The 1989 Legislature

A business perspective

"The Legislature this year enacted several laws to improve the state's business climate, help small businesses, and improve the quality of life for workers across the state. We appreciate AWB's contribution to the legislative process."

"I appreciate the frank and open relationship that we have with the Association of Washington Business. I have a high degree of respect for the staff, especially for Don Brunell who has a lot of credibility in this office and very ably represents the point of view of AWB."

"AWB is undoubtedly one of the more powerful and effective lobbying organizations in Olympia for an obvious reason: it speaks for a substantial portion of our state's economy."

My congratulations to AWB. Our weekly meetings between legislative leadership and AWB lobbyists were beneficial for me."

Business issues highlighted inside:

Employee Relations

Environment

Taxes/Spending

Public Policy

"Every legislator depends upon reliable information to make decisions on the thousands of bills before the Legislature each year. AWB staff members who worked the 1989 session in Olympia did an excellent job of representing the business community's viewpoint in providing us the information we need to do our jobs."
President's Message

Last year the Association of Washington Business (AWB) took a good look at itself and realized that changes were needed in order to be effective advocates for business in the 1990s.

The next decade will be critical for Washington's businesses. Many tough and costly decisions by our state government will determine the business climate for the 21st Century. More than ever, business must be involved in the political process to simply survive.

The environment in which AWB works can be compared to a sailboat crossing the Straits of Juan de Fuca. Winds shift, tides change and currents cross and swirl.

In the political arena, there are constant changes and challenges that can determine how quickly and directly we reach our objectives.

To prepare to set sail for the 1990s, we have taken AWB to the shipyards for alterations that will give us more power to determine our course in the future.

Adequate Resources

AWB has changed a great deal in the last year. We've redirected our communication and marketing programs to better respond to our members. Rapid accurate information is one of the most valuable tools for influencing decision makers.

Since I can only vote for three legislators and we need to influence 147, providing accurate and timely information to you, our members, so you in turn can contact your legislators on issues of paramount importance.

Simply, we at AWB can work the process, but our members are our most valuable lobbying resource.

AWB's marketing program, under the direction of Jackie Walters, has been redesigned to bring you better membership programs. We want you to understand laws, rules and regulations and to be successful in business. Without successful businesses, there is no AWB.

Member Services

An important part of our AWB staff is our member services program, directed by Gary Nash. You might ask how this differs from marketing. Our membership staff not only recruits new business to AWB's ranks, but keeps in touch with our existing members.

I've learned from the military that retention starts the first day a member signs up. It simply doesn't make sense to put all of our eggs in the recruiting basket when our most valuable members are those who now pay our bills.

I'm happy to report that our retention rate is very high - businesses recognize the benefits of AWB membership!

Lobbying

AWB's mission is to lobby for the business community and lobbying doesn't stop when the Legislature adjourns. We work with state agencies to develop rules and regulations which are just as important as laws. The Legislature schedules committee meetings throughout the summer and fall, and we're busy creating our agenda for the next regular session.

We have a strong team led by Enid Layes, our vice president. Through her leadership, our governmental affairs program is gearing up for the 1990s.

We are beginning to shape issues to enhance the business climate rather than having to react negatively to issues that hurt business. Being proactive is a necessary and essential step forward. The problems business faces today are more complex and impact more interest groups than ever before.

Business must be involved and operate in a consensus building environment. The days of lining up the troops and running over opponents are gone. There are too many shifting currents, tides and winds to overcome.

Strong Organization

Through the liability reform success of 1986 in which AWB was one of the key players, we've learned the importance of coalitions. As we look across the waters, we're seeking to combine forces with other interest groups whether they be government, organized labor or citizen activists to solve the problems of the 21st century.

The degree to which we're successful in developing solutions will determine how favorable a business climate our state will have in the future, how strong our economy, and how good our quality of life.

We thank you, our members and supporters, for your past and future involvement in AWB.

Table of Contents

Table of Contents

<table>
<thead>
<tr>
<th>Topic</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Reform</td>
<td>3-4</td>
</tr>
<tr>
<td>Health Care</td>
<td>4-5</td>
</tr>
<tr>
<td>Child Care</td>
<td>5</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>6</td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>6 &amp; 12</td>
</tr>
<tr>
<td>Plant Closure</td>
<td>7</td>
</tr>
<tr>
<td>Tort Reform</td>
<td>7-8</td>
</tr>
<tr>
<td>Emissions Testing</td>
<td>8</td>
</tr>
<tr>
<td>Personnel Board</td>
<td>9</td>
</tr>
<tr>
<td>Voting Records</td>
<td>10-11</td>
</tr>
<tr>
<td>Campaign</td>
<td></td>
</tr>
<tr>
<td>Finance Reform</td>
<td>12</td>
</tr>
<tr>
<td>Successor Employer</td>
<td>13 &amp; 15</td>
</tr>
<tr>
<td>Smoking in the Workplace</td>
<td>13</td>
</tr>
<tr>
<td>Family Leave</td>
<td>14-15</td>
</tr>
<tr>
<td>Prevailing Wage</td>
<td>15-16</td>
</tr>
<tr>
<td>Economic Dev.</td>
<td>16</td>
</tr>
<tr>
<td>Child Support</td>
<td>17-18</td>
</tr>
<tr>
<td>Washington Futures</td>
<td>18-19</td>
</tr>
<tr>
<td>PSWQA</td>
<td>19-20</td>
</tr>
<tr>
<td>GAC</td>
<td>20</td>
</tr>
</tbody>
</table>
In July of 1987, a state-commissioned study determined that Washington's tax system would be more equitable if it included personal and business income taxes and lower sales and vehicle and excise taxes.

Two years later, Gov. Booth Gardner is still trying to implement many of the recommendations made by economist Robert Strauss.

The 1989 Legislature ignored Gardner's pleas to consider a proposed overhaul of the state's tax system, but a delegation of legislators is currently negotiating with Gardner aides in an attempt to forge a compromise package of tax reform and spending controls.

The Association of Washington Business has been an invited player throughout the prolonged tax reform discussions. Two of its members were appointed by Gardner in April, 1988 to the Governor's Committee on Washington's Financial Future.

Larry Stanley, AWB board secretary-treasurer and owner of Empire Bolt and Screw, Inc., Spokane, and Nona Brazier, chairman of AWB's Small Business Council and owner of Northwest Recovery Systems, Maple Valley, served on the 16-member committee. The committee was charged with evaluating the state's tax system and recommending options for tax and spending reforms.

Dozens of public hearings were held around the state. More than 1,300 community leaders, business owners and citizens were asked for their views on how state and local governments tax and spend. AWB published both advance meeting notices and reports of testimony taken at the public hearings.

