

SPRING 2014

# Viewpoint

THE QUARTERLY MAGAZINE OF WASHINGTON POLICY CENTER



## Minimum Wage, Maximum Controversy

IN OUR SPRING ISSUE

WPC's 2013 Annual Report  
WPC Impact on the Legislative Session  
Four years of Obamacare

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# Viewpoint

THE QUARTERLY MAGAZINE OF WASHINGTON POLICY CENTER

SPRING 2014

Dear Friends,

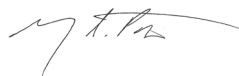
With the 2014 legislative session wrapped up, we are excited to head into our event season at Washington Policy Center. We are thrilled about our recently announced Annual Dinner events, both Bellevue and Spokane, who will host a separate Annual Dinner event for the first time to celebrate the five-year anniversary of our Eastern Washington office.

A lot is happening in our state this year. From transportation to the implementation of Obamacare, to a possible higher minimum wage, there are policies facing our state like never before. And our WPC experts are always hard at work to provide the most comprehensive research, analysis and recommendations for the citizens of our state.

Our cover story this issue focuses on one of the most pressing policy issues in our state, the minimum wage. With a \$15 minimum wage having passed in the City of SeaTac last year, similar proposals have been introduced in Seattle and in the state legislature. You will also find a recap of our impact during the legislative session, an exciting charter school update and our 2013 Annual Report.

We invite you to share *Viewpoint* with your friends, family and at your office. And as always, thank you for your continued support of our work!

Very truly yours,



Greg Porter  
Chairman



Dann Mead Smith  
President

*Viewpoint* is the quarterly magazine of Washington Policy Center, an independent Washington state-focused think tank.

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FEATURED IN THIS ISSUE

WPC Impact on the Legislative Session



**7** What happened during this year's legislative session and WPC's impact.

On the Road to Charter Schools in Washington State



**8** It has been 18 months since voters approved Initiative 1240 to allow public charter schools; what's happened and what's next.

Reform public employees', officials' pensions



**9** In this recent Opinion/Editorial featured in The Tri-City Herald, Jason Mercier recommends public-sector pension reform.

COVER STORY

**10**

Minimum Wage, Maximum Controversy: Washington Policy Center educates citizens and students on this hotly-contested policy issue.



Robert Mak of SeattleTopStory.com moderates WPC's Minimum Wage Debate at the UW on April 2nd.

Our Best Year Yet



**12** Washington Policy Center's 2013 Annual Report includes a look at our impact by research center.

Find WPC speaking to a group near you!



**16** With hundreds of speaking engagements, statewide events and four offices, WPC truly has a statewide presence.

Cover photo: panelists prepare for a question at WPC's Minimum Wage Debate at the UW.

Above: over 300 college students attended WPC's statewide Minimum Wage Debate series.

# 2014 ANNUAL DINNER EVENTS

*WPC's Annual Dinner is now the largest policy event in the Northwest and attracts more than 2,000 elected officials, business and community leaders and policymakers from throughout our state to gatherings in Bellevue and Spokane. Our popular gala dinner events sell out early, so get your tables and tickets today. We hope to see you at these much-anticipated evenings.*

## SPOKANE

Live in Spokane

**J.C. WATTS**  
former Congressman

Tuesday, September 23, 2014

6:00 pm Reception | 7:00 pm Dinner

at the Spokane Convention Center



Chairman of the J.C. Watts Companies and former Congressman from Oklahoma, J.C. was elected to Congress in 1994. In 1998 he was elected to serve as chairman of the Republican Conference, the fourth-ranking leadership position in the majority party in the U.S. House of Representatives.

## BELLEVUE

Featuring

**ROBERT M. GATES**  
Secretary of Defense (2006 - 2011)

Thursday, October 2, 2014

6:00 pm Reception | 7:00 pm Dinner

at the Hyatt Regency -Bellevue



Dr. Robert Gates served as the 22nd secretary of defense (2006-2011) and is the only secretary of defense in U.S. history to be asked to remain in that office by a newly elected President. Having served eight presidents, Gates published his latest memoir, *Duty, Memoirs of a Secretary at War*, this year.

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


# WPC's Eighth Annual Evening in the Desert:

## *A spectacular setting to discuss WPC's impact and Obamacare!*

In March, WPC held our annual event in sunny Palm Springs at the beautiful home of Duane and Lola Hagadone. This year, for the first time, the event was "invitation only" for our key donors at the Leadership Council (\$1,000/year) and above. The event was completely full with a waiting list, with many of WPC's Board Members and Pillar Society members among the crowd of over 125 people who came to socialize with like-minded friends in the spectacular setting, learn about WPC's most recent successes including the expansion of our Young Professionals group, and hear a keynote presentation by Galen Institute President and noted Obamacare expert Grace-Marie Turner.

The weekend also included a fun cocktail party held the evening before the main event at the home of WPC's Chairman Greg and Lauren Porter.

