fields.

Besides advocating on these and other important business measures, what else does the Coalition do? We identify the issues that are most important to the Eastside business community and develop talking points around those issues. We present the positions to all nine Chamber Boards for their approval and then use them as an outline for the discussions we have with legislators. We also advocate directly in Olympia.

Following are the legislative positions and priorities for the 2005 session that most directly affect our member businesses. As the leading economic driver in our state, the corporate community will rely on the successful implementation of these positions. Achieving these goals will allow businesses to thrive and strengthen the economy overall.

We look forward to working with you to help Washington become a more viable place to do business.



Jennifer Lynham
2005 Chair

2005

2005 SESSION PRIORITIES

BUSINESS TAXATION

Washington State must support efficient business taxation with an eye to adopting tax policies that change with economic conditions. To encourage a competitive environment, the Legislature must work to support legislation that attracts new business.

The Coalition urges the Legislature to:

- ◆ Eliminate multiple taxation.
- ◆ Continue to implement the “Priorities of Government” model in budgeting.
- ◆ Avoid shifting the tax burden to business to offset impending budget shortfalls. No increases in business or general taxes should be implemented to cover revenue deficits.
- ◆ Provide a flexible tax credit program that will allow government to offer incentives to attract businesses that fit the long-term goals of the state.

REGULATORY REFORM

Washington State is one of the most regulated states in the nation, putting businesses at a competitive disadvantage. Strong legislative action is needed to reduce the regulatory burden facing employers.

The Coalition urges the Legislature to:

- ◆ Require gubernatorial approval of rules and regulations of governmental agencies.
- ◆ Require state agencies to attach a cost-benefit analysis to regulations.
- ◆ Require state agencies to cite specific text of law during the development of new rules, when creating new rules, or when changing existing rules.

TRANSPORTATION

The movement of people, freight and goods on Eastside roads and corridors continues to be a growing problem. Passage of the Nickel Package provided funding for a few critically needed projects. Regional project selection and funding options have been made available, however, more is needed.

The following action items should be enacted:

- ◆ Increase the revenue stream to provide funding for critically needed transportation projects at the city, county and state level.
- ◆ Develop and provide strong and effective incentives for local jurisdictions to collaborate to achieve GMA transportation concurrencies.
- ◆ Refine and improve the requirements for accountability within WSDOT.
- ◆ Continue to maintain the integrity of adopted legislation regarding Regional Transportation Investment Districts to ensure that investment dollars for cost-effective capacity increases, safety improvements and congestion relief are spent only as originally authorized in RCW 36.20.

EDUCATION

EDUCATION FOR A GLOBALLY COMPETITIVE STATE

Business needs employees educated through globally-competitive programs of study developed to meet industry-based requirements. An integrated, fully-articulated, state education system will enhance Washington State's competitiveness and economic health. A stable, dedicated funding source is needed.

The Coalition supports legislation to:

- ♦ Strengthen accountability at all levels of state education; prioritize degree and program completion at all levels of state education.
- ♦ Focus existing funding on student learning. Aggressively pursue administrative cost-efficiencies. Continue support and expansion of online and distance-learning programs.
- ♦ Require closer collaboration among the Office of the Superintendent of Public Instruction, The Higher Education Coordinating Board, the State Board of Community and Technical Colleges, School Districts and their governing boards, and colleges and universities and their governing boards to ensure:
 1. Full articulation between all levels of state education
 2. Curricula that meet international standards of academic excellence and industry-based employment requirements
 3. Program development processes that respond rapidly and cost-effectively to changing technology, employer, and academic requirements
 4. Cost-effective remediation programs
 5. Streamlined educational research and reporting processes

HIGHER EDUCATION

Washington State's higher education system is not fully meeting the needs of Eastside business for educated and skilled workers fully prepared to enter the job market. Shortages of top-quality graduates

with associate, bachelor, master, and doctorate degrees in high-demand and high-skill fields lead Washington companies to recruit extensively from out of state and internationally, resulting in fewer opportunities for Washington citizens.

Legislative action should be taken to:

- ♦ Meet demand for skilled employees by requiring improved graduation and program-completion rates at state colleges and universities.
- ♦ Examine all options to increase the number of state-supported enrollment slots to cover the nearly 16,000 students for whom there is currently no state funding. Add capacity for new full-time students at colleges in areas with concentrated population growth.
- ♦ Factor the higher cost of providing technical, scientific, engineering and high-demand education into funding allocations for increased capacity at colleges and universities.
- ♦ Focus expansion in the strategically important fields of science, math, engineering, technology, education, and high-demand programs. Increase funding in high-demand programs with a demonstrated record of placing graduates in jobs within their field.

