

Western Washington University Associated Students
Legislative Affairs Council
Monday, November 26, 2012 **VU 567**

Present: Patrick Stickney (AS VP Governmental Affairs, Chair), Andrew Taylor, Ben Crowther (Legislative Liaison), Evan Fowler, Graham Marmion, Joseph Levy,, Neil Christenson, and Tom Durham. *Absent:* Amy Stavig and Nathan Haugen
Advisor: Kevin Majkut
Secretary: Kaylee Galloway

MOTIONS

- LAC-12-F-11** Approve the minutes from November 19, 2012. *Passed*
LAC-12-F-12 Approve all of the legislative agenda items. *Passed*
LAC-12-F-13 Include Revenue in the legislative priority agenda. *Passed*
LAC-12-F-14 Include financial aid, revenue, and access and attainment in the legislative priority agenda. *Passed*
LAC-12-F-15 Approve the legislative agenda with the stipulation that graphs are added. *Passed*
LAC-12-F-16 Approve the expenditure and proposal for dedicated lobby trips in its entirety. *Passed*

Patrick Stickney, Chair of Legislative Affairs Council, called the meeting to order at 2:04pm

I. CALL TO ORDER

II. ADDITIONS AND CHANGES TO THE AGENDA

III. APPROVAL OF MINUTES

MO TIONLA C-12-F-11 by Marmion

Approve the minutes from November 19, 2012

Second: Levy Vote: 7-0-0 Action: Passed

IV. PUBLIC FORUM

V. REPORTS

A. VP for Governmental Affairs

Worked on setting up in district meetings with legislatures. Welcomed Chirag from the United States Student Association.

B. Legislative Liaison

Nothing to report.

C. Western Votes

Taylor is going to the AS Club Exchange this Friday to talk about Western Votes and how to get involved. Started work on collecting story cards and preparing for lobby day.

D. Student Senate

Passed Crowther's Resolution on Name and Gender-Marker Change Policies.

VI. INFORMATION ITEMS

VII. ACTION ITEMS

A. Legislative Item Language

Stickney explained that when the committee decides on the priority items, he will format them into the legislation agenda. He hoped that the committee read over the legislative mission and the guiding principles, which were both taken from last year's agenda. Stickney said he completely wrote the letter and that it was all new information. Majkut thought the board would look at the legislative agenda next week, but that he was not for sure. Marmion said that the White House published that a capital gains tax at the federal level ends up being ineffective in raising revenue. He said that the reduction in capital gains from the Bush tax cuts, however, should not be continued because a reduction in capital gains leads to a reduction in tax revenue. Crowther said that there is an argument that says a reduction in an already existing capital gains tax can raise revenue, but this argument does not speak to whether having a capital gains tax will increase revenue. Fowler said that when taxes are reduced, people have more money to spend and consequently that money goes into to the economy, which increases economic growth and increases income. Marmion said that research suggested that capital gains are too costly and do not produce much revenue. Folwer said that a capital gains tax will raise revenue, but does so at a high opportunity cost and requires a lot of political capital. He said that a cost-benefit analysis and the political feasibility should be considered because there is potential for political gridlock. He said that discussion on eliminating tax exemption for Canadians to raise revenue would be more politically feasible. Durham said that a capital gains tax raises revenue, but also hurts small businesses. He said that maybe another way of taxation should be considered. Crowther requested that the legislative agenda include a couple examples of tax increases. Taylor dittoed. Crowther said that wealthier people, who are not working, still have an income because of the profits they make in capital gains. He said that a capital gains tax ensures everyone is paying their fair share. Christenson said he is in favor of a state income tax, which is an alternative. He suggested using language that would tell the state that people want to move away from a regressive state sales tax yet would give Crowther flexibility. Fowler noted that it is important to provide examples that are politically feasible. He said that a capital gains tax will affect the Washington state economy because it has an impact on small businesses. He said that the Budget Policy article did not mention any indirect effects on people. Fowler said that his primary concern is that the article framed capital gains tax as a stable tax, but in reality, it is not stable because it is influenced by market fluctuations, which are not always stable. He said that consumer spending did not plummet like the Dow, and the Dow influences the capital gains tax because it is the investments that are being taxed. Stickney said that with capital gains, it is very important to recognize that investments in the market recover faster than the rest of the economy. He said that Washington is one of very few states who do not have a capital gains tax and that the tax is a source of revenue. He noted that Washington does not have many other options. He said that the only other options include closing tax loopholes, raising Business and Occupations (B&O) tax, and a state income tax (which would require a 2/3 vote). He said that the revenue can be used to lower other taxes. Stickney said that the point of the council is to represent what the students at Western want, and that it is important that students tell legislators that revenue is needed in order to fund higher education; the goal is to get students engaged. Majkut asked about language that talks about capital gains not affecting the middle class; he wondered if moving it to the final statement would be better. Taylor said that Washington will not get what it doesn't ask for and so students need to ask for something. He said that other alternatives are not feasible especially if a 2/3 majority vote is needed. Taylor further noted that the revenue section has the most aggressive language. Durham said that many middle class families need to utilize profits earned from their investments. Stickney said that there is a \$10,000 cap for married couples, which means that 97% of Washingtonians will not be affected. Taylor confirmed that a capital gains tax would not affect GET. Fowler noted that the Budget Policy

