



CHILDREN'S ALLIANCE

A Voice for Washington's Children, Youth & Families

Ballot Measures Impacting Kids and Families – 2010 Elections

Updated August 31, 2010

YES on Initiative 1098

I-1098: High-earners income tax, middle-class tax cuts, job creation, dedicated funding for education and health care

Status: On the November statewide ballot

Endorsements: Children's Alliance, 2,000 small businesses, labor, and civic/community leaders like Bill Gates, Sr.

Yes on 1098 campaign website: <http://www.yeson1098.com>

Estimated revenue raised: \$1 billion/year

Details: The wealthiest 3% of Washingtonians will pay an income tax, while the vast majority of Washingtonians will pay less.

How:

- Reduces the state property tax by 20%, saving the average King County homeowner about \$180 per year.
- Increases the small business tax credit from \$420 to \$4,800 annually, eliminating the state business and occupation tax for more than 80% of businesses and reducing taxes for another 10%.
- Adds a new income tax that will only be paid by couples with incomes over \$400,000 and singles with incomes over \$200,000 — about 3% of households.
- The wealthiest Washingtonians now pay less in state and local taxes than residents of 43 other states. The 3% who will pay this new tax will take adjusted gross income straight from their federal form and pay just 5% on their income over \$400,000 for couples (\$200,000 for individuals), and 9% on income over \$1 million (\$500,000). For example, if household income is \$500,000, the income tax would be \$5,000, or just 1% of gross income.

Impact on children and families: I-1098 funding is dedicated to fund health care and education programs. Here is how the revenue, after the tax reductions, would be allocated:

- **Education Legacy Trust Fund:** 70% of net revenue will go to education. Future Legislatures will determine specific uses, which may include class-size reduction, extended learning opportunities, pre-kindergarten, and expanding access to higher education and other uses.
- **Health Trust Account:** 30% of net new revenue will go to health care. Future Legislatures will determine specific uses, which may include the Basic Health Plan, public health services, and long-term care services for seniors and people with disabilities.

NO on Initiative 1053

I-1053: 2/3-majority vote to raise revenue in the state Legislature (sponsored by Tim Eyman)

Status: On the November statewide ballot

Opponents: Children's Alliance and coalition partners who opposed I-960.

No on 1053 campaign: Sandeep Kaushik skaushik100@gmail.com

Details: This initiative is modeled after I-960 and would require an onerous 2/3-majority vote to pass a bill with any new revenue in the state Legislature. This supermajority requirement would

effectively prevent our state from raising revenue in times of budget crisis – even when a majority of state lawmakers deem it necessary. It would give a handful of lawmakers veto power over important fiscal decisions.

Impact on children and families: I-1053 would severely restrict the government’s ability to raise new revenue needed to support vital services for children and families, such as Apple Health for Kids, early childhood education, and programs aimed at ending childhood hunger. I-1053 would limit our state’s ability to respond to the needs of kids and families and could force cuts to support systems the Children’s Alliance and our allies have fought hard to protect.

NO on Initiative 1107

I-1107: Repeal of several revenue measures state lawmakers approved during the 2010 legislative session

Status: On the November statewide ballot

Opponents: Children’s Alliance and other members of the Rebuilding Our Economic Future Coalition, which led a successful push to raise nearly \$800 million in new revenue this past session.

No on 1107 campaign: Celia Schorr cschorr@nwlink.com

Details: This measure is heavily funded by the national beverage industry and would repeal new taxes on candy, gum, soda and other carbonated beverages and bottled water, while reducing tax rates for certain food processors.

Impact on children and families: This initiative would cost our state hundreds of millions in lost revenue over the next two years, and it could lead to deep cuts to critical services for kids and families. The state would lose a stable source of revenue, and cuts might be required to balance the budget. Additionally, the potential health gains of extending the sales tax to candy and soda, such as reduced rates of obesity, may not be realized.