K-12 EDUCATION

Washington State's and our region's economy depend on a high quality K-12 educational system. In the past 10 years, education reform in this state has made significant strides in improved student learning and system accountability. The state is now at a critical juncture in its reform agenda, and resources and aligned policies are needed to sustain it.

The Coalition urges the Legislature to:

- ♦ Adopt and fund incentive based programs to attract and retain quality teachers skilled at enabling all students to succeed.
- ♦ Provide incentives that reward schools that close the achievement gap so that all students in Washington State learn at higher levels.

POSITIONS

CONDO LIABILITY

In order for local builders to meet projected housing and growth targets in the region, find creative ways to achieve housing affordability in a tight market, and bring condominium and multi-family insurers back into the market, it is imperative that the Legislature build on the efforts of SB 5536 and address arbitration and third party inspection issues.

- ◆ Enact legislation to increase protections for the development community without reducing protections for homeowners.
- ◆ If there is clear and convincing evidence that there is a substantial building defect to a reasonable person, then require mediation. If mediation is not successful, allow either party to initiate arbitration and use of a neutral investigator. Costs and fees would be decided by the arbitrator.
- ◆ Provide a right to appeal the arbitrator's award and provide a mechanism to discourage frivolous appeals.

ECONOMIC DEVELOPMENT

Washington State has become a dominant force in economic development. With all the regional benefits, creating a long-term vision and statewide strategy would ensure success.

The Coalition urges the Legislature to:

- ◆ Support the creation of partnerships between public and private sectors to encourage collaborative efforts in achieving similar goals. Ensure that performance goals and measures are built into all such public/private partnerships.
- ◆ Support efforts to ensure the successful growth of the biotech and other emerging industries with tax incentives and infrastructure investments.
- ◆ Provide matching state funding to selected projects to ensure continued federal funding to promote the successful migration of information technology into biological sciences.
- ◆ Implement tax-increment financing so municipalities can issue bonds to finance infrastructure improvements and revitalize their communities.

ENERGY

Demand for energy resources continues to increase in response to economic and population growth, but resources are limited. To meet future growth, Washington must preserve state and regional hydroelectric benefits now enjoyed, maximize use of energy conservation and efficiency technologies, and develop new generation and transmission/distribution systems that will assure efficient and reliable service to residents and businesses.

We urge the Legislature to:

- ◆ Encourage development of diverse energy supplies to include conventional hydroelectric and thermal generation, and renewable resources such as wind, fuel cells, and biomass.
- ◆ Support ongoing efforts of the Energy Facilities Siting Council to adopt policies and procedures that streamline siting actions and assure timely decisions regarding development of new energy resources.
- ◆ Recognize and support the responsibility of local government to address siting of critical energy infrastructure in long range land-use plans and allow cities to protect vital infrastructure information for security purposes.

GROWTH MANAGEMENT

The GMA mandates that counties and cities accommodate future growth for residential, commercial and industrial uses. The lack of buildable land and development regulations are the primary causes of an insufficient housing supply and rapidly increasing housing costs. The Legislature needs to eliminate barriers to the development of individually owned single family, multi-family and condominium housing.

Action should be taken to:

- ◆ Ensure that local jurisdictions reconcile and balance the obligations of Buildable Lands, Comprehensive Planning and Critical Areas Protection so that one does not unduly influence or eclipse another.
- ◆ Ensure an adequate supply of housing for all income ranges by establishing effective rewards for cities and counties in compliance with housing targets.

POSITIONS

Growth Management (Cont.)

- ♦ Ensure that impact fees and infrastructure revenues from excise taxes remain restricted to currently designated capital infrastructure investment and are made in a timely fashion.
- ♦ Redefine “best available science” to ensure that its application is based on reproducible studies of property with directly comparable physical characteristics.
- ♦ Exempt areas with artificially created wetlands, streams, irrigation ditches and detention areas except where those features were created as mitigation under Critical Areas Ordinances.
- ♦ Ensure regulations do not deprive property owners of all reasonable use and that mitigation measures are “reasonable and feasible” for development or improvements that achieve no net loss of wetland or stream function.
- ♦ Clarify the role of “best available science” to ensure that BAS guides rather than defines implementation of local jurisdictions’ critical area policies.