Thank you to all who joined us for the enjoyable and informative event! If you're interested in joining the Leadership Council donor circle or The Pillar Society to ensure you receive an invitation to this and other exclusive WPC events, please contact WPC's Development Director Stephanie True at [sttrue@washingtonpolicy.org](mailto:sttrue@washingtonpolicy.org) or (206) 937-9691. 



*A gorgeous setting to hear an expert's update on Obamacare.*



*WPC's Greg Porter, Dann Mead Smith and John Otter present the Hagadones with a thank you gift for their hospitality.*



*A captivated audience hears from Grace-Marie Turner.*

## COLLEGE OUTREACH

We are excited to introduce a new club at the University of Washington! WPC Young Professionals @ UW will work to educate, engage and empower college students on public policy issues through events and outreach. We encourage all Puget Sound area college students (you do not need to be a UW student to join) to join the club by visiting [www.washingtonpolicy.org/youngprofessionals](http://www.washingtonpolicy.org/youngprofessionals).



*Club officers Michael Hertel, Lincoln Ware, Alec Kimble, Troy Wate, Garret Gilliland and Din Kuses at the club's March 6 kickoff event.*

The club's kickoff event on March 6th was held at a popular local restaurant in Seattle's University District. WPC Board Chairman Greg Porter, President Dann Mead Smith and other board members were in attendance, giving the packed room of students an overview of the mission of WPC and the importance of investing in the next generation of leaders. 



**Become a club member!**  
[donate.washingtonpolicy.org/joinypatuw](http://donate.washingtonpolicy.org/joinypatuw)

[www.facebook.com/WPCYoungProfessionalsatUW](http://www.facebook.com/WPCYoungProfessionalsatUW)

[twitter @WPC\\_YPsatUW](https://twitter.com/WPC_YPsatUW)

[www.wpcypuw.com](http://www.wpcypuw.com)

Alec Kimble  
 President, WPC YPs @ UW:  
[ypsatuw@gmail.com](mailto:ypsatuw@gmail.com)



# Meet WPC's New Board Member: Wayne Williams

President and CEO  
Telect, Inc.



## Why are you involved with WPC?

I come from a long line of entrepreneurs on both sides of my family. This is my 32nd year at Telect, having been part of the Founding 3 as I joined my parents, Bill and Judi Williams. The Washington Policy Center is the one group I have found in this state that pursues real research and data to keep balance or moves the needle towards a free market economy.

## How did you find out about WPC and start becoming involved?

My mother was involved with the WPC board at one time, and I guess great succession planning on her and the WPC's part ensured that I would remain "sticky" and supportive. Honestly, it goes beyond that. I have been President of Telect since 1994, doing my duty to guide and lead Telect through rapid growth, subsequent decline after the dot com bust of 2001, and then rebuilding. My parents modeled care and passion for this state we live in by being "tip of the spear" proactive to protect manufacturers and businesses in order to provide great employment in this state. It hasn't been a political bent as much as it is to see the multiple sides of diverse thinking and understanding perspectives. The WPC brings this together in a way that is spot on, and I find it fits with my make-up as much as it does with the stage of life I am in right now.

## What about WPC makes you most proud to be a member of the WPC Board of Directors?

Having been involved on the Eastern Washington Advisory Board since 2009, I have had an opportunity to work alongside many in this area that are smarter than me on the issues that face our region and the state. I know that our membership dollars make a difference when you see the work that is being done to move a needle or keep one from moving in a direction that would be devastating to our state's competitiveness. I don't take being involved with a board of directors lightly. It isn't

a role where you just sit and occupy space. Being involved with so many gifted and knowledgeable members that care about the direction of this state and have the courage to step up for change/improvement or standing constitutional ground for this state is exciting. I will learn more about the issues we face, which will result in advocacy in my own circles in Eastern Washington and elsewhere throughout the state.

## What policy change would you most like to see happen in our state?

A competitive business that is constantly adjusting to trends and competitive threats and survives is lifeblood to an economy. I am not a believer in entitlements. I support a state that is right-to-work and businesses that care about their people, pay them according to a competitive wage for the job they are in, and offer opportunities for growth in careers and income. I will support research and promote turning the tide that has created an "us against them" mentality instead of "we are in this together." Additionally, we are in a state with many small businesses. These businesses cross many sectors such as agriculture, manufacturing, insurance agencies, and medical offices to name a few. This state has additional burdens with Estate Tax, or Death Tax if you will, that all but eliminates the incentive for legacy farms, private businesses, or private manufacturers to stay alive here in this state due to a tax at death that can be near impossible to cover for the generation that will continue a legacy.