The committee eventually arrived at a couple of options for tax reform. Gardner chose a plan requiring the state to institute a flat-rate personal income tax, coupled with a reduction in the sales tax and some exemptions from the business and occupation tax.

AWB again provided a forum for educating its members and allowing state government leadership to present its case for change. Governor Gardner appeared before AWB's Executive Committee. His revenue director and point man on the tax reform campaign, Bill Wilkerson, answered questions during a weekly lobbyist lunch. Senate Ways and Means Committee Chairman Dan McDonald presented the Republican perspective at an AWB board of directors meeting. And AWB's Government Affairs Council invited Rep. Art Wang, chairman of the House Revenue Committee, to explain his tax reform alternative: a corporate income tax.

AWB published and disseminated a four-page comprehensive analysis of the governor's tax reform proposal, featuring a straightforward, unbiased presentation of the plan's four components: state tax reform, spending controls, local government revenue options, and transportation funding.

Background and research for the tax reform summary was provided by members of AWB's Government Affairs Council and General Taxation Advisory Committee. Much of the writing and formatting of the material was contributed by Jim Judson, an attorney with the Seattle law firm of Davis Wright; Dick Ducharme, AWB board member and contract lobbyist; Elaine Ramel, vice president for research at the Washington Research Council; Bud Coffey, chairman of AWB's Government Affairs Council and spokesman for The Boeing Company; Mike Tracy, Puget Sound Power and Light Company; and Frank Delong, Washington State Horticultural Association.

Each AWB member firm received a copy of the tax reform review. Extra copies were printed and distributed by AWB staff members during appearances at local chambers of commerce, association meetings, and other functions.

Although AWB provided an abundance of educational materials, exposure to all viewpoints, and (cont'd)
access to its membership for tax reform participants, the association has not taken an official position on the merits of tax reform.

Brunell wrote: "The association has made every effort to keep its members well apprised on tax reform proposals and has urged members to attend local town meetings and write legislators to express their individual opinions on the subject."

AWB President Don Brunell best summarized the association’s tax policy in a letter to Rep. Art Wang. In reply to Wang’s request for comments on suggested tax reforms, Brunell wrote: “Because of the diverse and varied ways in which AWB’s members pay state and local taxes, we have not reached a consensus on the complexities of state tax reform proposals. The association, although neutral on the issue, has made every effort to keep its members well apprised on tax reform proposals and has urged members to attend local town meetings and write legislators to express their individual opinions on the subject.”

AWB’s position was understood and respected by Revenue Director Bill Wilkerson. “The association played a very constructive role throughout the process. Knowing the incredible variation of views within the organization, I don’t see how they could have done any more,” he said.

Wilkerson said it was never his intention to pressure AWB into taking a stand as a membership association with a broad membership base, “although we certainly hoped that individual businesses within the organization would seriously focus on the issue.”

Shortly before adjourning the regular session of the Legislature, both the House and Senate passed concurrent resolutions declaring their intention to negotiate with the governor’s office toward reaching an acceptable tax reform proposal. Any settlement would have to be first ratified by the Legislature, then submitted to the voters for final approval.

Wilkerson and Denny Heck, deputy chief of staff, are representing Gov. Gardner during the talks. Senate Republicans designated Jim Matson and Leo Thorsness to speak for them, while Senate Democrats sent Marc Gaspar and Al Williams to the bargaining table. House Democrats have selected Reps. Lorraine Hine and Art Wang to express their views.

House Republicans are boycotting the talks, according to Minority Leader Clyde Ballard, because of what he calls a breach of faith by the governor. Ballard says his caucus agreed to participate in tax reform negotiations after the regular legislative session ended. Later in the same day that agreement was made, Ballard recalls, the governor presented a list of 16 bills he wanted action on before adjournment, or a special session would be necessary.

“Since none of these items had been on the table when we worked out our agreement, our caucus considered his action a breach of faith and immediately voted not to participate in the income tax discussions scheduled for this summer,” says Ballard. “Our caucus has not changed its stand since that time.”

The preliminary negotiations have begun, but no progress has been reported. AWB will continue to keep its members informed of developments in tax reform, a subject at least one state official expects to be around for the foreseeable future. Comments Revenue Director Wilkerson: “As this issue ripens, I hope the constructive approach AWB has taken will continue.”

Health Care

How much the health care expenses borne by employers will be affected as a result of actions by the 1989 Legislature probably can’t be immediately determined.

One bill creating a tax on hospital revenues failed to pass, but a handful of bills providing additional benefits on employees' health care policies received legislative approval.

The Association of Washington Business played a prominent role in the defeat of a bill instituting an additional tax which would have been passed on to hospital patients.

The Association of Washington Business played a prominent role in the defeat of a bill instituting an additional tax which would be passed on to hospital patients.

The Legislation, however, elected to impact the medical premiums paid by employers who offer health care coverage to their workers by passing several bills establishing more health care benefits for employees.

The most costly bill may turn out to be HB 1560, also sponsored by Rep. Braddock. The bill allows the state to pay the private health insur-

(con’t)
In recognition of the growing role of women in the workforce and the need for quality, affordable child care, the Association of Washington Business wholeheartedly supported two bills passed by the Legislature aimed at promoting child care services.


AWB backed both bills from the start, but active association participation in the process was limited. “Thanks to the leadership demonstrated by Sen. Anderson and Rep. Wineberry, AWB’s involvement was minimal,” said Cliff Finch, the association’s government affairs specialist for human resources. “All AWB had to do was encourage their efforts.”

SB 6051 creates a child care facility fund, made up of public and private money and administered by a committee within the Business Assistance Center. The committee can authorize one-time grants, loans or loan guarantees of up to $25,000 to businesses that want to start or improve a child care facility.

HB 1133 continues, expands and coordinates the functions of two existing entities: the Child Care Resources Coordinator within the Department of Social and Health Services, charged with promoting employer-provided assistance for child care; and the Child Care Coordinating Committee, created by the Legislature to coordinate the work of state agencies and make recommendations to the Legislature on child care subsidy programs.

The bill also establishes an employer liaison position to help businesses provide child care. The liaison will help local resource and referral organizations increase their capacity to provide assistance to businesses regarding child care.

The Association of Washington Business is monitoring child care issues and two staff members are actively involved in related activities. Jackie Walters, director of marketing and communication, belongs to the Child Care Coordinating Committee Subcommittee on Employers and Child Care. The subcommittee is exploring the roadblocks to employer involvement in child care, researching ways to assist employers, and developing partnerships between public and private sectors. The subcommittee’s recommendations will be submitted to the full committee in October and forwarded with the committee’s report to the 1990 Legislature.

