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Majority Coalition Caucus Chair
Committees: Health Care; Rules; Ways and Means

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Dear Friends,

This year's regular legislative session ended on schedule yesterday. Unfortunately, because our work was not completed by the end of the day, Governor Inslee called the Legislature into a "special" session, which began immediately. I am disappointed but not surprised.

A special session is limited by our state constitution to 30 days. I hope it concludes long before that. Please keep reading for a brief update about decisions still to be made.



This week's *In Touch* includes:

- Senate budget committee puts updated proposal on the table
- Senate, House agree on policy "fix" for public charter schools
- Legislature passes the most-worked bill in modern history

With Senate Majority Leader Mark Schoesler, from Ritzville; as the two top leaders in the Senate majority, and members of the Senate Ways and Means Committee, he and I are particularly busy at this stage of a session, meeting with other leaders to work out agreements.

Revised Senate budget introduced today; still balanced without tax increases

As I have mentioned, the purpose of a supplemental budget is to make revisions in the underlying two-year budget. The updates respond to emerging situations, and costs that could not be anticipated (such as the total cost of fighting the previous year's wildfires).

We also correct what had been estimates of caseloads, now that real numbers are in hand -- such as the actual number of students enrolled in our schools and people receiving social and health services.

To quote the governor from Thursday night, when he talked to reporters about calling the Legislature into a special session, what the Senate and House of Representatives need to do this year is "make some relatively minor adjustments and address a very small number of urgent budget issues relating to wildfire and mental health."

The 2016 supplemental budget approved by the Senate on Feb. 26 met those standards. Our budget was a great starting point for negotiations. The House, however, did not produce a corresponding proposal.

Today at 11 a.m. our Senate Majority Coalition Caucus put version 2 of a supplemental budget online (click [here](#) for the documents). It still balances without tax increases; here are some of the changes:

- Taps the state's Budget Stabilization Account (better known as the rainy-day fund) for \$190 million to cover the 2015 wildfire costs – a position I can support, as it was an emergency situation.
- Does not require merging two of the state's older pension plans, which have been closed to enrollments since 1977; the proposal is being referred to the Select Committee on Pension Policy.
- Restores support to the Municipal Research Service Center, which is used by local governments.
- Does not take any of the Regional Support Network reserves.

It is my hope that the Senate and House Democrats will view this as very close to a "go-home" budget. We will know more on Monday.

What do lawmakers still need to accomplish?

A supplemental operating-budget agreement will not be limited to the bill that lays out spending adjustments. We instead will be voting on a package of legislation – the spending changes plus bills that are "necessary to implement the budget." These "NTIB" bills include policy bills, including some I introduced:

- [Senate Bill 6657](#) – the Wildfire Management Act, which I introduced to collect the best parts of the various wildfire-related bills proposed earlier in our session.
- [SB 6316](#) – my bill allowing Pateros, Chelan and Wenatchee a way to finance new infrastructure for property in designated disaster areas.

Western State Hospital: Of all the revisions proposed in the Senate supplemental budget, one of the more significant ones involves the Department of Social and Health Services' mental-health program. We provide funding to hire an on-site safety compliance officer; open two wards for civilly committed patients; hire two staff members to work on discharge planning and coordinate with regional support networks; increase compensation for certain jobs; and more.

This is important because Western State – located in Lakewood, Pierce County, and the counterpart of Medical Lake's Eastern State Hospital – represents one of the ongoing management scandals in state government. Click [here](#) to read this news report explaining the situation.



Students from the Wenatchee Valley Technical Skills Center came to visit the Capitol yesterday; at my request the president of the Senate asked them to stand and be recognized.

Capital budget: The Senate passed its supplemental capital budget in late February. The House version won budget-committee approval but was not brought for a full House vote. The primary purpose of the capital budget is to pay for construction of and improvements to public facilities; in 2015 and again this year, the Senate version is strongly focused on creating more classroom space to accommodate efforts to reduce class sizes in grades K-3. It also would make major new investments in facilities for mental-health treatment. Like the operating budget, this is a work in progress.

Charter school remedy approved, as is supplemental transportation budget

One of the first bills the Senate passed this year is Senate Bill 6194, to change how public charter schools are financed. This would resolve the questions raised by the state Supreme Court this past September when it declared the charter-school financing mechanism to be unconstitutional.

The House finally passed SB 6194 on Wednesday, with changes that the Senate agreed to yesterday. This legislation will allow the public charters to continue operating.

I understand why many in “traditional” K-12 education have concerns about non-traditional schools; at the same time, however, a traditional school simply does not work for every student. I say this as someone who has served on school district and educational service district boards in our area, and is a staunch supporter of our public-school system. Our focus should be first and

foremost on providing parents with options that can lead to successful educational outcomes for their children.

