



"The power to make it better."

AARP Washington
State Office
9750 3rd Ave NE
Seattle, WA 98115
1-866-227-7457
www.aarp.org/wa

2010 State Legislative Session Services for Seniors Spared...

The recession has been hard on your family's budget and on the state budget too. Tax collections are down and demand for government services are at an all time high. As a result, lawmakers began the 2010 legislative session with the challenge of a \$2.8 billion budget shortfall. Solving this problem wasn't easy and it took far too long, with negotiations dragging on through a month long special session.

In the end, lawmakers agreed to a balanced approach to the states' budget gap. They identified ways to raise new state revenues in order mitigate painful cuts to education, health care and services that seniors rely on. The final budget that they agreed to isn't perfect but it could have been much worse. It goes a long way toward preserving health and long term care services that help people stay healthy and independent as they age.

(con't on p.2)

Budget Highlights

Revenue Raised

1) **Business Tax Changes** – In addition to smaller changes, there will be a temporary increase in the B&O tax paid by service businesses. For small businesses, this would be offset by a tax credit for small businesses, which would be doubled.

2) **Sales Tax Changes** – Non-essential items like bottled water, candy and gum will be subject to a temporary sales tax.

3) **"Sin Taxes"** – The tobacco tax will be increased and there will be temporary taxes on soda pop (2 cents per 12 ounces) and beer (28 cents per six pack, microbreweries exempted). For a more detailed summary of the 2010 Revenue Measures see the Washington State Budget and Policy Center web site at:

<http://budgetandpolicy.org/schmudget/overview-of-2010-revenue-measures>

Cuts Averted

1) **Elimination of Basic Health Plan coverage** for more than 20,000 people age 50+

2) **Elimination of the Prescription Drug Co-Pay Assistance** for 85,000 Medicare beneficiaries.

3) **Elimination of Adult Day Health** and deep cuts in home care hours for people who need long term care.

4) **Nutrition programs, transportation services** and other supports for 400,000 senior who benefit from Seniors Citizen Services Act funded programs.

(con't from p.1)

Seniors had more at stake than most people understand. Had the legislature not agreed to targeted tax increases, more than 20,000 people age 50+ would have lost health coverage through the Basic Health Plan; 85,000 low-income seniors would have had to do without help with prescription drug co-pays and more than 200,000 without needed vision, dental and hearing services. Long term care supports, including home care and adult day health services, would be scheduled for reduction. And senior services such as meals and transportation would be reduced.

To save these services lawmakers approved a nearly \$800 million revenue package. Narrow interests were successful in stopping lawmakers from closing many identified tax loopholes. Instead, lawmakers relied heavily on changes to the Business and Occupation tax and on so called "7-11" taxes on soda, candy and beer.

While we can celebrate that the hits to health and long term care were not as deep as we feared they might be, reductions in other state services will be hard felt. Our children and grandchildren will lose teachers and face higher class sizes; our universities will be challenged; and state workers who provide valuable services will be laid off.

AARP Advocates in Action:

- AARP advocates kicked off the session by delivering petitions signed by more than 3,000 AARP members to Governor Gregoire, Speaker Frank Chopp and Senate Majority Leader Lisa Brown. The petition asked leaders to take a balanced approach to the budget shortfall.
- More than 10,000 AARP members participated in a Telephone Town Hall with Governor Chris Gregoire. AARP Executive Council members joined the Governor in her office as she talked to our members on the phone and answered their questions.
- AARP is grateful to the Senior Lobby, a coalition of Aging Organizations, for once again organizing a successful Senior Lobby Day in Olympia. More than 50 AARP advocates traveled to Olympia from across the state to hear great speakers, enjoy lunch together and then visit with their lawmakers. Everyone looked great adorned in our new AARP red fleece scarves.

- AARP members from the Olympia Area responded to many calls to come to the Capitol this session. They visited lawmak-



Peggy Quan, Gene Forrester and Joyce LaValle with Representative Brendan Williams D-22nd

ers, attended hearings, testified at legislative hearings, participated in press events and attended coalition meetings. Thank you to all Capitol Area Advocates and especially to Peggy Quan, Joyce LaValle, Pat Jonassen and Lynne Treat.