Finch serves on the DSHS Child Day Care Licensing Task Force. Its primary responsibility is to review state standards for businesses applying for a license to operate a day care center.

AWB has established a Child Care Task Force co-chaired by Pam Hoyum of McLane Northwest and Chuck Williams of Tektronix, Inc. Employers who are interested in volunteer efforts to promote child care facilities should contact Finch at AWB.
Recycling became the number one priority for dealing with the state’s garbage as the Legislature passed a massive solid waste disposal plan.

HB 1671, sponsored by Rep. Art Spreckle, D-39B, requires local governments to revise their solid waste disposal plans to include waste reduction and recycling. Cities and counties must have recycling programs in operation by 1995. In most cases, that will mean larger cities will have to provide curbside pickup for recyclables, while rural areas will have to provide other recycling alternatives.

Most provisions of the bill had the support of lawmakers from the beginning. However, a major disagreement arose over who would provide pickup service for recyclables: the traditional garbage haulers or drivers working for recycling plants.

Cities and counties must have recycling programs in operation by 1995.

While avoiding involvement in that jurisdictional dispute, the Association of Washington Business nevertheless jumped into the fracas when organized labor pushed for an amendment requiring companies that provide curbside collection to pay prevailing wages.

AWB registered strong opposition on behalf of both business owners and household consumers. Nine states have repealed their public works prevailing wage laws in the last 12 years, AWB lobbyists pointed out. Savings of 9 percent to 15 percent were realized, with no precipitous drop in worker annual earnings. Paying prevailing wages would only raise costs and inhibit competition, maintained the association. AWB’s logic was accepted and the amendment lost on a 16-28 Senate vote. Check how the senator from your district voted on this important amendment; see the 1989 Business Issues Roll Call at the center of this newsletter.

Nine states have repealed their public works prevailing wage laws in the last 12 years, AWB pointed out.

During the developmental stages of HB 1671, AWB and Jan Gee, executive director of the Washington Retail Association, successfully worked for inclusion of three bill components favorable to business:

- Local ordinances imposing taxes, deposits or bans on containers such as fast food hamburger “clamshells” and cups are forbidden.
- A product packaging task force will prepare environmental standards for packaging. At least half the members on the task force will be from business.
- Product and packaging producers will be eligible to earn a special environmental excellence award logo on approved products. Any product offered for wholesale or retail sale may be proposed for recognition.

No major workers’ compensation legislation passed this year because of a breakdown in negotiations between the Association of Washington Business and the Washington Self-Insurers Association on one side, and trial lawyers and organized labor on the other.

AWB, however, will be spending part of the time between sessions promulgating legislation which will liberalize group self-insurance rules. Cliff Finch, AWB government affairs specialist for workers’ compensation issues, and Jan Gee, executive director of the Washington Retail Association, convinced the Senate Finance and Operations Committee to appropriate $20,000 for hiring a consultant to do a study on group self-insurance. Results of that study, due for release August 1, may be used as the basis for introduction of group self-insurance legislation next year.

The Legislature this year failed to approve a measure setting up a joint select committee to study group self-insurance. SCR 8407, sponsored by Sen. Ann Anderson, R-42, passed the Senate on a narrow 23-22 vote. A parliamentary procedure (con’t on page 12)
Democrats in the state Legislature apparently didn't believe a new federal plant closure law which took effect in February went far enough. They tried their best to enact a stricter version of plant closure, but were thwarted in their efforts by Senate Republicans and the Association of Washington Business.

Rep. Evan Jones, D-24, sponsored HB 1855, requiring firms with 25 or more employees to give at least 100 days notice of a reduction in business operations. That could mean a sale of the business, relocation or closure of the firm, or a layoff of workers. An employer who failed to give proper notice could be required to pay each affected employee a day's wages for each day the notice should have been given.

"HB 1855 will be "particularly onerous on small businesses." — Clif Finch

Clif Finch, AWB's government affairs counsel, tried to convince members of the House Commerce and Labor Committee that passing an ambiguous state plant closure law just as the federal plant closure law was taking effect would only create more confusion. The federal law, with a 100 employee threshold, took effect Feb. 4.

HB 1855 will be "particularly onerous on small businesses," Finch testified. He maintained that a threshold of 25 employees, with notification requirements being triggered at 15, is too low.

Nevertheless, the bill passed out of committee and eventually cleared the House on a straight party vote, with all 35 Republicans opposed. See the 1989 Business Issues Roll Call at the center of this newsletter.

When HB 1855 arrived in the Senate Economic Development and Labor Committee, it ran into formidable opposition. Douglas G. Bain, assistant general counsel for The Boeing Company, testified that a state plant closure law "will raise severe complications that will impact the normal day-to-day operations of employers." Bain said the federal plant closure law "is more than adequate to provide needed information to workers, unions, local communities and the state."

Following the public hearing, nothing further was heard about the bill. Senate Republicans decided not to move it, and the bill eventually fell victim to a legislative cutoff.

Attempts by the Washington State Trial Lawyers Association to dismantle part of the sweeping tort reforms enacted by the Legislature in 1986 were thwarted this session by a concerted effort made by the Association of Washington Business and other members of the Liability Reform Coalition.

Collins Sprague represented AWB in working with the coalition to defeat two bills, both sponsored by Rep. Marlin Appelwick, D-46. Passage of either bill would have raised the cost of liability insurance to businesses.

Accrual of interest on all past and future economic damages, such as lost wages, and all past non-economic damages, such as pain and suffering. How legislators from your area voted on HB 1643 is shown in the 1989 Business Issues Roll Call at the center of this newsletter.

HB 1903 would have restored joint and several liability among defendants in damage suits.

The Liability Reform Coalition is made up of over 50 organizations representing business and industry, professions, associations and local governments. The broad-based group was formed to curb the number of personal injury lawsuits and halt the spiraling costs of liability insurance for businesses. (cont')
Tort Reform con't

AWB and other coalition members were forced to defend the 1986 reforms in both the 1987 and 1988 legislative sessions, and a spokesman for the coalition expects the challenges to continue.

"There's no question that the trial lawyers will be back with a prejudgment interest bill, if not in 1990, in 1991," says Dick Ducharme, consultant to the Liability Reform Coalition and a member of the AWB board of directors. "They've made no secret that their long-term objective is to go back to the previous form of pure joint and several liability, or at least effect change to reallocate the liability of an insolvent defendant so that there is a "deep pocket" sued in every instance.