Already, eight public charter schools in our state are educating more than 1,000 children from Seattle to Spokane. I am in favor of keeping this option open for families and pleased that we reached an agreement to do so.

- **Supplemental transportation budget:** this includes some funding revisions that will allow progress on some additional projects across the state. It also directs \$5 million to the Washington State Patrol for an officer-retention effort that will give 5-percent raises to troopers, sergeants, lieutenants and captains.

Two more Parlette bills to become law

The good news is that Senate Bill 5857 is finally going to become part of the state code. The not-so-good news is that Senate Bill 6274 also will become law, but expire much sooner than I intended. I will begin with that:

- **Salmon-steelhead program:** [SB 6274](#) will extend the Columbia River recreational salmon and steelhead endorsement program (which was established on a pilot basis by legislation I introduced in 2009). The small cost of the fishing-license endorsement helps pay for fish counters and enforcement of wild/hatchery catch restrictions. The idea has been so successful that Oregon has basically copied it.

As passed by the Senate, SB 6274 would have extended the program until 2022. In the House, however, two members whose districts include commercial salmon fishers objected to such a long extension and changed it to just one year. I did not want to agree but it was the only way to get the bill through. As a result this will be back on the to-do list in 2017.

- **Fair treatment of pharmacies:** Years of effort culminated this week in the final legislative approval of my bill to help pharmacies obtain proper reimbursement for the drugs they buy to fill prescriptions.

Drug reimbursements are a complicated matter, with many stakeholders. The bottom line is simple, however: If a pharmacy spends a hundred or a thousand dollars on a drug that it uses to fill prescriptions yet is only reimbursed a dollar, that's a problem. I do not want to see a pharmacy leave a community or neighborhood because it continues to lose money on reimbursements.

This new law finally creates an appeal process for Washington pharmacies seeking proper reimbursement through the pharmacy benefit managers (PBMs) that exert strong influence over the nation's prescription-drug supply chain. The benefit for consumers is easy to see: if this saves your local pharmacy from closing, it also saves your convenient access to medication.

Click [here](#) for more about this important new law and why I have not seen another measure that is as well-worked as [Fifth Engrossed Substitute Senate Bill 5857](#).

Comings and goings in the Senate

This week, in between votes on legislation, we marked the impending departures of six people who have served with distinction in the Senate chamber. It was a time for many speeches and sharing stories, all with a mix of sadness that a friend is leaving and joy that she or he is voluntarily moving into a new chapter of life.

- Lt. Gov. Brad Owen announced Tuesday that he is not seeking re-election after what will be 40 years as a Democrat legislator from Mason County: six years in the House, 14 in the Senate, and two decades as the president of the Senate. and acting as head of state when the governor is away.
- Senator Karen Fraser, a Democrat who has served as a legislator for the Olympia area since 1989 (since 1993 as a senator), is stepping down from her seat for a run at the seat being vacated by Lt. Gov. Owen. Senator Fraser became chair of her caucus in 2011 – a position I have held in our caucus since 2006 – and I have appreciated working more closely with her these past five years.
- Senator Jim Hargrove, a Hoquiam Democrat, surprised many by announcing he will not seek re-election after what will be 32 years as a lawmaker. He served four terms in the House, moving to the Senate in 1993 for six terms. He shares my interest in health and human services, and as a longtime professional forester from the coast, my desire to improve the health of our forests. In recent years he has been a key player in helping our MCC construct its string of no-new-taxes Senate budgets.
- Senator Mike Hewitt disclosed early on in this session that he would not seek a fifth Senate term from the 16th District (Columbia, Walla Walla and parts of Benton and Franklin counties). He came to the Senate in 2001 and became Senate Republican leader in 2006, the same year I began serving in the second-highest caucus position – that of chair. He stepped down as Republican leader at the end of 2012 but continued his solid work on our budget committee, and on issues of concern to veterans, small business, and the wine industry. I suspect there is much fishing in his future!
- Senator Don Benton, from Clark County, also announced earlier this session that he would not seek a sixth Senate term, meaning his service will end at 22 years (counting a term in the House). He has been a passionate voice in the Senate chamber as well as in MCC meetings and is especially knowledgeable about property rights and the Senate rules and procedures.
- Senator Bruce Dammeier is the third member of our Senate majority – along with Senators Hewitt and Benton – to be moving on, but he is not retiring. After two terms in the House and one in the Senate, serving from his hometown of Puyallup, he will leave to run for Pierce County executive. Senator Dammeier has been a leading voice for

education, including service as the vice chair for education on the Senate Ways and Means Committee. I wish he was staying, but I understand.

I welcome your questions and comments and hope you won't hesitate to contact me using the information above. Thank you for the honor of representing you in the Washington State Senate.

Warm regards,

Linda

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