

## MEMORANDUM

From: Tom McBride  
Subject: September 2018 Washington State Interim Report  
Date: September 4, 2018

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The August 7 primary election is certified and the slate of candidates for the Washington State Legislature is set. The general election is November 6. Also on the general election ballot are several high-profile initiatives discussed in this report below. The Democrats fared extremely well in the primary. If the trend continues the Democrats could significantly increase their majority in the State House and expand their majority in the State Senate.

Following the general election vote in November, the House and Senate will move quickly to reorganize and prepare for the 2019 legislative session. The Senate will meet on November 14 and 15. The House will meet December 3 and 4. Joint Assembly Days with the House and Senate will be December 5.

During this interim Governor Inslee's office is busy working on his proposed 2019-21 operating, capital and transportation budgets. Those budgets will be released in mid-December well ahead of the 2019 legislative session. Not up for election this cycle, Governor Inslee is also traveling the country supporting gubernatorial Democratic candidates in other states.

Below is a summary of political and legislative highlights in Washington State over the past month with a look at September.

### **General Election Initiatives**

#### *I-1631 Carbon Fee*

An initiative (I-1631) to introduce a carbon fee on fossil fuel emissions will be on the ballot this November. The measure would direct revenue from the fee to projects aimed at combating climate change. As explained in this [Bloomberg article](#), I-1631 would be the first direct fee or tax on carbon emitters in the nation. Beginning in 2020, it would implement a fee of \$15 per metric ton of carbon content, with a scheduled \$2 per year increase, plus inflation. It does include exemptions for some sectors.

#### *I-940 Use of Force*

The Washington State Supreme Court ruled Use of Force Initiative 940 will be allowed to go on the November election ballot. I-940 removes the willful intent standard currently in place in Washington's Use of Deadly Force statute. Changing the standard would make it easier for prosecutors to obtain a conviction of law-enforcement officers who have allegedly misused deadly force. During the 2018 session, stakeholders had come to an agreement on this issue with the passage of [ESHB 3003](#). Stakeholders believed the bill's passage would prevent the need for the initiative to appear on the ballot. However, as explained in this [Seattle Times article](#), I-940 will be on the ballot this November.

### *I-1639 Relating to Purchasing Semi-Automatic Assault Weapon*

Initiative 1639 proposes to raise the minimum age to purchase a semiautomatic assault weapon to 21 years. If passed, I-1639 would also create enhanced background checks for these weapons and require additional safe storage rules. Due to some issues with how the initiative was written, it has been held up in legal proceedings over whether the initiative can go on the general election ballot. On August 24 the Washington Supreme Court reversed a Thurston County Superior Court decision and ruled that the initiative will appear on the ballot. The ruling is explained in this *Seattle Times* [article](#).

## **Budget**

### *Marijuana Excise Tax Revenue*

Revenue from marijuana sales is projected to bring in \$194 million in excise taxes in 2019, but past collections have exceeded projections. The current 2017-2019 state budget allocates 61% of the revenue from marijuana to help pay for health care. Already Sen. Rivers (R-Vancouver) has stated her plans to propose changing the allocation formula to use more marijuana revenue to fund opioid addiction treatment. Sen. Carlyle (D-Seattle) is cautioning against making any marijuana distribution formula changes until lawmakers have more data to adequately project this revenue stream. This KING 5 [news story](#) provides interactive tables explaining how Washington State spends marijuana excise tax revenue.

## **Business & Labor**

### *Trade War Concerns Expressed by Governor*

Washington State Governor Jay Inslee (D) expressed his concerns that a trade war would negatively impact Washington State. As reported in this *Tri-City Herald* [article](#), Inslee met with fruit growers in the state and projected a trade war would have negative financial impacts on fruit growers in the range of millions of dollars.

## **Environment**

### *EPA Coal Burning Rule Change May Spark Lawsuit*

Washington State is expected to sue the Environmental Protection Agency (EPA) over newly announced coal rules. As explained in this *Spokesman-Review* [article](#), the state would most likely join other states in a lawsuit. This would occur after the rule allowing more coal burning is final. The proposed EPA rule change has not yet been made public.