Even though trial lawyers have concentrated on modifying the prejudgment interest law in the last two sessions, Ducharme feels that legislative changes to the joint and several liability statute remains the priority. "I don't think they feel they can get that done by going to court," Ducharme surmises. "Their strategy pretty much has been to try and undo tort reform in the courts where they felt they could. And where they didn't feel they'd be successful in the courts, then do it in the Legislature."

with several key amendments offered by Sen. Jim West, R-6. The measure reauthorizes the Motor Vehicle Emission Inspection and Maintenance (I/M) Program until Jan. 1, 1993. Under the state I/M program, cars and trucks registered in "emission contributing areas" - Seattle and Spokane - must be tested each year before vehicle licenses can be renewed.

Roger von Gohren, AWB governmental affairs manager for environmental matters, took the lead among business lobbyists working for passage of the bill. AWB was concerned that failure to renew the testing program would invite federal sanctions. Under the federal Clean Air Act, states not striving to meet national air quality standards for certain pollutants stand to lose federal funds for highway construction, sewage treatment, and air pollution programs.

von Gohren, on behalf of AWB and the business community, worked with other lobbyists representing the state Department of Ecology and environmental groups. Together they formed an alliance not often seen in the capitol. DOE spokesman Earl Tower called it "a unique partnership between the agency, environmentalists, and business and industry in this state - all pulling together for a common purpose."

"It's not that usual that all of us wind up on the same side of an issue," Tower reflected after passage of the bill. "It was high on the environmentalists agenda, it clearly was high on ours as an agency request piece of legislation, and there was a lot of support and effort that was contributed by business and industry."

Lobbyist Fritz agreed that HB 1104 was one of the few bills that dealt with an environmental subject which was endorsed by the business community, local government, and traditional environmental groups. Letting lawmakers know that business backed the bill was crucial, and Fritz believes that's where AWB played an important role. "The support of the business community needed to be transmitted to legislators. It was almost a one-on-one basis, and certainly to the legislative committees. And that's what AWB did very well."
The Association of Washington Business threw its support behind Gov. Booth Gardner when he asked the Legislature for more control over employment practices in state government.

Gardner reasoned that if he is to be held accountable for running state government, he should have greater authority in personnel matters. Two bills were introduced to accomplish this: SB 5140, sponsored by Sen. Bob McCaslin, R-4, and HB 1360, sponsored by Rep. Ruth Fisher, D-27.

The combined effect of the bills would give the governor authority to appoint the director of Personnel, increase the number of positions in state agencies exempt from civil service regulations, enhance executive training opportunities for state employees, and revise the functions of the Personnel Board.

Joe Dear, director of the Department of Labor and Industries, acted as the governor's chief lobbyist for the bills in the Legislature. Dear said the current personnel system inhibits the efficient management of state government.

Pressure from two powerful state employee unions led to the demise of both bills. See your senator voted on SB 5140: check the 1989 Business Issues Roll Call at the center of this newsletter.

Despite the failure of a personnel administration bill this year, Dear said executive request legislation will be offered again and he will be looking to AWB for support.

"AWB's assistance in our personnel reform efforts this year is appreciated, as is the association's help in educating the business community on the need for changes in the state personnel structure," said Denny Heck, one of two deputy chiefs of staff in Gardner's office, said the governor also was appreciative of AWB's support for needed personnel reform measures during the recent session of the Legislature. Heck commented shortly after adjournment. "AWB worked on behalf of these reforms, which would have provided the state's chief executive with the ability to make more efficient use of both the personnel and taxpayers' dollars."

Betty Woods appointment

Betty Woods is in the process of learning two new jobs. Last month the Edmonds woman received a promotion within her company, and she was recently appointed to an important post in state government.

Gov. Booth Gardner has selected Woods for a term on the Washington State Personnel Board and the Senate has confirmed her appointment. The Senate confirmation vote is recorded in the 1989 Business Issues Roll Call at the center of this newsletter.

The personnel board, composed of three members named by the governor, sets overall policy for the Department of Personnel and for the civil service system governing state employees.

"I'm very excited about being a member of the board," says Woods, "and I look forward to making a contribution." She believes her skills in managing and motivating people and in building teamwork will be an asset while serving on the board.

Blue Cross of Washington and Alaska, the state's largest administrator of government and private health care plans, has elevated Woods to executive vice president and chief operating officer.
Senate 1989 Business Issues Roll Call

The publishing of legislator's votes on key issues is often a controversial decision at AWB. The Governmental Affairs Council has determined that the votes contained on these pages are significant indicators of support or opposition to general business interests by state legislators. Each of these bills is discussed in this issue of Washington Business.

Please note that the record does not necessarily reflect the most important issues from the 1989 session, nor those issues for which there was overwhelming consensus. The legislative process is such that most critical disputes are resolved by compromise or the bills die in a legislative committee before they ever come up for a vote.

These particular votes were selected because they were controversial, and required legislators to choose to support business (AWB), or to oppose business. While a legislator may have sponsored and voted for a number of bills good for a particular business, unless he or she supported general business (AWB) on the close votes, the enclosed record may not reflect well for that legislator.

House Votes

1378 - Tax on Hospital Revenues (3/09/89)
1560 - COBRA payments for AIDS (3/10/89)
1581 - Family Leave of 13 weeks for birth, adoption, seriously ill (3/09/89)
1643 - H. Sommers amendment reducing impact of prejudgment interest on business (3/07/89)
1855 - Plant Closure Notification (3/06/89)
1910 - Campaign Finance Reforms, including public finance options (3/13/89)
2140 - Establishing a Growth Strategies Commission (3/15/89)