*Telect is a manufacturer of broadband wireless, wireline, and data center products. Telect has three facilities with corporate headquarters in Liberty Lake, Washington, and manufacturing in Plano, Texas, and Guadalajara, Mexico. Wayne and Terina Williams have been married for 30 years and have three married children – all involved in entrepreneurial activities in and around Telect. Wayne is a member of the Pacific Northwest Chapter of YPO-WPO and is a graduate of Harvard Business School's Owner President Management Program.*



# On the Road to Charter Schools in Washington State

By Lisa Shin, WPC Communications Director



*Kydea of First Place Schools.*

In November 2012, Washington became the 42nd state to allow public charter schools. Washington Policy Center reinvigorated the discussion about charter schools with its study, *“An Option for Learning”* in 2011. Allowing charter schools has been a long-standing WPC recommendation. Our Center for Education has been monitoring the implementation of I-1240 as part of our I-1240 Charter School Follow-Up Project.

The Washington Charter School Commission was formed last year and began accepting applications in 2013. Out of the 19 applications considered, the Commissioners, led by Chair Steve Sundquist, approved seven schools to open in the Puget Sound area: two in Seattle, three in Tacoma, one in Highline and one in Kent. Earlier, Spokane School officials announced approval of PRIDE Prep charter school, meaning the maximum number of schools allowed in the first year under the law’s charter school cap have been approved. Eight more schools are allowed every year for the next four years, up to a statewide limit of 40 charter schools.


Here are the eight charter schools that have been approved. Together these schools will serve 3,565 children:

- **First Place Scholars**—to open in Seattle this fall 2014. First Place educators work to educate children who have suffered from poverty, trauma and homelessness. Their teachers are skilled at reaching out to these deeply hurt, very poor children; children who do not fit into the standard public school program.
- **Excel Public Charter**—to open in Kent the fall of 2015.
- **PRIDE Prep**—to open in Spokane the fall of 2015. PRIDE was the first charter school in Washington to be approved.
- **Rainier Prep**—to open in Highline the fall of 2015.

- **Green Dot**—to open in Tacoma the fall of 2015.
- **SOAR Academy**—to open in Tacoma the fall of 2015. This charter school is designed to meet the needs of the disadvantaged students residing on the Hilltop area.
- **Summit Schools**—to open Summit Sierra in Seattle and Summit Olympus in Tacoma the fall of 2015.

“The future looks brighter now for parents and for school children, especially for families who are now allowed access to a good education at a new local public charter school. For children who are not well-served by their standard public school, attending a charter school can significantly improve the odds they will graduate from high school and attend college,” remarked Liv Finne, director of WPC’s Center for Education.

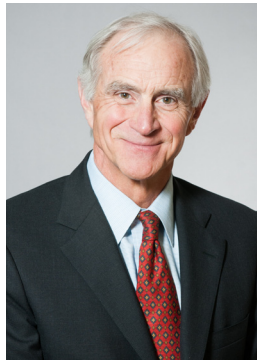
Although the Commissioners approved the maximum allotment of eight charter schools this year, they also turned down 12 charter school applications, meaning 4,900 children who would have been served have been asked to wait. The Commission noted the strength of many of these applications, and encouraged them to resubmit their plans next year. The artificial cap imposed by the law denies thousands of school children access to a public charter school and a better education.

The charter school law has been called the most significant education reform our state has seen in 30 years. Washington Policy Center will be working to ensure these schools are successful and to help pave the way for additional reform to benefit the schoolchildren of our state. 

# POINT OF VIEW

## ObamaCare is four years old – what does implementation look like?

by Roger Stark, MD, FACS  
WPC Health Policy Analyst



PRESIDENT Obama signed the Affordable Care Act (ACA), or Obamacare, four years ago, yet the sweeping health care law remains unpopular with Americans. The Rasmussen poll reported in early March 2014 that 56 percent of voters had an unfavorable opinion of the ACA. This number has

not changed significantly over four years. Many early supporters of the law, including some labor unions, are now dissatisfied and oppose Obamacare.

The law affects all aspects of our health care delivery system, is extremely complex and was passed without any Republican votes, all core factors that contribute to its unpopularity. To compound matters, there have been at least three dozen major revisions or delays in the law's implementation.

Through the parts that have been implemented, Americans are beginning to see the effects of the ACA. The mandate requiring every adult to own government-approved health insurance began on January 1, 2014. In Washington state, 290,000 people were forced to change health insurance policies against their will. In most cases, their new plans are more expensive. The Obama Administration delayed the employer mandate for two years, until 2016. It is estimated that one third of workers will be forced to change health insurance plans when the full effect of the employer mandate begins.

In 2009, the non-partisan Congressional Budget Office (CBO) estimated the cost of the ACA would be \$940 billion over ten years. The CBO now figures the cost will be nearly \$2 trillion, financed


by a \$716 billion cut in Medicare and over \$1 trillion in new taxes. On average, Americans will experience a 40 percent increase in their insurance premiums. Obamacare will not lower the cost of health care by \$2,500 per family, as promised.