- Throughout the session, AARP members across the state responded to Action Alerts, generating a constant stream of nearly 15,000 e-mails to state lawmakers and the Governor throughout the session. Thank you for your e-advocacy!



AARP's Top Concerns and Final Budget Outcome

Senior Issue	Earlier Proposals	Final Budget Outcome
Home Care	Reduce hours for 9,500 people and change eligibility so that 1,400 fewer people will qualify for help.	Previous cuts to home care hours were partially restored. Special add-on hours for people with family and friends available to help were cut. The net effect is a one half percent cut in home care hours.
Adult Day Health	End service for future recipients through attrition; reduce by 600 slots and compromise viability of centers.	Sufficient funding to allow additional enrollment and support an average of 1,575 clients, assuming more efficient transportation.
Senior Citizen Act Funding (SCSA)	Reduce service for approx 400,000 seniors: Including cuts to Information and Assistance, transportation, and nutrition programs.	No reduction
Basic Health Plan (State funded only program for those up to 200% FPL)	65,000+ people lose health insurance	The Basic Health Plan is preserved and expanded by 4,000 slots if federal funding becomes available.
Medicare Part D RX Co-Pay Program	85,000 people lose prescription drug co-pay assistance	No reduction
Medicaid "optional" benefits (200,000+ people eligible)	200,000+ people lose optional benefits; dental rate cut would impact access. 2,000 people who use hospice monthly lose this service	No reductions except for dental enhancements.

The following lawmakers sponsored amendments to the budget to restore cuts to long term care. Thank you!

In the Senate:

Senator Karen Keiser D-33rd sponsored an amendment to restore home care hours and preserve Medicaid personal care eligibility.

Senator Craig Pridemore D-49th sponsored an amendment to restore home care agency care management funds.

Senator Adam Kline D-37th sponsored an amendment to restore adult day health services.

In the House:

Representative Tammy Green D-28th sponsored an amendment to restore home care hours and preserve Medicaid personal care eligibility.

Representative Sherry Appleton D-23rd sponsored an amendment to restore adult day health.

Roll Call – How did your Representatives vote on the budget? To see how your Representatives voted on the budget go to the Washington State Legislature web site, roll call for ESSB 6444.

For the House of Representatives go here:
<http://flooractivityext.leg.wa.gov/rollcall.aspx?id=35130&bienId=20>

For the Senate go here:
<http://flooractivityext.leg.wa.gov/rollcall.aspx?id=35136&bienId=20>

Thank Your Coalition Partners

Throughout the session, AARP worked in coalition with other groups to achieve our goals. Thank you to the following organizations:

The Alzheimer's Association – Western and Central WA Chapter

The Elder Care Alliance

Resident Councils of Washington

SEIU Health Care 775 Northwest

Washington State Senior Citizens' Lobby

Washington State Long Term Care Ombudsman

Washington Area Agencies on Aging



Rep. Dennis Flannigan
D-27th with Kathryn Davis



Rep. Ross Hunter D-48th with AARP
staff and volunteers



Gary Shinkoskey and Ingrid
McDonald with Rep. Eileen Cody

Modifying Initiative 960

One of the most hotly debated issues of the session was over whether to suspend or modify Initiative 960.

What is Initiative 960? Initiative 960 requires a 2/3 majority vote for any tax increases. It was sponsored by initiative entrepreneur Tim Eyman and narrowly approved by voters in 2007. AARP took a position against Initiative 960 out of concern that it would tie the hands of the legislature and keep them from making reasonable changes to our tax code.

Why did lawmakers want to change it? With Initiative 960 in place, lawmakers did not have the votes necessary to pass legislation to raise new state revenue. Thus they would have had to take a “cuts only” approach to balancing the budget. This would have meant very deep cuts to health care and education on top of the cuts already made last year.

What did lawmakers do? Lawmakers passed ESSB 6130. This bill, sponsored by Senator Margarita Prentice D-11th, Chair of the Senate Committee on Ways and Means, amends Initiative 960 to allow for a simple majority vote to approve any action or combination of actions taken by the legislature that raise taxes. This is effective through July 1, 2011. After this date, a two-thirds super majority vote will again be required to raise taxes in Washington State.