Senate Votes

1560 - COBRA payments for AIDS (4/14/89)
1671 - Sutherland amendment to require prevailing wage for curbside recyclers (4/13/89)
5140 - State Personnel Board Reforms (3/14/89)
5917 - Puget Sound Water Quality Authority Oversight (3/15/89)
SCR 8407 - Group Self Insurance (3/13/89)
GA 9110 - Confirmation of Betty Woods (4/20/89)
<table>
<thead>
<tr>
<th>Position</th>
<th>N</th>
<th>Y</th>
<th>N</th>
<th>N</th>
<th>Y</th>
<th>N</th>
<th>N</th>
<th>N</th>
<th>N</th>
<th>Y</th>
<th>N</th>
<th>N</th>
<th>N</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anderson</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>May</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Applewick</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>E</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>McLean</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Ballard</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Meyers</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Basich</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>E</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Miller</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Baugher</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Morris</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Beck</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Moyer</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Belcher</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Myers</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Betrozoff</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Nealey</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Bowman</td>
<td>N</td>
<td>E</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Nelson</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Braddock</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Nutley</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Brakke</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>O'Brien</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Bristow</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Padden</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Brooks</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Patrick</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Brough</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Peery</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Brumsickle</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Phillips</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Cantwell</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Prentice</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Chandler</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Prince</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Cole</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Pruit</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Cooper</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Raiter</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Crane</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Rasmussen</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Day</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Rayburn</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Dellwo</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Rector</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Dorn</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Rust</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Doty</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Sayan</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>E</td>
<td>Y</td>
</tr>
<tr>
<td>Ebersole</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Schmidt</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>E</td>
<td>N</td>
</tr>
<tr>
<td>Ferguson</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Schoon</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>E</td>
<td>N</td>
</tr>
<tr>
<td>Fisher, G.</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Scott</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Fisher, R.</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Silver</td>
<td>E</td>
<td>E</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Fraser</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Smith</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Fuhrman</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Sommers, D.</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Gallagher</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Sommers, H.</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Grant</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Spanel</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Hankins</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Sprengle</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Hargrove</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Tate</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Haugen</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Todd</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Heavey</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Vallee</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Hine</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Van Luvæn</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Holland</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>Vekich</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>E</td>
<td>Y</td>
</tr>
<tr>
<td>Horn</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Walk</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Inslee</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Walker</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Jacobsen</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Wang</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Jasilinig</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Wilson, K.</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Jones</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Wilson, S.</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>King, J.</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Wineberry</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>King, P.</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Winsley</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>King, R.</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Wolfe</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Krenien</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Wood</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Leonard</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Youngsman</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Locke</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Zellinsky</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
</tbody>
</table>
Explaining his interest in establishing controls on campaign contributions and expenditures, Joe King, Speaker of the House, asserted before the 1989 legislative session: “You can’t help but be a little intimidated or a little influenced by a $20,000 contribution. I don’t know that $20,000 buys (a legislator’s support), but if there is a threat of $20,000 being spent against them (at the next election), that can sure influence a decision.”

Concern about the appearance of excessive influence on the legislative process by special interests and about the increasing amount of funds required for campaigns fueled renewed attempts in the Legislature to enact campaign finance reform legislation this year. Members of the House and Senate sponsored their own distinct bills, launching their respective efforts with an appeal for bipartisan support.

HB 1910, sponsored by Rep. Ruth Fisher, D-27, emphasized restrictions on campaign spending and contributions. Conceptually, it resembled legislation passed by the House in 1988. The bill specified that any candidate voluntarily agreeing to limit campaign spending may be eligible to receive $4 of public matching funds for every $1 raised by private sources when an opponent fails to abide by the same limitations. It also stipulated mandatory contribution limits for individuals, political action committees, and political party organizations.

AWB opposes the disbursement of public dollars for campaign purposes, and it is concerned that the systemic advantages that accrue to incumbents are diminishing electoral competition, discouraging public participation in the political process, and minimizing representative government.

Senator Linda Smith, R-18, sponsor of SB 6045, stated upon introduction of her measure that past attempts at campaign spending reform have often meant politicians manipulating the system to protect incumbency. While her bill created contribution limits, it did not rely on public financing. Smith’s bill sought to address the strengths of incumbency by creating prohibitions not contained in campaign finance reform bills developed by the House.

Rep. Lorraine Hine discussed campaign finance reform with Collins Sprague, AWB legislative affairs specialist in charge of the issue, prior to speaking at a weekly lunch for business lobbyists which AWB hosted during the session.

These new provisions included a ban on contributions from corporations and unions, a restriction on the mailing privileges of legislators, a ban on fund raising during legislative sessions, and a prohibition on candidates and legislators contributing to each other.

A sponsor of the House bill, Rep. Lorraine Hine, D-33, acknowledged at a meeting of AWB members that the “built-in benefits” of incumbency do exist, but, she added, “I don’t think you’ll ever do away with some of those advantages.” She further noted that campaign finance reform has limitations of its own. “Let’s recognize that we’re not going to cure all the abuses, all the perceived ills, and the creative thinking of those who want to circumvent the process.”

As in prior years, the divergent philosophies of reform advocates proved insurmountable. This year, the House ignored the Senate’s bill, effectively allowing it to die, and the Senate co-opted the House’s bill for its own purposes before imposing the same fate on it.

To see how legislators from your area voted on HB 1910, check the 1989 Business Issues Roll Call at the center of this newsletter.

Workers’ Comp. (con’t) —

doomed the measure before it could be referred to the House. Learn how your senator voted on SCR 8407; check the 1989 Business Issues Roll Call at the center of this newsletter.

SCR 8407 would have required legislators, in consultation with state agency officials and business and labor representatives, to examine the performance of other states with expanded self-insurance programs.

Washington employers must purchase their workers’ compensation insurance through a state fund—unless they qualify for certification as a self-insurer. To qualify, an employer has to demonstrate significant financial strength and stability, and evidence of ability to meet industrial insurance obligations well into the future. In general, this means that most small employers cannot qualify.

Some states have allowed employers to form groups of sufficient size and economic worth that they can guarantee present and future industrial insurance obligations. Three minor workers’ compensation bills which impact employers didn’t pass last session and were signed into law.

— HB 1117 expands the market eligible to participate in the group retrospective rating program by eliminating the requirement that a group must consist of at least 50 percent of the employees in any given employer association.

— HB 1518 requires mandatory workers’ compensation coverage for carriers engaged exclusively in interstate commerce.

— HB 2060 changed coverage for the horse racing industry.
Businesses that relocate, close, or sell could have faced potentially bankrupting penalties under a restrictive successor employer bill in the last legislative session. But after convincing testimony from the Association of Washington Business and others in the business community, the bill was effectively killed.

HB 1411 would have required owners of firms about to close or curtail business operations to provide severance pay to all employees at the rate of one month’s pay for each year of service, up to a maximum 12 month’s pay.

The owner of the new business—the successor employer—would have to offer a job to everyone who worked for the company during the preceding year. Those workers who stayed on during the ownership transfer couldn’t be fired, except for gross misconduct, for another year.

HB 1411 was sponsored by Rep. Max Vokich, D-35. Vokich also chairs the House Commerce and Labor Committee, where the bill was unveiled to the public.

It was during a public hearing before that committee that AWB Vice President Enid Layes presented some major concerns of the business community.

Few employers will decline the services of a trained workforce, Layes testified, but asking a successor employer to be bound by the personnel decisions of the previous business owner is unfair and a poor business practice.

The bill would encourage potential buyers of a business to wait until the old owner went bankrupt, Layes predicted, in order to escape the restrictive provisions. That option would have a more devastating effect on the workforce and community than the evils the bill purports to resolve, she said.

Layes’ testimony was reinforced by Gary Smith, executive director of the Independent Business Association. The lobbyists emphasized that both employers and employees have more to gain when businesses are free to respond to changing market conditions by relocating, restructuring or terminating and shifting resources to new technologies and opportunities.

