**Choosing an Issue:**

**ASWWU Legislative Agenda**

**Issue: Oil Tax Loophole Closure**

**Author(s)/Sponsor(s):** AS Environmental and Sustainability Programs/AS EnvironmentalClubs

**Endorsements:** AS ESP, Students for Renewable Energy, Transition Western, Western Action Coalition, Students for Sustainable Water, Students for Sustainable Food, Surfrider Foundation, RE Sources for Sustainable Communities, American Rivers, Audubon Washington, Climate Solutions, Conservation Northwest, Earth Ministry, Environment Washington, Futurewise, Heart of America Northwest, League of Women Voters of Washington, National Wildlife Federation, NW Energy Coalition, The Sierra Club, The Lands Council, The Nature Conservancy, Transportation Choices Coalition, Washington Conservation Voters, Washington Environmental Council, Washington Toxics Coalition, Washington Wildlife and Recreation Coalition, Zero Waste Washington

**Proposed Action Agenda Item Title:**

Dedicated funding sourced from prospective Oil Tax Loophole Closure

1. **Describe the Issue (what is the problem and what is the solution):**

The continued financial divestment from higher education exacts a burden on prospective and current college students. There is a broad public demand for dedicated higher education funding sources. Right now, Washington State has an Oil Tax Loophole that if closed would generate $41-$63 million per biennium for state education needs. This money could be directed towards long term higher education funding.

Removing this loophole would benefit Washington State. Over the past 6 decades Washington State could has given away hundreds of millions of dollars to oil companies and profiteers that have largely taken their revenues out-of-state. By redirecting this funding to students, some of the burden of debt would be lifted, demand for dedicated funding sources towards higher education could be met, and oil companies would have less incentive to refine and export large quantities of oil through our state and less economical means to transport to dangerous crude and tar sands by rail through Whatcom County.

The student environmental community is also offering this oil tax loophole initiative as a more respectful, more reasonable, and more viable alternative to the tribal casino profits tax earlier identified in the WSA's proposed legislative agenda for New and Dedicated Revenue. The environmental community hopes that by providing this alternative will help encourage the WSA to remove any mention of a tribal casino profits tax from any final proposals, and believes that the ASWWU should avoid any association with a proposal (thorough WSA or otherwise) that has the potential to deny or challenge tribal sovereignty.

2) **Please fill out a strategy chart:**

**3) Please explain briefly how/if the issue meets the following qualifications:**

1. **Is it winnable?**

Higher Education funding is a bipartisan issue that draws concern from a large variety of interest groups and will help to draw support from Republicans as well as the Democrats in the legislature*.* The Governor and House leadership are already invested in closing the big oil loophole, and the Senate minority is looking for strategic issues to use for accountability purposes. A big oil loophole priority is one item that fits the bill.

The oil tax loophole campaign was originally launched last year by the Washington Environmental Council and has gained significant ground in the legislature. The Washington State House of Representatives already passed a budget that included removal of the oil tax loophole in the 2013-2015 biennium. Internal whip counts suggest the environmental community had the votes to pass the legislation through the Senate, though it was blocked by Senate leadership following higher than expected revenue projections for the state budget, which made new revenue sources less immediately necessary in their view. Student support could help make an already successful campaign even more winnable while building lasting and effective coalitions for new revenue.

1. **Does it directly impact students?**

By redirecting the funds collected from the oil tax loophole closure towards higher education, students would directly benefit financially and environmentally. Oil tax loopholes externalize the cost of refining oil in our state onto Washingtonians’ health and our collective ecosystem.

1. **Does it have a clear target?**

The primary targets for this proposal are in Senate leadership to allow the oil loophole to come to a vote. Secondary targets are moderate Republicans inclined to support responsible fiscal management and environmental protection.

1. **Does build a measureable amount of power?**

We have reason to believe this measure could replicate many of the existing student and community-based campaigns on the issue of fossil fuel exports. To build power for legislative and electoral initiatives, the student environmental community last year leveraged a proposal to divest the WWU Foundation from the fossil fuel industry through grassroots and direct action organizing in the Western Action Coalition and a campus initiative calling for divestment that was passed in the Spring of 2013. There is also a wide range of student and community power built around stopping fossil fuel exports in Whatcom County, specifically the proposed Gateway Pacific Terminal at Cherry Point.

