**“The Cure Shouldn’t be Worse than the Disease”**

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It’s always a pleasure to appear before the PUD Association. I have served Mason County Public Utility District No. 1 as a commissioner, and I am a firm believer in the mission of public utility districts.

PUDs provide an essential service. They serve about a third of the state. They have a mission that puts service ahead of profits. They serve the rural areas that would be difficult for investor-owned-utilities to reach. PUDs are one government agency whose health depends on the strength of our economy.

Well, when people don’t pay their bills, it’s hard to keep the lights on.

That seems to be a problem these days, and from what I hear, it’s getting worse. Already I know some public utility districts are having cash-flow problems because of the governor’s emergency order allowing people to skip paying their electric bills. I think we need to recognize a lot of that money will probably go unpaid. This is a particular problem for public utilities. They can’t just excuse bad debts, because that would be a gift of public funds.

I want to tell you that PUDs are really a small part of the really frightening picture we see today. They are really collateral damage.

**It’s not that anyone is out to harm PUDs. It’s that Olympia and state government appear to be oblivious to the damage they are causing our economy. Olympia is making things much worse than they need to be.**

**The cure shouldn’t be worse than the disease.**

When I say Olympia and state government, I mean the governor’s office. The governor has been calling the shots since the coronavirus crisis began. The Legislature has been shut out of the decision-making.

 **At first, we pulled our punches.** We talked about problems with specific decisions. But now the governor has done something **absolutely flabbergasting**, and I think it’s time we start talking about the bigger picture. **The governor has announced he will not call the Legislature back into session in Olympia, and he’s going to keep right on calling the shots for the next six months.**

So let’s be blunt about it. **What we really have is a failure of leadership from Gov. Jay Inslee.**

**The governor has been oblivious to the needs of business and utilities, and the four million Washington residents who work for a living. Right when we’re trying to get back to work, this is going to make it that much harder to put things back together again. And if we keep going down this track, there are much, much worse things ahead.**

The governor has **pushed the Legislature aside**. Now **the health and survival of our economy is at stake. This failure of leadership isn’t just oblivious. It’s dangerous.**

**First, let me tell you a little about how this got started.** We saw a good example of the Inslee Administration’s obliviousness when the COVID crisis hit, back in March. Many people are confused by what happened, so let me explain.

The Legislature doesn’t have anything to do with the declaration of a state of emergency. This is entirely up to the governor.

State law allows the governor to declare an emergency. An emergency can last as long as he wants. The governor also can issue emergency orders on a wide range of subjects. Most of these expire after 30 days, unless the Legislature extends them.

**This is really the only place where the Legislature gets involved.** These orders include the emergency order on the power bills. That order is a little different than most, and it poses a special problem. Some parts are subject to legislative review, and some are not. The Legislature has no say over the part that allows people to stop paying their bills. That’s entirely the governor’s decision. I’ll get back to that in a minute.

**What this means is that the Legislature really has had no meaningful input into the decisions made by the governor’s office, except to say ‘no’ every now and then.** We’ve started doing a lot more of that lately. We have to do something to get his attention.

Now, I like to say I don’t caucus with the Republicans in the Senate – the Republicans caucus with me. But together, we have written more than 20 letters to the governor’s office about matters of policy since this started. We have gotten just 3 responses, one of them a simple “No.”

I suppose we could try jumping up and down and waving our arms, if that would do any good.

**I hope everyone understands how wrong this is. The Legislature is elected to represent the people. When you ignore the Legislature, you’re really ignoring the people of Washington.**

Let me say one thing on the governor’s side. I want to give him credit for trying to protect people. We did need to take quick action when COVID-19 hit in March. But this has really gotten out of control.

**Let’s talk about the results. The first thing we saw was an economic wipeout.**

The first thing the governor did was shut down the economy. **He made economic activity the enemy.**

**But economic activity wasn’t the enemy – it was COVID-19.** So we got a lot of high-handed decisions that made no sense. These decisions had nothing to do with the risk of transmitting disease.

For example, the governor decided public construction could continue, but private construction couldn’t, because it was much too dangerous. That finally got overturned, after my friends in construction and the building trades spent more than a month lobbying the governor’s office. They shouldn’t have had to do that. It made no sense from the start.

We were the only state to ban hunting and fishing. Can you imagine a more solitary occupation than that?

**It was like the governor was trying to do surgery on our economy with a meat axe.**

**Because of decisions like these, 700,000 people lost their jobs.** Some of this unemployment was unavoidable, but it didn’t need to be this bad.

**The next thing that happened was the unemployment fiasco.**

Some people have a funny idea. They think every problem can be solved with a government program. Especially if government created the problem in the first place.

Unfortunately, state government just wasn’t up to it. We were going to fix everything by giving everybody unemployment. You probably know how that turned out. We wound up giving away a half-billion dollars to Nigerian princes. Some people still haven’t gotten their money. Three months is a long time, and people are hurting.

Heads should have rolled. The governor owns this one, too.

**We also got a few decisions that seem to be more about politics than disease -- like the one involving the state prisons.** A court decision required the governor to do something to make sure COVID didn’t spread among the prison population. So the governor decided to throw open the doors. He didn’t need to do that – we have facilities designed to isolate and treat prisoners in an outbreak like this. But for the left, going “soft on crime” is an agenda-item. So now many of those prisoners have gone back to their old ways, and they are committing new crimes. What did anyone expect?