The implementation of the government health insurance exchanges has been a near-disaster. The federal exchange is used by 36 states and has been fraught with massive technical and security problems. Washington state chose to set up its own exchange. Although ours is functioning better than the federal exchange, it is in jeopardy of a financial death spiral. Only 14 percent of the 800,000 enrollees have purchased private insurance. The other 86 percent have enrolled in the taxpayer-financed Medicaid entitlement.

Even on the private side of our exchange, only one in five enrollees is in the 18 to 34 age range. With so few young and healthy people paying in to offset the cost of older, sicker individuals, and with such a huge Medicaid enrollment, the Washington state exchange faces severe financial difficulties. This puts taxpayers at risk for higher taxes.

Even supporters of the ACA now admit that 25 to 30 million Americans will not have health insurance when the law is fully implemented. This represents at least half of the number of uninsured when the law was passed in 2010.

The overall implementation of the ACA has been erratic and disappointing. The law is too complex, too costly and forces a huge regulatory burden on Americans. It is emerging as critics predicted, as a centrally-planned government takeover of our health care system.

Successful health care reform should be based on three principles that put patients in charge of their health care. First, patients, as consumers of health care, should have insurance choices with stable premiums and plans that fit their needs – not government mandated insurance. Second, patients should have security to know they can get medical care when and where they need it. Finally, patients should have protection to know health care is accessible, even with pre-existing conditions. As Obamacare enters its fifth year, more and more people are looking for alternatives, ones that take a fresh approach to reform using these patient-centered principles. 





# Reform public employees', officials' pensions

By Jason Mercier, Director, Center for Government Reform



ONE of the most controversial debates sweeping the country is whether taxpayer-funded pensions for government officials should be changed to more closely reflect those pension benefits available to workers in the private sector. Aside from being a debate about fairness, there also is

the very real concern about the cost of government pensions and those funds not being available for other budget priorities.

Though Washington's issues are a far cry from the pension problems facing some states, taxpayers here still face almost \$6 billion in unfunded pension liabilities. There is also the fact the private sector has been moving steadily away from costly defined benefit plans for decades (typical of those offered to government employees), instead offering employees defined contribution pensions that provide retirement payments to an employee's pension, while helping companies accurately project future pension costs.

Two bills in the legislature last session would have moved the state in this direction (SB 5851 and SB 6305). Neither was ultimately adopted by lawmakers, however.

SB 5851, "creating a defined contribution retirement plan option for public employees," would set up a new optional defined contribution pension plan for current state workers and for new hires. The proposal could save state and local government (that is, taxpayers) an estimated \$436 million over the next 25 years.

A different proposal, SB 6305, "creating a defined contribution retirement plan option for elected officials," would set up a new defined contribution

plan for public officials elected to office after July 1, 2016. The fiscal note for SB 6305 is "indeterminate," but the bill could result in state and local government (taxpayer) savings of \$92 million over the next 25 years. Those elected officials who are currently members of the PERS pension system and are over age 50, and all elected judges would have the option of remaining in their current pension plan.

According to the National Conference of State Legislatures, new lawmakers in several states receive no pension for legislative service. This includes lawmakers in California. Also, Oregon lawmakers in a special session last year closed the state's pension system to newly elected lawmakers.

While considering pension reforms like SB 5851 and SB 6305 again next year, it is important to maintain diligence on the state's existing pension obligations. Part of what has contributed to the state's almost \$6 billion unfunded pension liability is that legislators and past governors have not made the required contributions over the past decade, so lawmakers could spend that money on other programs. Washington's multibillion-dollar pension problem was not created overnight, so it will take time to pay off these unfunded liabilities.

Although Washington has already implemented many of the pension reforms just now being considered across the country more still can be done to limit future taxpayer liability for pension payments and the share of the general fund devoted to pension costs, while still providing a retirement benefit for public service.

For future pension benefits, it would serve the public interest for Washington to transition to a defined contribution plan as laid out in these two proposals. Any long-term savings realized by these reforms could then be used to pay down the state's multi-billion dollar unfunded pension liability, to reduce the temptation for lawmakers to increase state spending elsewhere in the budget.

WPC is also working with former State Auditor Brian Sonntag on a longitudinal City of Seattle pension reform project, including a video and the policy brief *The City of Seattle Pension System - A New Approach is Needed*. For more information, visit [www.washingtonpolicy.org/SeattlePension](http://www.washingtonpolicy.org/SeattlePension).





# Minimum Wage, Maximum Controversy

*WPC informs the debate around raising the minimum wage*

By Lisa Shin, WPC Communications Director and Erin Shannon, WPC Center for Small Business Director



Students, voters and elected officials listen to panelists debate the minimum wage at WPC's Minimum Wage Debate at Gonzaga University on April 3rd.



Recently, hundreds of students, business owners and engaged citizens gathered at “The Minimum Wage Debates,” statewide events held at the University of Washington and Gonzaga University, sponsored by WPC’s Young Professionals group.