Student interest in these fossil fuel exports continues to grow: all four Whatcom County Council candidates endorsed by the Washington Conservation Voters were elected this November with approximately 83% of the student vote (voters age 18-26 in WWU precincts is used, as it represents our closest proxy for this data), in a record turnout for students in a local election. Similar to the Gateway Pacific Terminal, there are proposals of many more fossil fuel exports, including oil by rail, that is proposed to cross through Bellingham. The student environmental community plans to develop this legislative initiative among others to continue to organize students resist these fossil fuel exports and their associated risks. Combining the resistance to fossil fuels and fossil fuel exports with the support for higher education funding could bring solidarity between the groups and build even more power.

1. **Does it have a clear and realistic time frame?**

Based on WEC’s previous campaign work, the 2014 legislative session will be the right time to mobilize support for closing the loophole and adding students support to the existing WEC campaign, as it will provide accountability for Senators up for election in 2014. It is likely further legislation will be pursued in the 2015-2017 biennium, following a response from the voters on this and other issues in 2014 elections.

1. **Does it have a local/state/federal organizing and lobbying angle?**

As this targets state legislators and revenues, the lobbying angle for this proposal is primarily on the state and local level, though state legislation often offers best practices for federal policy. This campaign could have substantial traction in lobbying; it offers both environmental, student and social justice lobbying angles for state and local legislators.

1. **Could students build a diverse campus coalition around this issue?**

The diversity of the campus coalition that could form from this group would likely directly represent the campaigns interest group of students and environmental activists. Our experience in organizing the environmental coalition on campus through the AS Environmental Center suggests that campus coalitions often grow in support quickly in response to aggressive organizing, and could be mobilized by this coming winter quarter. By activating the already mobilized environmental base on campus and organizing on issues with broad student appeal, we expect we would gain ground quickly to form a powerful and diverse coalition more easily.

1. **Is it likely to be debated and acted upon by the Legislature in the next year?**

Due to its approval from the House last year, and due to the commitment of the Washington Environmental Council to continue to pursue this initiative again, debate and action on this measure is likely in the upcoming session.

1. **Will it strengthen and expand efforts within WSA?**

If the WSA chooses to pursue this proposal as an alternative to potentially taxing casino profits, for example, student advocates will be able to ensure that the Native American communities that many Washington state students come from will not be negatively affected. As many Native American student and non-native students live on reservations that will be directly negatively affected by taxing tribal revenues, it would make sense to pursue alternatives that build on existing student support.

The student environmental community believes that the proposals for the development of stable revenue sources should be those that deliver meaningful benefits for higher education and students, are strategically sound and achievable, and enjoy the broad support of students and student activists. Many of the current proposals, in our view, fail at least one measure, and in some cases all three measures, of this test. Student support for efforts to reduce dependence on fossil fuels among students is widely documented – at WWU, students have voted in large majorities for numerous AS ballot measures that advance this goal.

1. **Can you provide background information and the current context of the issue?** The loophole currently in place was passed in 1949, before Washington State had any Oil Refineries. The loophole was originally intended to benefit the states timber industry, and now out-of-state oil interests gain 98% of all of the profits, simply because the legislation allows this loophole.

Currently the effort to close this loophole has a broad spectrum of support, and has shown to have some traction in both houses. The opposition from the oil industry and the Senate will likely continue in the 2014 session, though in the past their lobbying power has been overcome to enact numerous environmental protections at the state level for land use development, water quality, salmon habitat protection, shoreline and vessel traffic management, oil spill response, and air quality controls.
2. **What creative and/or innovative tactics could we employ to engage the media and excite new students around this issue?**

As this proposal has and will continue to have formidable opposition, it is inadvisable to disclose the full extent of our strategic planning in a document released to the public at this time, but it is safe to say that there are a lot of compelling organizing and messaging hooks for an effective campaign around this issue.

Tactically, we do expect that students and the community could be engaged in a variety of ways including “Students before Loopholes” or “Students before Oil” signage, social media promotion of the issue, op-ed articles in the Bellingham Herald and Western Front, public announcements in the AS Review and KUGS, and engagement opportunities through Environmental Student Lobby Day and The Environmental Center. We could also engage outlets like The Planet or Klipsun in developing articles about the oil transport risk to the state of Washington and how this revenue proposal would help address it.