NO on Initiatives I-1100 & I-1105

I-1100 & I-1105: While these are separate initiatives, both I-1100 and I-1105 would close state liquor stores and authorize sales of spirits by private parties, reducing state revenue

What is the difference between I-1100 & I-1105?: One significant difference between the two initiatives is that I-1100 would not require use of wholesalers and would let retailers buy liquor stock directly from manufacturers, while I-1105 requires use of wholesalers. Other differences between the initiatives may be found here:

Status: On the November statewide ballot

Opponents: Children’s Alliance, Keep our Kids Safe, WA Association for Substance Abuse and Violence Prevention oppose both initiatives. UFCW 21 opposes I-1100.

No on 1100 & 1105 campaign website: <http://protectourcommunities.com/>

Estimated revenue lost: \$76-85 million (state) and \$180-192 million (local) over five years

Details: These measures would direct the liquor control board to close all state liquor stores; terminate contracts with private stores selling liquor; and authorize the state to issue licenses that allow spirits (hard liquor) to be sold, distributed, and imported by private parties. It would repeal uniform pricing and certain other requirements governing business operations for distributors and producers of beer and wine. Stores that held contracts to sell spirits could convert to liquor retailer licenses.

Impact on children and families:

The privatization of the state-controlled liquor sales system will have a direct impact on children and families in the following ways:

- **Increased sales to minors:** Privatized liquor stores tend to sell to minors at higher rates, and their compliance with the law is lower.
- **Increased liquor outlets:** The number of stores would need to increase dramatically (estimated from 315 to 3,357), to make up for lost revenue. The density of outlets in our communities would increase. Promoting consumption is not a sound way to raise revenue. Placement and locations of stores in communities of color are disproportionately high and would likely be higher with privatization
- **Loss of significant revenue for vital programs that serve children and families:**
 - **Of the \$332 million that comes back** to the state from liquor revenue, **59.7% or \$198.7 million** goes to the general fund that provides funding for vital health and human service programs.
 - **14.9%, or \$49.4 million,** goes to the state's Basic Health Program.
 - **6.1% or \$20.3 million goes to education efforts to prevent alcohol consumption:** These funds pay for programs such as the statewide Violence Reduction and Drug Enforcement program, which funds drug offender treatment services, the Washington jail reporting system, the juvenile rehabilitation tracking system, civil indigent legal representation, multi-jurisdictional narcotics task forces and grants to community networks.
- **Disproportionally affect communities of color:** In states that have privatized the sale of liquor, fortified beer and wine are being sold more frequently in low-income communities and in communities of color. These communities will see an increase in alcohol consumption, more alcohol related violent crimes and more youth of color having access to cheap hard liquor.

YES on Referendum 52

Referendum 52: Authorizes bonds to finance construction and repair projects increasing energy efficiency in public schools and higher education buildings, continues the sales tax on bottled water otherwise expiring in 2013

Status: On the November statewide ballot

Supporters: Children's Alliance and Healthy Schools for Washington (a coalition of parents, teachers, environmentalists, labor unions, school nurses, and the business community).

Yes on 52 campaign website: <http://www.healthyschoolsforwa.org/>

Details: During the 2010 legislative session, the Legislature passed EHB 2561, funding construction of energy cost saving improvements to public facilities. Now, this effort must be put before the voters for approval. This law allows the state to issue bonds in the amount of \$505 million that will be used for construction improvements in public K-12 schools and higher education buildings. The funds will be used to make improvements in public schools through repairs to aging buildings and installation of energy-efficient replacements. These repairs will improve the learning environment for students by addressing conditions that make schools unsafe, while modernizing facilities and making them more energy-efficient.

Impact on children and families: Passage of Referendum 52 would create a source of funding for needed retrofits and improvements for schools. Over 45% of schools in Washington were last remodeled over 40 years ago; this means that thousands of kids are being asked to learn in schools that are potentially unsafe. Improvements in school buildings will result in better learning environments for children. Studies show that improved school buildings contribute to better student performance and reduce absenteeism and teacher turn-over.

For more information about these and other proposed initiatives, visit the Secretary of State's website at: <http://www.sos.wa.gov/elections/initiatives/people.aspx?v=2010>