On a strictly partisan vote, Commerce and Labor Committee members approved the bill, but it died a quiet death in the Rules Committee.

A new business owner shouldn’t be bound by the personnel practices of the previous owner, testified AWB Vice President Enid Layes.

The annual attempt by the Legislature to force employers to adopt a workplace smoking policy again went down to defeat, helped by strong lobbying from AWB Government Affairs Specialist Collins Sprague and legal advice provided by AWB-member law firms.

HB 1942, sponsored by Rep. Art Sprenkle, D-39B, required business owners with four or more employees to adopt, implement and enforce a written smoking policy.

In an attempt to appease the business community, promoters of the bill added a section which they claimed would afford some legal protection to certain employers.

Those employers who prohibited smoking in the workplace or provided an enclosed smoking room away from areas used by non-smokers, according to sponsors, would be entitled to a rebuttable presumption that they had met their common law duty to exercise reasonable care in protecting employees from passive smoke.

Employers would be more legally vulnerable than ever before as a result of this legislation, replied Sprague after consulting with Dick Jessup, an attorney with the Eisenhower Carlson law firm in Tacoma, and Marcia Cavens, counsel with the Seattle law firm of Bogle & Gates. Jessup and Cavens worked extensively with Sprague in interpreting the bill, developing alternative strategies and preparing amendments addressing the question of employer liability.

Instead of providing employers with some degree of immunity from lawsuits, the legal team pointed out, language in one section of the bill implied that business owners have a common law obligation to protect (con't on page 15)
Beginning Sept. 1, business firms with more than 100 employees will be required to grant workers unpaid leave of up to three months for births, for adoptions of young children, or to care for a terminally ill child under the age of 18. Employees returning from leave are entitled to reinstatement at their same or comparable jobs.

Those are the key provisions of HB 1581, the Family Leave Bill. It's the result of a carefully crafted compromise following extensive negotiations between the Association of Washington Business and other business interests, women's and children's organizations, labor unions, and churches.

The final bill has a far less onerous impact on business than the measure first introduced early in the session. The original bill covered all firms with 35 or more workers and required employers to provide 13 weeks of family leave in any two-year period. The employee could use the leave to care for a newborn or newly adopted child, or to care for any member of the family member or financially dependent relative with a serious health condition. Additionally, the bill allowed the employee 13 weeks of leave each year to tend to a personal health condition.

This initial bill cleared the House on a 57 to 39 vote. Find out how legislators from your district voted by consulting the 1989 Business Issues Roll Call at the center of this newsletter.

AWB led business community interests in persuading legislators to remove some of the more restrictive provisions and getting the final draft molded into an acceptable bill. An AWB suggestion that employers be allowed to exempt any 10 percent of the workforce from the bill's provisions was written into the measure. The bill which passed recognizes the changing demographics of the workplace: the growth in two-wage earner families, single parent families, and working women.

The association's leadership role was acknowledged and praised by the chief sponsor of the bill, Rep. Art Wang, D-27. In a letter to Gov. Booth Gardner, Wang wrote: "I wish to express my profound appreciation to (AWB President) Don Brunell and (Vice President) Enid Layes for providing the leadership from the business community that was needed to resolve the family leave negotiations. In contrast to many of the other business organizations, the Association of Washington Business had the foresightedness to see the problems created by workplace changes and to join cooperatively in the effort to find workable solutions."

Sen. Eleanor Lee, R-33, shepherded the bill through the Senate. She credits AWB with "doing a yeoman's job in not only looking over (con't)

Adoptive leave provision

A separate section of the family leave bill pertains to all businesses. Employers who currently provide parental leave to their employees must grant adoptive parents and stepparents the same leave under the same terms granted to biological parents. Employers also are required to grant the same leave under the same terms to men and women.

The family leave law should not be confused with existing laws pertaining to employees and children.

Human Rights Commission rules require all employers with eight or more employees to grant a woman a leave of absence for the period of maternity disability.

A 1988 family care law requires employers with an accrued sick leave policy to allow employees to use accrued sick leave to care for their children with health conditions requiring treatment or supervision.
every word, but taking it to people outside of the Olympia area who were experts in the field to perfect the language."

AWB's government affairs specialist for employee relations, Clif Finch, got help in writing suggested bill drafts from a number of AWB-member firms including attorneys associated with three AWB-member law firms: Marcia Cavens, Bogle & Gates; Bruce Cross, Perkins Coie; and Candy Marshall, Davis Wright & Jones.

"We also wanted to follow the suggestion of AWB," continues Sen. Lee, "that the bill be as similar as possible to the Oregon law to help those employers who have work sites in both states."

Lee chairs the Economic Development and Labor Committee, which first examined the family leave bill on the Senate side of the Legislature. Following public hearings in her committee, acceptance by the full Senate, and final passage of the compromise bill, Lee expressed

**Smoking can't**

non-smokers from secondary tobacco smoke. As such, it creates a statutory basis by which the courts may broadly interpret workplace smoking laws, ordinances and rules that are prejudicial to employers.

The attorneys further contended that an employer who brings suit only has to demonstrate that the employer had not effectively enforced the company smoking policy. That could void the rebuttable presumption as an employer defense.

Sprague was able to use this argument to help convince members of the House Rules Committee not to bring HB 1942 onto the House floor for a vote.

AWB will continue to advocate that employers should voluntarily implement smoking policies which give equal consideration to employee concerns, workplace characteristics and enterprise activities. A government mandate undermines cooperation among employees, and between employees, management and collective bargaining units.

satisfaction over the end product. "I think we were able, with very few exceptions, to incorporate all of the suggestions made by business so that it would be a workable bill," Lee reflects.

"Workable" is the term Larry Stanley might use in reference to the family leave bill. Stanley, secretary-treasurer of the AWB board, chairman of the governor's Small Business Improvement Council, and owner of a small business in Spokane, admits to having concerns with early versions of the bill. "Small business was extremely apprehensive of the Legislature's continuing attempt to pass a burdensome family leave bill," Stanley says. "But with the 100-employee exemption provision in HB 1581, a reasonable compromise was struck, resulting in an acceptable bill addressing those concerns."

"The Association of Washington Business took the more difficult and more responsible approach," Wang wrote in a letter to AWB Vice President Enid Layes after passage of the family leave bill. "All too often business organizations have been content to take obstructionist positions on legislation. The harder role is to face up to the problems and take a long-term view by contributing in a positive and constructive manner to find a solution which is workable and acceptable to business."

**The Senate Rules Committee** became the final resting place of a bill which would have meant significant cost savings on state construction contracts. But business lobbyists were heartened by the progress made this year toward reforming the state's prevailing wage law and have vowed to reinforce their efforts toward passage next year.