The vote to amend Initiative 960 was very close:

Final Vote:	Yea	Nay
House	51	47
Senate	26	21

Roll Call – How did your Representatives vote on amending Initiative 960?

To see how your Representatives voted on amending Initiative 960 go to the Washington State Legislature web site, roll call for ESSB 6130

For the House of Representatives go here:

<http://flooractivityext.leg.wa.gov/rollcall.aspx?id=33846&bienId=20>

For the Senate go here:

<http://flooractivityext.leg.wa.gov/rollcall.aspx?id=33854&bienId=20>



Kirsten McFarland

Legislative Intern

AARP wants to express a special thanks to Kirsten McFarland who served as AARP’s Legislative Intern for the 2010 session. Kirsten gained hands on experience and credit towards her Master of Public Administration Degree from Evergreen University. She tracked bills, organized visits with lawmakers and called volunteers to come to Olympia on numerous occasions. Thank you Kirsten for your excellent contribution to AARP’s work in the 2010 Legislative Session.

AARP Washington Staff

- Doug Shadel, State Director
- Ingrid McDonald, Advocacy Director
- Jason Erskine, Communications Director
- Cheryl Weber, Outreach Director
- Bruce Carlson, Media Development Director
- Karla Pak, Program Coordinator
- Crystal Bell, Senior Operations Administrator



Frances Hagen

Putting a Face on the Issue

Throughout the legislative session, AARP reminded lawmakers that solving budget problems isn’t just a numbers game. Budget decisions affect real people and impact their pocket books and their health. To put a face on the issue, AARP identified people around the state who would be deeply impacted by proposed budget cuts, video-taped their stories and e-mailed them to lawmakers.

As they weighed options for cutting the budget, lawmakers heard real life stories from people like Frances Hagen of Bellingham. Frances has leukemia and is lucky to have found a prescription drug that keeps his disease under control. His drug costs run \$3,500 per month-more than double his monthly income. Frances relies on the state funded Medicare Part D Co-Pay Assistance Program to help him afford the medication he needs. Without it, says Frances “...the drug costs would sink me.”

AARP shared Frances’s story with all legislators – urging them to preserve funding for the Part D Co-Pay Assistance Program. This program covers prescription drug co-pays for 85,000 very low-income seniors and people with disabilities who are eligible for both Medicaid and Medicare. The program was scheduled for elimination in the Governor’s first budget proposal.

Once lawmakers understood how vital the program is to people like Frances across the state, and discovered that cutting the program might just cost the state more in the long run if people skip or skimp on their medications and end up in the emergency room or a nursing home – they agreed to preserve it in the final budget.

AARP thanks Frances Hagen and also Lynne Treat and Linda Austin for sharing their stories.



Protecting Vulnerable Adults (SB 6202 / HB 2426):

Abuse and neglect of the elderly and persons with disabilities occurs far more frequently than any of us would like to believe. During 2007, the state received more than 40,000 reports of possible abuse, abandonment, neglect and financial exploitation.

During this winter's legislative session, State Attorney General Rob McKenna requested legislation to address this growing problem. This legislation, SSB 6202, encourages financial institutions to train employees on financial exploitation of seniors and allows them to temporarily refuse a transaction request if exploitation of a vulnerable adult is suspected so that appropriate action can be taken.

This bill also requires "mandated reporters" to report the death of a vulnerable adult to the medical examiner and law enforcement when circumstances indicate that the death was caused by abuse, neglect, or abandonment.

SSB 6202 passed by unanimous vote in the House and the Senate.

Thank you to Attorney General Rob McKenna for his work in this area and to the following legislators for sponsoring SB 6202.

