

Creating

Opportunities to Prosper



2010 Legislative Agenda
Statewide Poverty Action Network

DEAR MEMBERS & FRIENDS OF POVERTY ACTION,



Last legislative session, we demonstrated that nothing is more powerful than when we stand together to advocate for opportunities for all families to prosper. I have spent years working at the legislature and my heart still pounds when I think about what we accomplished together. In a session overshadowed by a record budget deficit, we were able to move the legislature to regulate the payday lending industry, fund asset-building programs, and restore voters' rights.

Unfortunately, the national economy is still recovering from the worst recession in two generations and many people continue to turn to the state for help meeting their basic needs.

This book is written with the hope to involve you in the decisions that are being made that affect your lives. This book lists our policy priorities for the 2010 legislative session and what our thousands of members around the state believe are essential to advance racial equality and ensure that everyone in our state has the opportunity for a better future.

We need your help to make this agenda happen. This year, the legislature starts on January 11 and will be in session for only 60 days. During that time, Poverty Action will provide opportunities for you to get involved and make a difference, including weekly email alerts. On Martin Luther King, Jr. Day we will have our annual People's Summit and March in Olympia. We would love for you to join us! You can also visit our website at povertyaction.org or call us toll-free at 1-866-789-7726 to get involved.

Your commitment to improving the lives of people with low incomes and people of color inspires me each day in the state capitol. By working together, we can find real solutions to end the root causes of poverty and racial inequality.

Sincerely,

Yuh-Line Niou
Lobbyist

Budgeting to Protect Washington's Future

Our communities thrive when all people can meet their basic needs and have opportunities to prosper. Our state has invested in our shared future by providing health care for kids, ensuring support for seniors and people with disabilities, and increasing access to education. And yet, again this year, Washington State is facing a budget deficit. This year's shortfall of \$2.6 billion threatens our quality of life, the future of our children and our ability to recover from this economic crisis.

SUFFICIENT, PROGRESSIVE REVENUE:

During the worst economic downturn since the Great Depression, the needs of families have grown while the state has fewer resources to help them. While the faltering national economy has worsened our budget shortfall, Washington was actually already facing a revenue challenge. As spending rates stayed consistent, revenue has continually decreased. This decline is a result of our regressive tax system that relies heavily on retail sales tax and does not charge an income tax.

Last year, the legislature made devastating cuts to the public systems that help people meet their basic needs and provide for the health of our communities. These cuts caused 40,000 people to lose their health care, thousands of people with disabilities to lose their only source of income, and halved funding for affordable housing. We cannot afford another all-cuts budget. It is time for our state to raise revenue.

Our state must make smart investments to help people weather the recession and make real progress toward fostering our economic recovery. New, progressive sources of revenue are needed to maintain important programs, create jobs and opportunities, protect our most vulnerable, and ensure a secure economic future for our state. It is time to come up with a reasonable budget solution, one that explores a variety of options, including raising revenue.

Position: Create a progressive, steady revenue source that can support a healthy economy and meet the needs of our state.

Fair And Reasonable Consumer Protections

FORECLOSURE PREVENTION

Homeownership is a family's most valuable asset and largest source of household wealth. However, in recent years, abuses in the subprime lending market offered a false promise of homeownership to low and middle income families and people of color. Lax underwriting practices, dangerous loan products, and a disregard for affordability have set up vulnerable homeowners to fail. According to federal data, people of color were over three times more likely to have a high-cost subprime loan. In fact, even when African Americans qualified for a prime loan, 55% of mortgage loans to African Americans were high-cost loans.

Fortunately, since 2008, Washington State has taken many actions to protect homeowners and regulate abusive lending practices. We have held subprime lenders to reasonable rules and helped protect future homebuyers. However, we also know that many families are struggling to pay their mortgages because of the current economy. At the same time, the number of "Option ARM (Adjustable Rate Mortgage)" loans resetting will rise again this year. "Option ARM" loans are toxic loan products that offered low "teaser rates," which reset to a higher rate after a period of time, usually two years.