**Now we come to the worst decision so far – the governor’s decision not to hold a special session. This** has been the biggest issue of the last two weeks.

Right now, we face an $8.8 billion shortfall.

Now, I am the longest-serving member of the Legislature, and I can tell you, we get problems like these all the time. There have been a half-dozen financial emergencies during my career. Some have even been worse than this one.

We get through these problems because we do pretty much the same thing every time. Every governor up to now has done the same thing.

The governor has always demanded quick and easy budget cuts now, so that the state might avoid making much larger budget cuts later. The explanation is a little complicated, but it has to do with the fact that we run on a two-year budget cycle. The basic idea is that if you cut a dollar now, you won’t have to cut $2 a year from now. Everybody in Olympia knows this.

So when you have the ability to make quick cuts like these in a special session, the governor always calls us back. Sometimes the governor has to hold our feet to the fire, but it’s the right thing to do.

**Well, this time the governor refused to call a special session.** It sounds like he won’t call one at all, meaning the Legislature won’t be back until January.

Here’s how David Horsey of the Seattle Times put it on July 10: “Somewhat surprisingly, Inslee has now decided against summoning legislators back to Olympia. The state government, he believes, can limp along with furloughs of state employees and other money-saving measures, until the regular legislative session begins in January.”

**There were a lot of things we could have done if we had held a special session.** We could have canceled $1 billion in new program spending that started July 1. We still could.

We could have canceled a 3 percent pay raise for state employees. Nothing against state employees, but a pay-raise at a time like this is tone-deaf.

Here’s the governor’s explanation. **He says Democrats just can’t agree on anything, so he’s going to shrug and walk away.**

Those of us who know how Olympia really works are flabbergasted. We expect the governor to knock heads together until legislators do the right thing.

This is hugely irresponsible. The governor just isn’t doing his job.

**Now, let me talk about the future. This is where we go from obliviousness to something worse.**

Here’s the big question – **why don’t the governor and the Democratic leadership want to hold a special session right now?**

We don’t have to speculate about motives, because some members have been quoted in the press. **They want to wait until after the election.** Their explanation is that they think a Democratic president will be elected in November, and they figure he will dole out plenty of money to states like this one.

Given our country’s upheaval, I don’t think it’s safe to bet on anything.

But this is more important. We ought to ask ourselves – what else might happen next time the Legislature comes back to Olympia?

**There seems to be plenty of agitation for a big tax increase.** There always is. But right now the left **seems to be pressing its advantage** after the George Floyd protests.

**Last week the Seattle city council passed a huge tax** designed to punish job creators. They want to hurt the businesses that create the most jobs. Some members from Seattle say they want to **export this madness** to the entire state, next time the Legislature convenes.

I hope you all saw the video released last week by Kshama Sawant, the socialist Seattle councilwoman. She said, **“I have a message for Jeff Bezos. We’re coming for you and your whole rotten system.”**

With one video, Kshama Sawant just undid 138 years of work by the Seattle Chamber of Commerce.

**The biggest threat we face is the income tax.** We see a lot of **ideology and zealotry** surrounding this issue in Olympia. The left says an income tax would somehow make things more fair, even though it wouldn’t. **The income tax is really about redistributing wealth and giving more money to government, so that it can be bigger and more powerful.**

Frank Chopp in the House has a pretty serious proposal for a capital gains income tax, which is really the first step. This will be a big issue next year.

All this is set to come up next time the Legislature comes to town. This isn’t speculation. **The left sees an opportunity to restructure our economy and society to its liking.** They want to take the ball and run with it, and **make things even worse.**

**I don’t think the people want this radical agenda.** We’re going to see huge opposition to any tax increase in the middle of a recession. If all this plays out before the election, voters would be able to tell Olympia what they think. **I can see why some people might think holding a session before the election is a problem.**

**Finally, let me talk about the role of PUDs.**

**I’m afraid PUDs are caught up in this, whether you like it or not.** The poverty lobby is proposing a two-year deferral on unpaid rent and electricity bills. I think we all know what would happen. A big part of that money would never be paid back. It is more like a proposal for a jubilee, at your expense.

We should remember -- our economy is complicated, and electric utilities are a big part of it. We can’t just abandon the expectation that people pay their bills.

The Legislature also can’t do much about that executive order, for the reasons I mentioned earlier.

Our best hope is a special legislative session. We can raise issues like this one, and demand solutions. And we can make it clear we expect common sense.

Until now, we’ve been hearing only one person’s voice – the governor’s. I think its time we start listening to all those other voices in the state. When we are in session, we can consider relief for PUDs and for other interests that have been harmed by sweeping government decrees. We should do it while a special session could still do some good. **I hope you will join me in urging the governor to relent and let the people be heard.**

**We need to restore the rule of order, and making sure the lights stay on is a good place to start.**

I want to leave you with a final thought. There is an old saying among Democrats. The saying goes, “A crisis is a terrible thing to waste.”

I guess the first thing you need to do is make sure there is a crisis.

State government seems to be doing a really good job of that.

I sure hope nobody is really thinking that way. This is my 30th year in the Legislature, and never have I been as frightened about the state’s future as I am today.