The debates were moderated by award-winning political journalist Robert Mak and Nadine Woodward from Spokane’s KXLY. The panelists were comprised of national economists, policy analysts, lawmakers and local small business owners. They discussed the impact of minimum wage hikes at the local, state and national level.

The debates were reflective of how emotionally charged the topic is currently, and the pro and con panels responded to questions and made their case.

In Washington state, the debate surrounding minimum wage has only built momentum. Last year, voters passed an initiative increasing the minimum wage for some workers to \$15 an hour in the City of SeaTac. A \$15 wage initiative has recently been filed in Seattle for the upcoming November ballot. However, in Seattle, some of the city’s most liberal business owners and nonprofit organizations are sounding the alarm at such a dramatic minimum wage increase.

Earlier this year, *The Seattle Times* featured three prominently left-leaning business owners who said a \$15 minimum would hurt their business.

Molly Moon Neitzel, owner of several ice cream shops, is an active member of the progressive Main Street Alliance of Washington, which advocates for mandated paid sick leave and counts Obamacare among its top accomplishments. Neitzel hosted a press conference with some members of our state’s Congressional delegation pushing for a higher federal minimum wage but admitted the \$15 wage movement in Seattle might go too far.


Restaurant owner John Platt, described by *The Seattle Times* as a “liberal do-gooder” who routinely feeds the homeless, offered a stronger opinion of Seattle’s proposed \$15 minimum wage. He called such a wage “outlandish” and “radical,” and said he would be forced to either close his business or eliminate the health coverage he currently provides. Platt said the wage movement was becoming “cultlike” with dissenters being attacked for being “too rich” or “exploiting the working poor.”

Bill Hobson, director of Seattle’s nonprofit Downtown Emergency Service Center, says the wage hike would devastate his organization’s efforts to help the homeless. A \$15 wage would force him to cut services, which include providing shelter, care and counseling to the city’s thousands of homeless people. Hobson said “We can’t talk about income inequality and act like the \$15 wage is cost-free, with the burden borne only by someone else. We have to address how we’re going to pay for it.”

The federal minimum wage is \$7.25 per hour and our state’s wage rests at \$9.32, the highest of any state in the nation. The minimum wage was established by Congress in the Fair Labor Standards Act, passed in 1938. From the beginning, policymakers never intended the minimum wage to be the sole source of household income or provide “livable” support for a family. Rather, the intent was to ensure a reasonable wage for workers who could not command higher pay in the labor market because they had little or no work skills, such as young people just entering the work force.

Accordingly, current data shows that very few workers earn the minimum wage. Of those who do earn the minimum, most are young, are usually enrolled in school and work part-time. Very few are the sole providers for a family. Less than 3 percent of all workers in the US earn the federal minimum wage, and 85 percent of minimum wage workers live with their parents or another relative, live alone or have a working spouse. The average family income of a minimum wage earner is \$53,000 per year.

Employment for low-skilled workers tends to decline when the minimum wage is raised. The overwhelming majority of studies have shown that a high minimum wage decreases employment opportunities—the bigger the increase, the more negative the impact on employment. And it is inexperienced workers, such as young people, who suffer most when the minimum wage is increased because job opportunities for the lowest skilled workers disappear. The fewer skills and experience a worker has, the less their output is worth to employers, and when their output is worth less than the mandated minimum wage, employers opt to hire more skilled workers.

As the debate over the minimum wage continues, Washington Policy Center will continue to provide clear, research-driven, detailed analysis on how a possible wage increase would affect employers, employees and citizens of our state. 



# WPC Impact on the Legislative Session

With seven minutes to spare, the legislature adjourned at 11:53 p.m. on the last day of the scheduled 60-day session, avoiding a costly special session for the first time in several years. Unlike previous years, when mid-cycle budget bills boosted spending significantly, lawmakers passed a truly supplemental operating budget making minor adjustments to state spending. This was possible due to an improvement in the state's revenue forecast and adherence to the state's landmark four-year balanced budget requirement.

Upon reviewing the proposed budget, our education expert, Liv Finne, identified a section of the House Amendment to the Senate Budget bill, which would have required transportation funding for charter school students to be calculated incorrectly and in violation of the voter-approved charter school law. After notifying the chairs of the budget committees, \$1.3 million was saved from being cut from charter schools.

Lawmakers failed to reach agreement on a tax transportation package, which avoids a gas tax increase for now, but leaves many of the state's road and highway needs unmet. There are some whispers that a "lame duck" special session could be held after the election to vote on various transportation tax increases. Washington Policy Center has long recommended restoring congestion relief as a transportation goal. Other policy recommendations include: not allowing driver-paid taxes and fees to subsidize other modes of transportation, not creating a state-level tax or fee to fund local transit agencies, to stop diverting existing transportation taxes to pay for non-highway purposes and to reduce unnatural cost drivers that make transportation projects more expensive.