### *Environmental Impacts*

The environmental impacts of growing and selling marijuana legally in Washington State were closely examined in this *Washington Post* [article](#). Packaging waste and fertilizer runoff were specifically pointed out for harming Washington State's environment.

## **Natural Resources**

### *Wildfire Emergency Proclamation*

On July 31, Governor Inslee signed a wildfire emergency [proclamation](#) for all 39 counties in Washington State. The proclamation was issued to ensure immediate response of firefighting resources. Both Western and Eastern Washington State have and continue to experience poor air quality as a result of wildfires as explained in this Associated Press [article](#). This NPR [news story](#) takes a closer look at how Washington's agriculture economy is being negatively affected by wildfires, including a labor shortage caused by poor air quality.

### *Increased Hunting & Fishing License Fees*

The cost of hunting and fishing licenses could be 15% higher in 2019 if the legislature approves the recommendations of the Washington Fish & Wildlife Commission. The citizen Commission has recommended this increase to the Department of Fish & Wildlife. As reported in this *Tri-City Herald* [article](#), the Commission's recommendation is aimed at eliminating a \$31 million projected gap between revenues and expenditures in the department's two-year budget cycle.

### **Health Care**

#### *State Joins HIV Awareness Campaign*

In August, Washington State's Department of Health became the sixth state health department to join an international HIV awareness campaign. As explained in this (Centralia) *Daily Chronicle* [article](#), the campaign slogan is "Undetectable = Untransmittable." This messaging is based on scientific findings that show that individuals with undetectable levels of HIV have effectively no risk to transmit HIV to another person.

### **Behavioral Health – Western State**

Western State Hospital has a new permanent CEO named Dave Holt. Holt was the interim CEO of Washington State's largest psychiatric hospital since June. Western State has been besieged with problems over the past several years as the mental health crisis worsened in Washington State. In July, the 800-bed facility lost \$53 million in annual federal funding on account of safety violations. As reported in this Associated Press [article](#), problems plaguing the hospital include assaults on health care workers and escapes of dangerous patients.

### **Education**

#### *Teacher Salary Negotiations*

Salary negotiations for Washington State teachers are in full swing in many school districts around the state. In some districts teachers have negotiated significantly higher salaries than in other districts. This *Seattle Times* [article](#) speculates that this difference between districts may be due in part because of the way each district is interpreting how lawmakers provided education funding this past session. It is likely this issue will surface again in the 2019 legislative session.

#### *New Student Discipline Rules*

Chris Reykdal, the Superintendent of Public Instruction, has announced new discipline rules with the intent of reducing student suspensions and expulsions. As noted in this *Q13 News story*, 3.5% of students in the state were expelled or suspended in the 2016-2017 school year. Rates were higher for special education (7.1%), African American (7.4%) and Hispanic (4.1%) students.

#### *School Nurses Train for Mass Shootings*

Using funds from a \$29,000 Children's Miracle Network grant, Washington State school nurses were recently trained for treating life-threatening wounds. As noted in this *Spokesman-Review article*, businesses in the state can also receive the training through Providence if ten or more people are in attendance.

### **Energy**

#### *Regional Power Grid System*

Washington State Governor Jay Inslee (D) wrote this [op-ed](#) supporting collaboration on a regional power grid system. In the op-ed, Inslee expresses his desire for a "robust and transparent" system to help states achieve clean energy goals.

### **Disaster Preparedness**

Washington State received over \$725,000 worth of federal grants for tsunami preparedness. According to this *Everett Herald* [article](#), the grants will be used for pedestrian evacuation modeling, training on tsunami operations, outreach and education, and tsunami warning infrastructure and signage.

### **Transportation**

With five ferries over 50-years old, it is projected that all of them will need to be replaced within the next 10 years. A funding request for this purpose is likely to be made during the 2019 session, as noted in this KOMO [news story](#). The average lifespan of a ferry is sixty years. The Washington State Ferry system is recommending that a minimum of five Olympic class vessels be built.