With so many mortgages resetting, many families are facing foreclosure. We must act to protect current homeowners by implementing sensible strategies to keep families in their homes.

Position: 1) Employ sensible strategies to help families who are facing foreclosure now. 2) Enact strong consumer protections to help homeowners in the future. 3) Maintain consumer protections already put in place.

ACCESS TO INSURANCE

Individuals with lower incomes and people of color are disproportionately affected by the use of credit scoring when determining insurance premium prices. The Washington State Office of the Insurance Commissioner found that higher credit scores lead to lower premium costs, and that people with lower credit scores pay more for insurance. Often a lack of access to credit causes many people with lower incomes to have insufficient credit history or a low credit score. This, in turn, causes their insurance premiums to rise.

Insurance companies use credit scores to assess financial risk and assume that people with lower credit scores engage in riskier behavior overall. This causes people with low incomes to pay disproportionately high insurance rates for the same level of coverage. Poverty Action believes that a person's credit score is based on many things—from lack of transparency in the credit scoring system to institutional racism—and that a person's credit score is not an accurate assessment of a person's behavior or character.

Position: Ban the use of credit scores by insurers when underwriting and pricing insurance premiums.

Building Assets To Create Opportunities To Prosper

In order to become self-sufficient, people with low incomes must have the opportunity to save money and build wealth. However, for working poor families, saving money and buying assets is a goal that is perpetually out of reach, or it is used against them when seeking much-needed support. Asset-building programs have been very successful in helping families move out of poverty and become self-sufficient.

WORKING FAMILIES REBATE

Because of our state's tax structure, families with lower incomes in Washington State pay a larger share of their income toward state and local taxes than low-income households in any other state.

In 2008, the State Legislature passed the Working Families Tax Rebate into law. When implemented, this could cut taxes for more than 350,000 working families in Washington by adding ten percent to their federal Earned Income Tax Credit refund. This rebate reduces the tax bill for low-wage workers by as much as 30 percent, helping to mitigate our state's regressive tax structure and offering a form of economic security to low-income Washingtonians. This is an immediate local investment that will drive additional income into communities across the state as people spend to meet their basic needs.

Position: Fund implementation of the Working Families Tax Rebate.

INDIVIDUAL DEVELOPMENT ACCOUNTS

In 2005, Poverty Action spearheaded the Saving, Earning and Enabling Dreams (SEED) Act, which expanded the Individual Development Account (IDA) program. IDAs are matched savings accounts for people with low incomes that help them save money for the future. People can use their savings to purchase an asset such as a home, business, or education. Participants receive financial training to help them plan a family budget and save. As people save enough, this money is reinvested in our local economy through tuition or business-related expenses.

Position: Fund the Individual Development Account program.

ASSET LIMITS IN PUBLIC BENEFIT PROGRAMS

In addition to using a family's income to determine eligibility for public benefit programs, Washington State also takes into account assets like a car and savings. Families who are receiving public benefits are actually penalized for saving because even a modest accumulation of assets can make a family ineligible for much-needed help. Personal savings and assets are precisely the kind of resources that allow families to move off-and stay off-public benefit programs.

Position: Modify asset limits in all public benefit programs.

Building Assets To Create Opportunities To Prosper *(Continued)*

ACCESS TO PUBLIC BENEFITS

Many state programs and benefits have been successful in helping families move out of poverty, such as IDAs or TANF. Unfortunately, these programs reach fewer individuals and families than intended. This is often because the application and renewal process can be confusing and time-consuming. Poverty Action is working to implement a Statewide Benefits Portal, which will make it possible for people with low incomes to apply for federal, state, and local benefits using one online application. When implemented, this streamlined process will increase access to crucial benefits that will help people build assets and become self sufficient.

Position: Implement a Statewide Benefits Portal to make benefits easier to access and maintain.