The good news for taxpayers is lawmakers did not enact any general tax increases, despite support by some lawmakers for higher taxes on employers and imposing a state income tax. State-funded Cost of Living Adjustment (COLA) for teachers was also a topic of debate during the session and Washington Policy Center's analysis showed that teachers were already receiving pay raises, resulting in the legislature not adding an additional raise.


Casting a strong shadow over the 2014 supplemental budget debate was the Supreme Court's ruling in the two-year old McCleary K-12 funding lawsuit. A new order the Court issued on January 9th indicated justices wanted lawmakers to significantly increase K-12 funding in the 2014 supplemental

budget. The Court's detailed budget directives to the legislature raise separation of powers concerns among lawmakers. Washington Policy Center published an analysis of the latest McCleary court order, revealing to the legislature that the Supreme Court was attempting to write an education budget, encroaching on their constitutional duties. Superintendent of Public Instruction Randy Dorn attempted to introduce a bill proposing a \$7.5 billion increase in taxes to fund McCleary. WPC released a study based on the STAMP economic model showing that 18,500 jobs would be lost if these tax increases were passed.

Some victories for small businesses and entrepreneurs in our state included: not passing proposals that would have required employer-paid sick leave and paid vacation hitting business owners with a combined annual increase of \$1.1 billion to the cost of doing business, and increasing the state's minimum wage by 29 percent to \$12 per hour. However, one bill that did pass was HB 2023, The Washington Jobs Act, allowing for crowdfunding for certain small securities offerings. Washington Policy Center published an analysis on this bill, and after distribution by legislators on the floor of the Senate, HB 2023 passed nearly unanimously and was signed into law by the Governor.



*Following WPC's recommendation, on March 26, Governor Jay Inslee signed HB 2023. Lisa Shin, WPC Communications Director, stands fourth from right.*

The 2014 election will provide voters the opportunity to pass their own judgment on what direction they would like the 2015 legislature to take, and how lawmakers can best keep the state's budget on a sustainable path while resisting the constant political pressure to increase spending. If lawmakers can keep a lid on the financial burden they impose on citizens, Washington is primed to enter a period of strong economic recovery and growth. 



# Growing our IMPACT



Scott Rasmussen at WPC's Solutions Summit, signing his latest book, *The People's Money*.



WPC's annual Legislative Briefing in Olympia.



Dr. Ben Carson at WPC's Annual Dinner.



Sen. Andy Hill, Reason Foundation's Leonard Gilroy and Hon. Brian Sonntag addressing a panel at WPC's Western Washington Solutions Summit.

# 2013 ANNUAL REPORT



# East of the CASCADES

No other research organization in Washington state is committed to Eastern Washington like Washington Policy Center. WPC opened its first Eastern Washington office with Eastern Washington Director Chris Cargill nearly five years ago and has since increased in stature as the most trusted public policy organization in the region.

In 2013, WPC held nearly a dozen events in Eastern Washington, including our Annual Dinner, Health Care Luncheon, Solutions Summit and Wake-Up Forums. Collectively, nearly 2,000 attended our Eastern Washington events last year.

The Wake-Up Forums - which connect constituents to their legislators via video conference during the legislative session - have been a model for citizen participation in the legislative session. WPC is proposing to extend an opportunity for all citizens of the state to participate and testify - not just those living close to Olympia - using technology that is readily available.

Commitment to Eastern Washington is about more than events - it's about impact. And that's why WPC ideas and recommendations are being used by lawmakers and citizens across Eastern Washington to change their communities for the better. In 2013, WPC was proud to recommend changes to the way cities in Eastern Washington raise the financial burden they place on citizens. WPC suggested a two-thirds supermajority requirement to raise taxes at the local level. In February, Spokane voters approved the charter change. In November, Yakima voters followed suit. Because of WPC's work and your support, it now takes more agreement by lawmakers to increase a citizen's tax burden.



In 2013, Spokane voters approved WPC's supermajority amendment recommendation.

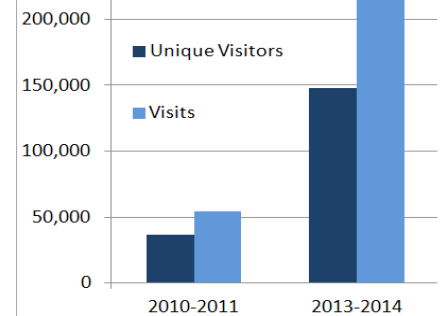


WPC's 1st Solutions Summit in the Tri-Cities was attended by more than 300 citizens, elected leaders and experts including Dr. Shelley Redinger of Spokane Public Schools (above left) and Cindi Williams of the Washington State Charter Schools Commission (above right). The half-day policy conference was covered extensively by newspapers and television stations throughout the mid-Columbia.