SB 5822 was introduced by Sen. Emilio Cantu, R-41, in an attempt to change part of the prevailing wage law, long the favorite of organized labor. Employers currently have to pay their workers no less than the prevailing wage on all public works projects funded by the state or its cities and counties. The "prevailing wage" is the wage and benefits paid in the largest city in the county where the work is performed to the majority of workers in a particular occupation.

Cantu's bill would have made the prevailing wage law apply only to public works projects costing more than $100,000, and only to on-site employees of contractors and subcontractors.

The bill was vigorously lobbied by a strong business coalition which included the Association of Washington Business and government affairs specialist Clif Finch; Associated Builders and Contractors and its lobbyist, Cliff Webster; Associated General Contractors and its spokesman, Duke Schaub; and other business association lobbyists.

AWB's Finch testified before the Senate Economic Development and Labor Committee that in the last 12 years, eight states have repealed their prevailing wage laws. These states have realized significant savings on (con't)
Prevailing Wage con't

school construction and other public projects, with no precipitous drop in earnings of construction workers.

Judy Jewell, owner of Olympian Precast in Redmond and an AWB member, appeared before the committee in support of SB 5822. Jewell said that because of a recent Washington state Supreme Court decision, her firm is being undercut by other fabricators from out of state and Canada who bid on projects, but are not required to pay prevailing wages.

One business owner testified that other fabricators from out of state and Canada who bid on projects, are not required to pay prevailing wages.

Two participants in the recent prevailing wage reform effort have indicated the issue will be carried forward to future legislative sessions. "Reforming the state's prevailing wage law is an important economic matter," says Sen. Cantu. "Existing law inflates the cost of publicly-funded projects for taxpayers." The Bellevue Republican credits AWB with "leading private sector efforts this session to reform the law and allow local wage rates to govern labor costs for public works projects."

Duke Schaub, AGC chief lobbyist, also believes the business community made some inroads toward prevailing wage reform this year. "Working with AWB this past legislative session was the beginning of what has to be a long-range alliance to do something about prevailing wages in this state. It isn't going to be easy; this is one of those gut issues which organized labor is going to rebel against. Prevailing wage is going to be one of the key issues of the next three, four or five sessions. AWB clearly is going to have to take the lead on it and we're going to have to be supportive of those efforts."

Small and medium-sized businesses will have greater access to capital for start-up and expansion under a bill supported by the Association of Washington Business and signed into law by Gov. Booth Gardner.

HB 1533 creates the Washington Economic Development Finance Authority to make money available for small business development, export transactions and farm-related investments.

Gardner noted that small businesses do not have access to the types of capital available to large corporations. He said the authority "will work with commercial banks to help meet the wide range of needs of small business," including access to capital at better interest rates and longer terms.

The legislation also gives the authority broad powers to assist businesses, and directs the authority to provide advice and technical assistance to Industrial Development Corporations.

Other economic development legislation which AWB advocated and the Legislature passed include: HB 1476, expanding the Washington Marketplace Program, which matches Washington buyers with products and services provided by Washington sellers; HB 1558, authorizing the state to license and regulate non-bank lenders that utilize the federal loan guaranty program; HB 2024, modifying requirements that state agencies prepare small business economic impact statements for proposed rules and regulations; and SB 5241, creating the Washington Investment Opportunities Office, a clearinghouse for entrepreneurs seeking capital and investors looking for good investment opportunities.
About 20,500 Washington firms will have a year to gear up for a new reporting requirement passed by the Legislature.


An employer who fails to make a required report may receive a warning on the first violation and a fine of up to $250 for subsequent violations.

Beginning July 1, 1990, employers in five industrial categories will be required to report the names and social security numbers of most new employees within 35 days of hiring. Employers will be able to report the information to the Department of Social and Health Services through a phone call, or they may choose to mail it in the information. The names of employees who work less than one month, have fewer than 350 hours over six months, or earn less than $300 a month do not have to be reported.

An employer who fails to make a required report may receive a warning on the first violation and a fine of up to $250 for subsequent violations.

The final bill was agreed to by a free conference committee and represented a compromise between House and Senate versions that was acceptable to AWB.

As originally proposed by DSHS, the legislation would have required all employers in the state to report new hires. However, employer

(Con't)

Industries required to report

Employers who are required to report to the Washington State Support Registry are those whose businesses fall under these Standard Industrial Classification (SIC) codes:

SIC Code 15 - Building Construction, General Contractors and Operative Builders. This major group includes general contractors and operative builders engaged in construction of residential, farm, industrial, commercial, or other buildings.

SIC Code 16 - Heavy Construction Other Than Building Construction - Contractors. This major group includes general contractors engaged in heavy construction other than building, such as highways and streets, bridges, sewers, railroads, irrigation projects, flood control projects and marine construction.

SIC Code 37 - Transportation Equipment. This major group includes firms which manufacture transportation vehicles, including cars, aircraft, ships, boats, railroad equipment, motorcycles, bicycles and snowmobiles.

SIC Code 73 - Business Services. This major group includes establishments primarily engaged in rendering services to business establishments on a contract or fee basis, such as advertising, credit reporting, collection of claims, mailing, reproduction, stenographic, news syndicates, computer programming, photocopying, duplicating, data processing, services to buildings, and help supply services. Temporary help supply services (SIC 7362) are excluded.

SIC Code 80 - Health Services. This major group includes hospitals, skilled nursing care facilities, and nursing and personal care facilities. Establishments of associations or groups, such as Health Maintenance Organizations (HMOs), are included, as are hospices. Also included are individual practitioners, such as doctors, dentists, chiropractors, optometrists, podiatrists, and osteopathic physicians.
Support Registry con’t —

delegates to an advisory group — led by AWB’s representative, Norm Raffael of Weyerhaeuser, and Kay Warner of the Building Industry Association of Washington—argued that cost-benefit data currently available did not justify such a broad program.

The message sent by the amendment helped ensure AWB’s eventual success in reducing the negative impacts of the legislation.

HB 1635, as passed by the House Judiciary Committee, required about 42,427 firms in 18 standard industrial classification (SIC) codes to report the hiring of new employees within five days. A $1,000 civil penalty for non-compliance could be levied. AWB, through the efforts of lobbyist Clif Finch, maintained that the employer classification base was still too broad, that the five-day reporting requirement was too short a time for an employer to prepare the necessary documentation, and that the monetary penalty for a first violation was excessive.

Rep. Rose Bowman, R-20, offered an amendment on the House floor which went even further. Bowman’s amendment entirely deleted the employer reporting requirement and penalty section from the bill. While the House approved Bowman’s amendment, it was rejected in the Senate. Nevertheless, the message sent by the amendment helped ensure AWB’s eventual success in reducing the negative impacts of the legislation.