Assuring Dignity For All People

Everyone should be able to meet their basic needs. Every day in Washington, people with lower incomes sit down at the kitchen table to figure out how they are going to make it to the end of the month—or even just this week.

In 2009, the legislature made \$4 billion in cuts to essential programs that help families meet their basic needs, including removing 40,000 people from the Basic Health Plan and making cuts to TANF, GAU and Adult Dental for people on Medicaid. These cuts disproportionately affected women and people of color. We need to prevent further cuts and ensure that we restore funding to these critical programs.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

In this time of economic crisis, TANF is more important than ever in helping people meet their basic needs. In 2008, the legislature increased TANF grants by 3%, the first increase in 15 years. TANF is a program that provides basic cash assistance for parents and their dependent children who have incomes so low they are not able to meet their basic needs. People who qualify for TANF, also known as WorkFirst, are required to search for a job and participate in work activities.

Position: Maintain funding for TANF grants at the 2008 level.

GENERAL ASSISTANCE-UNEMPLOYABLE

We all hope that if we face a job loss or become disabled, we will have support for a good quality of life. People with very low incomes in Washington rely on General Assistance-Unemployable (GAU) when they are temporarily unable to work due to a mental illness or physical disability. Recipients are not eligible for federal assistance, so to help them meet their basic needs, they receive \$339 a month from the state. While this is a small grant, GAU helps 21,000 people with disabilities every year in Washington.

Position: Protect funding for GAU.

ACCESS TO HEALTHCARE

Access to affordable health care is critical for Washington families in order to ensure that both children and adults can be safe and healthy. However, hundreds of thousands of low-income, working families in Washington are without basic health coverage. More and more, even those with health insurance are not secure—because they face inadequate coverage or are at risk of losing what they have. We must support policies that help Washington adults and children gain access to affordable, comprehensive health care.

Position: 1) Restore funding to the Basic Health Plan to the 2008 levels. 2) Continue supporting the effort to ensure all children have health care coverage by the year 2010.

Join Poverty Action!

Yes! I Want To Strengthen My Voice In The State Capitol.

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

I will join with a donation of: Other \$150 \$60 \$35 \$10

Unless you wish to join as an organization, please give your home address so that Poverty Action can connect you with your local legislators. **Please cut out this postcard and send it with your donation to the Statewide Poverty Action Network, 1501 N 45th St., Seattle, WA 98103.**

The Statewide Poverty Action Network is a project of Solid Ground, registered with the Secretary of State as a charitable organization under Chapter 9.09 of the RCW. For information on Solid Ground finances call 1-800-332-GIVE. Your donation is tax-deductible. Tax ID #23-7421892

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Five Actions You Can Take To Create Opportunities For Everyone To Prosper

JOIN

Join Poverty Action and make your voice heard in the fight against poverty. You'll be updated on current issues and receive action tools to help make a difference! Mail in the form to your left or donate securely online at povertyaction.org.

SPEAK

Share your personal story. Join SPEAK (Sharing Personal Experience As Knowledge) and share your struggles, insights and recommendations of what you would change in public policies. Your story can make a difference with lawmakers and the media.

SIGN UP

Sign up to receive the Network News, Poverty Action's email alerts. We'll keep you up-to-date throughout the legislative session and the year on how you can take action and weigh in on important policy and election decisions.

MEET

Meet with your legislators. Join us for trainings, workshops and meetings with lawmakers at our 5th annual Martin Luther King, Jr. People's Summit and March on January 18, 2010! After that, Poverty Action can assist in connecting you to other members of your legislative district, scheduling your meeting, handling logistics and providing talking points for you to meet with your lawmakers. For more information, contact Kate Baber at 206-694-6794 or kate@povertyaction.org.

VOLUNTEER

Volunteer at Poverty Action. If you have some spare time, we've got great opportunities for you to make a difference. Help out at our office or in your community. Tell us about yourself and we'll find a project to match your location, skills and interests. Contact Kate Baber at 206-694-6794 or kate@povertyaction.org.

Because We All Want A Better Future!