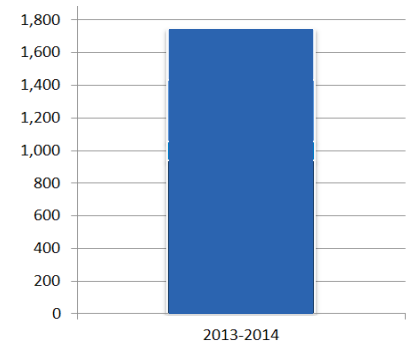
## TOTAL EVENT ATTENDANCE

# 4,260

## WEBSITE TRAFFIC



## MEDIA APPEARANCES



WPC appeared in the media an average of **5** times per day

## 2012 REVENUE:

# \$2,014,292

## 2013 REVENUE:

# \$2,273,556

Support for WPC's work increased by

# 12

## PERCENT

for our best year yet



## CENTER FOR THE ENVIRONMENT

The *Wall Street Journal* named Environmental Director Todd Myers one of their Energy and Environment Expert Panelists. Todd wrote several pieces for the *Journal* during the course of the year on a range of issues.

The Environmental Center also had a strong influence on the direction of climate policy in Washington. Governor Inslee included a key metric of environmental effectiveness we proposed in his signature climate legislation. That information was later useful in highlighting proposals that had high cost and low environmental benefit, such as the low-carbon fuel standard proposed by the Governor. Todd was also quoted nationally regarding the Pacific Coast Climate Action Plan.

The City of Spokane also adopted a WPC-proposed change to its climate policy, requiring examination of the effectiveness of policies included in its climate strategy. WPC analysis was also a part of the most high-profile environmental debate of the year regarding the labeling of biotechnology crops. Our analysis of I-522 was mentioned by media outlets and referenced during the campaign.

## CENTER FOR EDUCATION

In 2013, as part of WPC's Initiative 1240 Follow-Up Project, the Center for Education's Liv Finne reported on the implementation of the new charter school law approved by voters in November 2012. The Center published *"How to Open a Charter School in Washington State"* and *"Summary of the lawsuit against charter schools."* The Center also published numerous blog posts describing the plans and hopes of school districts and communities applying to open charter schools to disadvantaged school children across the state. The Center also examined charter school funding to ensure charter school students receive equitable funding, as required by the charter school law.

The Center for Education also published school performance results on the State Board of Education's School Achievement Index and continued its reporting on school finance issues in conventional public schools. The Center also followed gubernatorial efforts to improve the schools with *"Inslee's next assignment: the teachers' union"* and the policy brief *"Governor Gregoire's Education Legacy."*

## CENTER FOR GOVERNMENT REFORM

63 percent of statewide voters followed our recommendation to reject Initiative 517 (changes to the initiative system) saving the state and businesses years of costly litigation to determine if the measure infringed on private property rights. Voters in Yakima and Spokane also followed our recommendation to enact a local supermajority vote requirement to raise taxes.

Lawmakers continued to show interest in Center Director Jason Mercier's proposal to replace the state's hated Business & Occupation tax with a Single Business Tax, providing us the opportunity to present on the issue at legislative work sessions.

Three bills also passed the legislature and were signed into law by Governor Inslee in 2013 reflecting WPC recommendations: providing additional transparency for state capital and transportation projects (HB 2058), requiring an inventory of state fees (SB 5751) and requiring a performance statement before tax preferences are enacted (SB 5882).



## CENTER FOR HEALTH CARE

WPC continues to actively participate in the debate over the Affordable Care Act, or Obamacare. Health Care Policy Analyst, Dr. Roger Stark, has testified twice before Congress on several aspects of the ACA. He has been busy speaking to groups across the state. People in our region want to know what's in the ACA and more importantly, how the new law will affect them.

The 12th Annual Health Care Conference, scheduled for May 13th, will be devoted to the implementation of Obamacare with emphasis on the impact to businesses. Katie Mahoney, the Executive Director of Health Care Policy with the U.S. Chamber of Commerce, will be the featured luncheon speaker in both Bellevue and on May 14th in Spokane.

WPC updated our popular *"Impact of the ACA on Washington State"* publication and released the new version that provides a concise review of the law and discusses the impact of the ACA on various demographic groups in our state.

## CENTER FOR SMALL BUSINESS

The Center for Small Business' Erin Shannon was invited by lawmakers to testify before the legislature on 18 bills related to WPC recommendations to improve the state's small business climate.

WPC responded to the growing minimum wage debate by releasing a comprehensive study of the City of SeaTac's controversial initiative mandating an unprecedented \$15 minimum wage, paid sick leave and other requirements for some workers. The study received national attention and WPC was quoted in *The Chicago News Tribune*, *Los Angeles Times*, *Washington Post* and *Businessweek*.

The Center wrapped up the year with the highly successful "Is Right-to-Work Right for Washington?" small business panels with standing room only at WPC's first ever Solutions Summit in Tri-Cities and Bellevue. The day after participating in the panel, Senator Baumgartner called on Governor Inslee to convene a special session to pass "right-to-work" legislation.