article mentioned that a capital gains tax would enable a rainy day fund and a reduction in sales tax. He suggested that the agenda not focus on specifics rather focus on the general concepts. Fowler further noted that the market in the last four years still has not fully recovered from before the recession. He mentioned that anything tax related will not be popular and that people commonly vote against taxes even if it does not affect them. He said that other options include restructuring the B&O tax, flat income tax, restructuring of the lottery, and charging Canadians sales tax. He said the options should not be limited, and that focusing on many alternatives would be better than just focusing on one. Christenson said that revenue should have aggressive language. He further recommended that the committee authorize Crowther to make the judgment calls in Olympia. It is not the job of this council to propose direct, specific solutions to the legislature, rather it is the council's job to recognize the problems and have the legislators figure out solution. Crowther said that everyone agrees that the purpose is to raise revenue for higher education, but the point of this discussion is determining ways to do so. He wants the council to list multiple specific taxes including capital gains. Crowther said to let him worry about the lobbying and whether it is feasible. Marmion said that the council should establish a list of options such as an income tax and let Crowther judge whether it is possible. He also suggested sales tax reduction and B&O restructuring. Taylor moved to exhaust the speakers list. Marmion Seconded. The committee decided to include B&O tax restructuring in the Revenue section. Levy mentioned that not having sales tax would encourage people to buy more. Stickney is worried about putting changes to sales tax on the legislative agenda. Stickney suggested maybe moving from taxing goods to taxing services. Majkut said that Governor Gregoire was trying to get an agreement about taxing on a wall that would have people still pay sales tax. Crowther suggested expanding sales tax to include taxes on services. Levy dittoed. Taylor suggested including the marijuana revenue and removing the second bullet point. Committee also changed it so say "support the implementation of an update to our revenue system". Added "middle class" to the last bullet point. Christenson recommended that the revenue from marijuana be directed to higher education. Fowler suggested rewording the last bullet point. Christenson called to question. Crowther seconded. Passed 4-0-3.

MO TION LA C-12-F-12 by Crowther

Approve all of the legislative agenda items.

Second: Marmion

Vote: 5-0-2

Action: Passed

B. Format of Legislative Agenda

Stickney said the next step is prioritizing the legislative items in the legislative agenda. Fowler recommended putting financial aid as the first priority. He also recommended framing the priorities in a way that is middle ground and doesn't isolate any particular group. He said it will help in getting more support. Marmion agreed that financial aid should be first priority. Christenson dittoed. *Fowler left 2:57pm* Majkut said that the board will vote on the content and not as much on the formatting. Crowther suggested reformatting the guiding principles page. He said that the format is not really clear and that it should be centered and italicized. Marmion agreed. Crowther would like to write the guiding principles more explicitly. He said "opportunity to pursue higher education is the right of every individual, regardless of financial resources" should be one. And that higher education should be a right. Christenson said that a right is stronger language than a public good. Levy said that higher education being a public good should still be mentioned. Crowther said to call it a public good is to demean it to a commodity not that it will be good for the public. Marmion said that people may just dismiss higher education as a right whereas classifying it as public good entails all of the social benefits. Majkut said that this language was used because the benefits to the public also relates as a

funding issue as opposed to the individual rights and personal gains. He said that it would be coming back to the language that people can relate to. Crowther would like to see one of the principles to be that higher education is a moral imperative and another point that speaks to the economic components. Levy dittoed. The committee agreed to have the second guiding principle read “affirm that higher education is a public good that provides significant benefits to individuals and the state of Washington”. Crowther wanted the guiding principles to be simple and accessible. Marmion dittoed. Taylor recommended that the mission statement be used as the preamble of the Guiding Principles. The committee agreed. Levy suggested adding a third bullet. Committee agreed. There was further discussion on formatting. Committee agreed to have the third guiding principle read “Support the holistic enrichment of student lives, in the recognition these lives are not confined to the boundaries of campus.” Levy suggested adding graphs. Stickney said he has graphs and will add them to the agenda.

MOTION LAC-12-F-13 by Crowther

Include Revenue in the legislative priority agenda.

Second: Marmion Vote: 7-0-0 Action: Passed

MOTION LAC- 12-F-14 by Marmion

Include financial aid, revenue, and access and attainment in the legislative priority agenda.

Second: Taylor Vote:6-0-0 Action: Passed

MOTION LAC-12-F-15 by Marmion

Approve the legislative agenda with the stipulation that graphs are added.

Second: Christenson Vote: 6-0-0 Action: Passed

C. Proposal for Lobby Trips After Viking Lobby Day

Stickney confirmed that the lobby trips would be held on a variety of days and times during the week. Crowther would like to change it so that it is not required to have a lobby trip for every agenda topic. He said that it might be difficult to find enough people for every issue.

Christenson disagreed. He said that it should be kept open to all of the main topics and that students are passionate about these different issues. Crowther is worried about the effect these lobby trips will have on the Viking Lobby Day. Stickney said that this plan would include a 6-8 person van. He also said that the expectation for Lobby Day has not been decided. Majkut said the funding will come from the LAF.

MOTION LAC-12-F-16 by Christenson

Approve the expenditure and proposal for dedicated lobby trips in its entirety.

Second: Levy Vote: 6-0-0 Action: Passed

VIII. NEXT MEETING DATE

December 3, 2012

IX. ADJOURN

X. OUTSIDE OF COMMITTEE WORK

The Meeting was adjourned at 3:27p.m.