The reporting requirement will expire July 1, 1993. Prior to that, the Legislative Budget Committee will analyze the effectiveness of the reporting system and deliver its findings to the Legislature by Nov. 7, 1992.

Does Washington state truly need additional training and retraining programs for unemployed workers or those in danger of losing their jobs? An Association of Washington Business task force will seek to answer that question in the interim before the next legislative session.

A task force is being formed from AWB’s Human Resources Council, the Unemployment Insurance Committee, and other interested members. The task force is expected to analyze what federal and state programs currently exist, which programs overlap, and what improvements can be made through streamlining and coordinating these programs.

This AWB study comes in response to efforts in the past legislative session to create the Washington Employment Futures Program. Two bills were introduced to create the program: SB 5325, sponsored by Sen. Eleanor Lee, R-33, and HB 1294, sponsored by Rep. Shirley Rector, D-5.

The program, requested by Gov. Booth Gardner and the Department of Employment Security, would offer additional training and retraining for many of the unemployed in the workforce. Available under the program would be vocational training to provide workers with basic skills required in the labor market and some upgrading of skills needed to become employable in today’s labor market.

The projected annual cost of the program is $11 million, financed by diverting money from the unemployment trust fund. The UI fund is sustained by employer payroll taxes and is used to pay unemployment benefits to qualified individuals.

The proposed diversion of UI taxes was quickly challenged by Doug Marshall, corporate counsel for Dargold, Inc., and chairman of AWB’s Unemployment Insurance Committee. Marshall testified before the Senate Economic Development and Labor Committee, protesting the use of unemployment insurance taxes to

The program would offer additional training and retraining for many of the unemployed in the workforce.
Industrial and business interests who felt the Puget Sound Water Quality Authority (PSWQA) was not responsive to the needs of business attempted to persuade the Legislature to curb the growing responsibilities gradually being assumed by the organization.

SB 5917, sponsored by Sen. George Sellar, R-12, passed the Senate with bipartisan support. See the 1989 Business Issues Roll Call at the center of this newsletter for a record of how your senator voted. However, the measure stalled and died when it was referred to the House Environmental Affairs Committee, chaired by Rep. Nancy Rust, D-1.

Many industry representatives believed PSWQA was not heeding some of the concerns expressed by businesses which must abide by state water quality laws. The authority was created by the Legislature to develop a comprehensive plan for water quality protection of Puget Sound. Implementation was left to existing state and local agencies.

"The Water Quality Authority had an elaborate review process, but we felt they really were not listening to the business community," says Llewellyn Matthews, lobbyist for the Northwest Pulp and Paper Association and board member of the Association of Washington Business. "Although we had gone through extensive efforts to make our views known, the authority was undermining the effectiveness of the public hearing process."

Some examples of how the agency circumvented or accelerated the public review process cited by Matthews include: proposing and adopting plan elements on the same day, with no intervening time for study or feedback by affected businesses; failing to release material due for action for advance review by the concerned parties; and sending portions of the plan to other entities, without attaching industry's comments. "Things like this suggest your input is not being taken seriously," says Matthews.

"The Water Quality Authority had an elaborate review process, but we felt they really were not listening to the business community". — Matthews

SB 5917 proposed to make the authority's water quality management plan subject to approval and modification by the state Department of Ecology. The legislation also would have required the authority to follow rule-making and public hearing procedures required of other state agencies.

"The larger issue in the bill was the...(con't)

Washington Futures can't pay for a program which would benefit persons not eligible for UI benefits. The diversion would come at a time when Washington already has the second most expensive unemployment insurance system in the country.

When a united business community was joined by the Washington State Labor Council in opposition to the diversion funding concept, Sen. Lee offered a compromise bill, SB 5383, calling for an inventory of existing training programs. AWB supported and applauded Sen. Lee's efforts.

All three bills eventually died, even though Gov. Gardner included passage of the Washington Employment Futures Program on the agenda for the two special sessions he called.

"We were disappointed that the Legislature did not adopt Sen. Lee's compromise proposal," Marshall reflected. "It would have accomplished a thorough review of all the state's vocational and higher education training and retraining programs. AWB supports the concept of public job training and retraining programs, but we strongly urge that a plan be developed to determine how best to meet any need which may exist."

During the legislative interim, AWB will attempt to develop its own analysis, and to review its position on the Washington Futures proposal following that review.
Governmental Affairs Council

The positions ultimately taken by the Association of Washington Business on legislative and regulatory matters is based largely upon the research and recommendations made by its Governmental Affairs Council.

The 25-member council examines emerging government issues, initiates background research, and formulates a legislative objective or position statement consistent with the principles and mission of AWB. The recommendation is forwarded to AWB's board of directors for final approval and adoption.

Members on the GAC represent a broad spectrum of professional and legislative expertise and experience. They include: Basil Badley, Carney, Stephenson, et al; Nona Brazier, Northwest Recovery Systems; Michael Coan, Greater Seattle Chamber of Commerce; GAC Chairman Bud Coffey, The Boeing Company; Curt Copenhagen, Longview Fibre Co.; Frank Delong, Washington State Horticultural Assn.; Dick Ducharme, consultant; Lee Fisher, Security Pacific Bank; and Joan Gaumer, consultant.

Other members include: Bob Haas, Atrium Services, Inc.; Chuck Helget, Arco; Walt Howe, The Weyerhaeuser Co.; Jason King, Puget Sound Power & Light; Bruce Koppe, Security Pacific Bank; John McAlister, Tree Top, Inc.; Jack McRae, PACCAR, Inc.; Scott Nelson, Washington Natural Gas; Tom Paine, Washington Water Power; and Don Reiman, The Boeing Company.

GAC members also include Randy Robinson, U.S. Bank of Washington; Duke Schaub, Associated General Contractors; Bob Taylor, Aluminum Company of America; Dale Vincent, Pacific Northwest Bell; Chuck Williams, Tektronix, Inc.; and Dan Wolfe, Safeco Corporation.

PSWQA con't

Llewellyn Matthews

administrative procedures that the authority follows,” Matthews commented. “In that sense, it was a message bill.”

Despite failure of the bill in the Legislature, AWB’s work in promoting its passage was praised by Randy Ray, a lobbyist representing several Puget Sound shipyards. “AWB has provided a focus organization which industry depends upon to form coalitions and address these types of problems,” Ray noted.

Ray said part of AWB’s influence and effectiveness is derived from its trained staff personnel. He credited Roger von Gohren, AWB government affairs specialist for environmental issues, for “his expertise and help in coordinating meetings and providing technical assistance.” That kind of help, said Ray, “has just been essential to our ability to work these issues.”