

**Society for Social Work Leadership in Health Care, Washington Chapter
2010 Legislative Advocacy Position Paper**

We Oppose an All-Cuts State Budget for 2010-11

**Support Raising Revenue for this Biennium
Support Comprehensive Tax Reform for Washington State**

On 12/09/09 Gov. Chris Gregoire proposed her 2010 supplemental state budget, which would fill a \$2.6 billion hole in the budget for 2010–11 through service eliminations, reductions or suspensions. As required by law, she submitted a budget based on currently available revenue projections. She then went to the media to say she does not approve of her own budget, Governor Gregoire knows that families will suffer unnecessarily by an all-cuts budget. We agree with our Governor: we need to raise revenues to prevent further decline in our quality of life.

Washington needs new sources of revenue to support investments in health, education, and welfare. Our tax structure needs revision.

We Support the Analysis and Recommendations of the Economic Opportunity Institute and the WA State Tax Study Report to the Legislature of 2002:

Our state suffers from a structural deficit, with tax revenues over time growing at a slower pace than the economy and demands for public services. By failing to capture revenue from a changing economy, we are starving our economy of the very resources we need for long-term growth and broad economic opportunity. Without raising rates or adding new taxes, our state is losing the ability to provide the kind of infrastructure we need to thrive in the modern economy. We need new sources of revenue to support important public investments, while making our tax system more equitable for everyone.

WASHINGTON HAS OPTIONS FOR MORE REVENUE:

Suggestions from EOI include: (For more detail, see: http://www.eoionline.org/tax_reform/index.htm)

- **SALES TAX EXPANSION:** A simple way to start fixing our tax structure and expand Washington's tax base would be to extend the sales tax to selected goods and services that are currently not taxed. However, sales taxes are regressive and hurt low-income people.
- **TAX CORPORATE PROFITS:** Taxing windfall profits will help our state get on the road to sustainable development while improving our domestic and economic security.
- **ELIMINATE TAX EXEMPTIONS:** Tax exemptions add up to a lot of money that could instead improve public services to help all businesses prosper.
- **INCOME TAX:** Taxing high incomes can reduce regressive taxes, ease the structural deficit, and improve public services. Rather than slash investments or increase rates on existing regressive taxes, Washington could implement a new tax on the highest income state residents. A tax on high incomes could raise enough revenue to allow a reduction in regressive sales or property taxes, while still raising new funds to invest in high priority services.

The 2002 Report to the Legislature on Tax Alternatives for Washington State, William Gates, Sr., Chair, also researched options for comprehensive tax restructuring, including a

- **VALUE-ADDED TAX (VAT)**
- **PERSONAL FLAT AND GRADUATED INCOME TAX OPTIONS**
- **CORPORATE INCOME TAX**

For the Executive Summary or full study, see http://dor.wa.gov/content/aboutus/statisticsandreports/wataxstudy/final_report.htm

SUPPORT A COMPREHENSIVE APPROACH TO REVENUE AND TAX REFORM FOR WASHINGTON

The Society for Social Work Leadership in Health Care / WA Chapter is a professional association dedicated to promoting the universal availability, accessibility, coordination, and effectiveness of health care, while addressing the psychosocial components of health and illness. Learn more at www.sswlhlc-wa.org.

WE OPPOSE AN ALL-CUTS BUDGET for 2010-2011

RAISE REVENUE TO PREVENT REDUCTIONS IN HEALTH CARE

PROPOSED HEALTH CARE BUDGET CUT INFORMATION from INSIDE OLYMPIA

The Washington State Hospital Association is a good source of advocacy information for healthcare providers and policy-makers interested in preserving services and programs for Washington citizens.

WSHA publishes Inside Olympia to communicate its policy priorities each legislative session. The most recent edition, dated December 9, 2009, is accessible through the WSHA webpage (<http://www.wsha.org/page.cfm>).

It analyzes the effect of the Governor's proposed state budget on patients and medical facilities, including specific cuts to services and programs of interest to medical social workers, clients, administrators, and decision-makers.

Proposed cuts to address the state's \$2.6 billion deficit include:

- five percent cuts in Medicaid reimbursement to hospitals (to save \$63-76 million);
- eliminating 67,000 people from the Basic Health Plan (\$160 million);
- cuts 20,000 children off the Apple Health program by reducing eligibility from 300 to 205 percent of poverty level (\$33 million);
- cuts 18,000 disabled people from GA-U and ADATSA funded coverage (\$134 million);
- eliminates 'optional' Medicaid coverage for adults needing hearing, vision, dental, hospice, podiatry, and PT/OT services (\$60 million);
- eliminates Maternity Support Services (\$53 million);
- cuts the funding for Medicaid interpreter services (\$17 million).

SUPPORT the Governor's Plan for restoration of Medicaid funding:

The Governor hopes to restore Medicaid payments to hospitals via a Hospital Safety Net Assessment, in order to obtain increased federal matching funds. A WSHA Issue Brief on this levy on hospitals, is online at <http://www.wsha.org/file/65/11.2.09HospitalSafetyNetAssessmentIssueBrief.pdf>

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SUPPORT the development of other sources of revenue to prevent deep cuts to hospitals and health care, and preserve quality of life for Washington citizens.

FOR MORE INFORMATION, see

<http://www.wsha.org/files/Inside%20Olympia%2012.09.09.pdf>.

CONTACT YOUR LEGISLATOR and GET COPIES OF LEGISLATIVE DOCUMENTS via the LEGISLATIVE INFORMATION CENTER: See www.leg.wa.gov, or call Legislative Hotline at 1-800-562-6000; email support@leg.wa.gov; Location: Capitol Building, Rm. 106

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