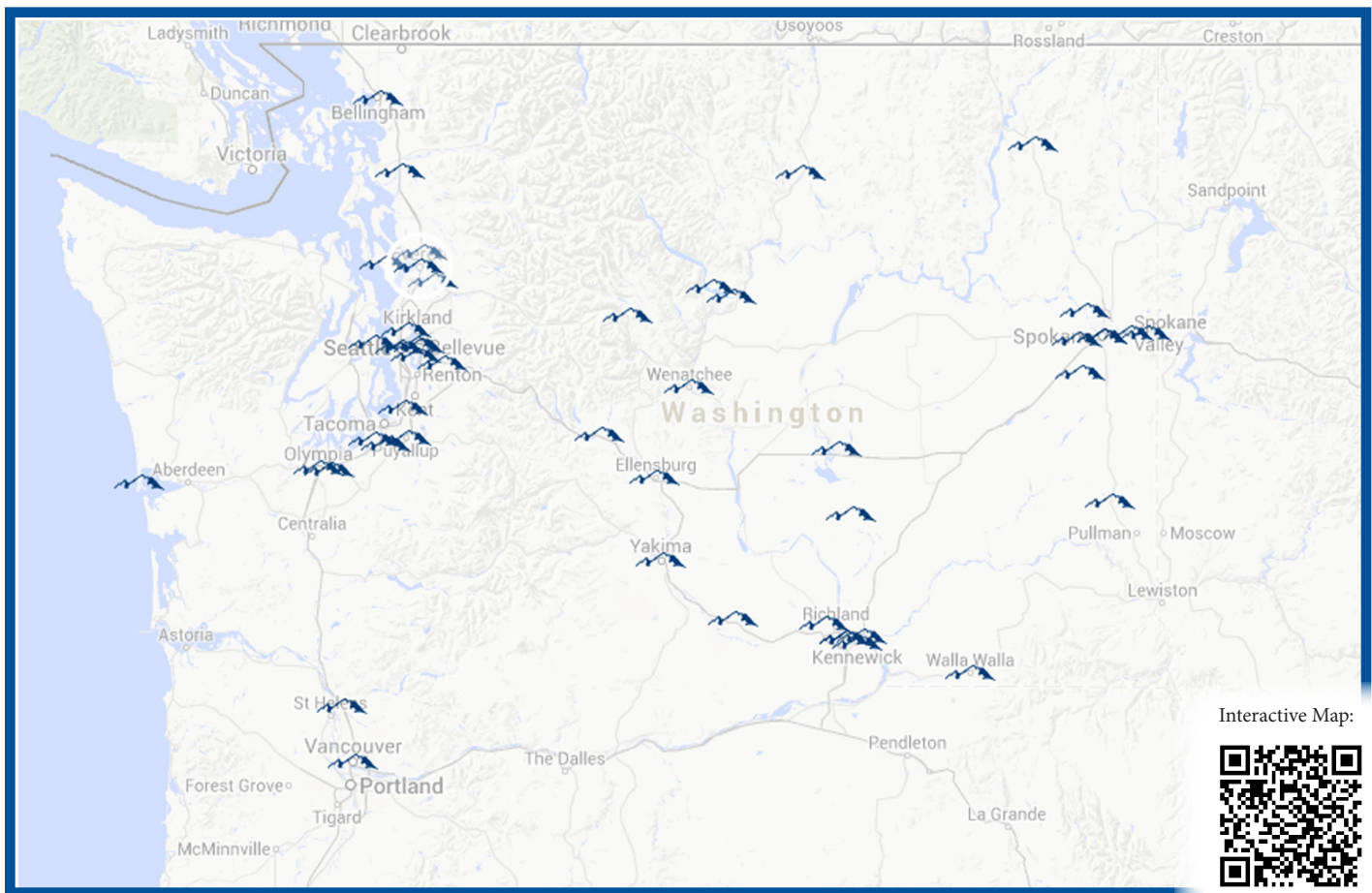
## COLES CENTER FOR TRANSPORTATION

In May 2013, the Skagit River Bridge collapsed. In response, state leaders immediately began building a replacement span to keep traffic flowing on Interstate 5. By September, the permanent span was put in place. WPC's Coles Center for Transportation recommended using the lessons learned on the bridge rebuild on every road and bridge project in the state, by reducing costs and unnecessary delay.

A number of WPC recommendations were reflected in legislative proposals. Center director Bob Pishue testified by invitation before state leaders on the importance of congestion relief, the diversion of transportation tax dollars to other purposes, and the artificial policies that increase the cost of building roads and bridges.

WPC also commissioned our biennial transportation poll, showing voters are dissatisfied with how state officials are managing Washington's transportation problems.

## *Where was WPC last year?*



*Last year, WPC staff spoke to over 100 groups around Washington state. With four offices and a full-time staff of seventeen, WPC has a truly statewide presence.*