HEALTH INSURANCE FOR BUSINESSES

Health care costs for employers and employees are too costly, access to insurance is declining and quality of care is uncertain. Changes need to be made to the fragmented health care system. More affordable health insurance should be a priority.

The Coalition urges the Legislature to:

- ♦ Create an “economy” health insurance plan: a more affordable mechanism for employers to provide health care insurance coverage for workers. To achieve this, reduce mandates and expand risk evaluation criteria.
- ♦ Encourage private-sector, market-based solutions for access to and adequate reimbursement for health care coverage and delivery of care.
- ♦ Allow the Basic Health Plan to offer a minimum level plan to the uninsured. This would require the reduction of state legislated mandates.

MINIMUM WAGE

To help Washington businesses remain competitive, the State must make it easier and less expensive to do business here. Currently, Washington has the highest minimum wage in the country.

The Coalition urges the Legislature to:

- ♦ Freeze the minimum wage at \$7.35 until the federal rate catches up, then align with federal standards.
- ♦ Support “tips as wages” reform.

TECHNOLOGY

Washington State is a leader in technology. To ensure continued technological advancements and the investment of venture capital, a regulatory environment conducive to business is important.

The Coalition urges the Legislature to:

- ♦ Offer additional incentives for the further expansion of high-speed communications and encourage telecommuting throughout the state.
- ♦ Streamline and improve government service delivery by utilizing the best technology available.
- ♦ Support adoption of a policy aimed at achieving parity through revenue-neutral taxation and fees, and consistent regulations.

TORT REFORM

Washington State’s tort system places a repressive burden on business interests. The overall economy suffers when productivity and growth are slowed by excessive litigation, which discourages risk-taking and slows the introduction of new products and technologies. The cost of liability insurance is forcing doctors to leave our state, businesses to close their doors and individuals to pay higher prices.

POSITIONS

Tort Reform (Cont.)

The Coalition urges the Legislature to:

- ◆ Enact laws to limit lawsuit abuse, reduce the cost of defending lawsuits, and reduce the practice of using courts to regulate business.
- ◆ Advance proposals to help resolve cases faster and increase the fairness and predictability of the civil justice system.
- ◆ Support legislation that makes the reward proportional to the defendant's fault, limits defendants to only responsible parties and maximizes compensation for the plaintiff versus the lawyers.
- ◆ Support legislation that encourages rather than prohibits builders and subcontractors from successfully providing housing affordability.

UNEMPLOYMENT INSURANCE

Washington state's Unemployment Insurance system should contribute to a business climate that attracts and retains business and industry.

The Coalition urges the Legislature to:

- ◆ Maintain the integrity of recently enacted Unemployment Insurance legislation and ensure implementation consistent with legislative intent.
- ◆ Work to reduce the maximum weekly benefit to 50% of the state's average weekly rate.

WATER

Support policies that ensure enough water for a growing economy, and provide flexibility in the use and transfer of existing water rights.

The Coalition urges the Legislature to:

- ◆ Reform the relinquishment policies and practice throughout the Water Code to remove barriers to water right transfers, promote economic development, and encourage water conservation.

- ◆ Support the development of effective water management techniques including banking, the trust water rights program, storage, inter-basin water transfer and flow augmentation in order to meet the needs of out-of-stream uses while enhancing in-stream flows.
- ◆ Enforce deadlines for the State Department of Ecology (DOE) to process water rights applications.

WORKER RETRAINING

Changes in our economy require retraining for displaced workers. Without it, the unemployed remain so, while entire industries suffer skilled worker shortages.

The Coalition urges the Legislature to:

- ◆ Allow students to include relevant non-credit courses and online and other distance-learning courses from accredited institutions in their worker retraining programs.
- ◆ Simplify state financial aid application, assessment and qualification processes for worker retraining programs.

WORKERS COMPENSATION

Overall reform of Washington's Workers Compensation system is needed to provide greater certainty, fairness, and competition.

The Coalition urges the Legislature to:

- ◆ Adopt reforms that reduce administrative costs and improve claims management.
- ◆ Put an independent audit function in place to assess the lowest responsible premium that maintains the solvency of the Trust Fund.
- ◆ Address time loss calculations for employer paid benefits and clarify how benefits are calculated for seasonal and intermittent employees.
- ◆ Allow private workers compensation and group self-insurance in Washington State.

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Issaquah Chamber

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