Senator Sponsors:

Senator James Hargrove D-24th
Senator Janea Holmquist R-13th
Senator Rosa Franklin D-29th
Senator Jim Honeyford R-15th
Senator Bob McCaslin R-4th
Senator Debbie Regala D-27th
Senator Bob Morton R-7th
Senator Karen Keiser D-33rd
Senator Jerome Delvin R-8th
Senator Dan Swecker R-20th
Senator Phil Rockefeller D-23rd
Senator Rodney Tom D-48th
Senator Adam Kline D-37th
Senator Rosemary McAuliffe D-1st
Senator Derek Kilmer D-26th

Representative Sponsors:

Representative Jim Moeller D-49th
Representative Barbara Bailey R-10th
Representative Kevin Van De Wege D-24th
Representative Judy Warnick R-13th
Representative Jim Jacks D-49th
Representative Jaime Herrera R-18th
Representative Jay Rodne R-5th
Representative Norm Johnson R-14th
Representative Deborah Eddy D-48th
Representative John Driscoll D-6th
Representative Christine Rolfes D-23rd
Representative Dawn Morrell D-25th
Representative Al O'Brien D-1st
Representative Pat Sullivan D-47th
Representative Steve Conway D-29th



AARP Washington State President John Barnett speaks to participants at Senior Lobby Day in Olympia



AARP Marysville Chapter members speak with Representative Mike Sells D-38th

Health Reform – State Implementation

Health Care Committee Chairs Senator Karen Keiser D-33rd and Representative Eileen Cody D-34th will lead Implementation Committee:

As the state legislative session played out in Olympia, lawmakers in Washington DC concluded the long and contentious debate over national health reform with final approval of the Patient Protection and Affordable Care Act on March 21.



In anticipation of big changes at the National Level, state lawmakers, led by Senator Karen Keiser D-33rd, moved to establish a Joint Legislative Select Committee on Health Reform Implementation. This committee will be chaired by the Chairs of the Senate and House Health Care Committees, and include four additional legislators chosen by leadership. They will form advisory committees to focus on key areas of implementation such as insurance regulation, access and expansion of public and private programs, and workforce issues.

States will play a key role in implementing the new health care law and input from stakeholder groups will be a very important part of this process. AARP looks forward to working with the new Joint Committee and the Governor's Health Care Cabinet as Washington State puts the building blocks of health reform into place.

Retirement Security

Legislation to Encourage Private Savings Considered

One great weakness in our retirement system is that between 40 and 50 percent of the U.S. workforce do not have retirement savings program at work. Statistics show that people with plans at work are better able to prepare for retirement than those without.



Dick Fox, Suzanne Semke-Fox, and Mike Tucker with Senator Eric Oemig D-45th

To encourage private savings, AARP supported legislation to establish a new Voluntary Retirement Accounts Program for the state of Washington (House Bill 2754 and Senate Bill 6541). This policy proposal, developed by the **Economic Opportunity Institute**, would make it easier for small businesses to offer workplace savings accounts by creating a low-cost pooling mechanism that would contract the investment services to the private sector. The goal of this plan is to:

1. Provide a retirement plan that is easier for small businesses to administer, leading to more businesses choosing to offer a plan and increasing the number of people who are saving for retirement at work;
2. Provide a retirement plan that is less expensive for participants through lower fees, leading to higher retirement incomes.

This legislation was heard in committee but failed to get the votes necessary for passage. AARP thanks **Senator Eric Oemig D-45th and Representative Tina Orwall D-33rd** for their leadership in sponsoring this legislation and advocating for it in their respective committees of jurisdiction.

AARP will continue to explore state and federal policies to encourage private savings while at the same time continuing our long standing to commitment to preserve and protect Social Security.

For more on AARP's work to encourage private savings go to: http://www.aarp.org/money/work/articles/auto_ira_small_business.html



AARP Executive Council Members and Staff with Governor Chris Gregoire on the day of the Telephone Town Hall with 10,000 AARP Members.



Peggy Quan, Shelby Gilje, Bette Robbins, Joan and Ed Singler listen to speakers at Senior Lobby Day

Looking Forward to 2011

While the economy appears to be slowly improving, the fiscal outlook for state budgets is bleak. It takes state budgets longer to recover from down turns – and Washington will be no exception. AARP anticipates continued threats next session to services and programs that seniors rely on and we stand ready to engage in the discussion once again.

In the interim, AARP will be hosting consumer education events, career fairs and educational forums about the new health care law.

For more information on the new health care law go to: www.aarp.org/getthefacts

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www.aarp.org/wa

Many thanks to AARP volunteers, partners and friends for making the 2011 session a success.