

# Advisory Council on Aging and Disability Services

*Creating choices for elders and adults with disabilities in Seattle-King County*

Mailing Address: PO Box 34215, Seattle, WA 98124-4215

Office Address: Seattle Municipal Tower, 700 5<sup>th</sup> Ave, 51<sup>st</sup> Floor

Tel: 206-684-0660 TTY: 206-684-0702 FAX: 206-684-0689

www.adsadvisorycouncil.org

## MONTHLY MEETING

**SEPTEMBER 9, 2016**

**MEMBERS PRESENT**

City of Seattle	King County	United Way
<input type="checkbox"/> Claire Brannan	<input type="checkbox"/> Mayor David Baker	<input checked="" type="checkbox"/> Mary Anderson
<input checked="" type="checkbox"/> Molly Holmes	<input type="checkbox"/> Bev Heyden	<input type="checkbox"/> Marsha Andrews
<input checked="" type="checkbox"/> Debra Juarez, Seattle City Council	<input type="checkbox"/> Carolyn Heersema,	<input type="checkbox"/> Katty Chow
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Eric Martenson
<input type="checkbox"/> Kathe Matrone	<input type="checkbox"/>	<input checked="" type="checkbox"/> Lorna Stone
<input type="checkbox"/> Mac McIntosh	<input checked="" type="checkbox"/> Ava Frisinger, SCOA Rep	<input checked="" type="checkbox"/> Sue Weston,
<input type="checkbox"/> Sue Shaw	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Excused Absence</b>	Claire Brannan, Katty Chow, Marsha Andrews, Mac McIntosh, David Baker, Kathe Matrone, Carolyn Heersema
<b>Guests:</b>	Dave Rogers, Diana Thompson, Florence Klein, June Michel, Judy Carr, Troy Christensen, Rose Quinby
<b>Staff</b>	Gigi Meinig, Lori Sanford, Maria Langlais, Andrea Yip, Jon Morrison Winters
<b>Speakers</b>	Andy Nicholas
<b>United Way Staff</b>	Carolyn Cunningham
<b>King County Staff</b>	Scott Ninneman
<b>City of Seattle</b>	Maureen Linehan

**Welcome and Introductions – Molly Holmes**

**Andy Nicholas, Associate Director Fiscal Policy  
Washington Budget and Policy Center**

Andy Nicholas, Associate Director Fiscal Policy at the Washington Budget and Policy Center state budget and tax policy conducts non-partisan research and analyses of Washington's tax structure. He hopes to have a policy package available for the 2017 session and buy-in from key legislators and the business community.

**Why fix Washington's tax system?**

We are in danger of falling backwards on key priorities, the ability to maintain, current services and infrastructure such as public safety, education, mental health, public health, transportation, clean water, and parks. Plus, provide economic development including help for low income people to receive training, help finding jobs, and access housing and health insurance.

Washington's broken tax system was haphazardly developed in the 1940s and does not reflect today's complexities and cannot keep pace with the changing modern economy. Washington State's General Fund revenue has been reduced from 7% in 1995 to 4.5% in 2016 as a share of total personal income. In the current tax system people making the least pay the most as a percentage of their income. The poorest pay 17% in taxes while the richest pay 2.4%. The system is unfair, immoral and bad economics.

Washington's sales tax system is flawed, inadequate, lacks transparency, costly for business, and harms people with lower incomes. Nearly two-thirds of consumer spending is not subject to sales tax. As a result, it does a terrible job keeping pace with the State's ability to fund services and infrastructure each year. Education has been underfunded for decades, teacher salaries are not competitive. Washington ranks near the bottom in the United State for teacher pay. Capital construction needed to maintain schools is underfunded. Mental health services have been shortchanged for years. Eliminating the state patrol or funding for prisons is not an option.

**The tax system challenge:**

- Generate lots of dollars.
- Scalable and adaptable.
- Consistent with our values and not create a more regressive system.
- Politically feasible – while a broad based income tax is politically unfeasible, policy makers must explore different options to solve the problem.
- Embraced by partners.

**Tax cuts are not the answer.** Instead the Washington Budget and Policy Center have two options for consideration:

1. Maintain the current system plus make changes to property taxes and add a capital gains tax. This proposal lowers Washington State taxes for low income working families and raise them modestly for the richest families.
2. Try something new. Rethink how consumption is taxed. The current system is a faulty consumption tax with two-thirds of consumer spending not subject to sales tax. Over time, bad policy decisions led to expensive tax breaks.

A broader consumption tax called the Value-Added tax (VAT) would provide stable and dependable revenue. Taxes for most Washingtonians, and businesses would be reduced. More importantly, a VAT tax has bipartisan appeal.

The VAT Tax proposal would replace sales and B&O tax. It is the most common consumption tax outside the US. To make the VAT payroll tax equitable, the first \$40,000 in wages would be exempt. With an income tax, people are taxed twice, on the other hand, a consumption tax system taxes people once. What is the appeal to a VAT system?

- Dependable reliable tax system.
- Costs for most Washingtonians are reduced.
- Taxes on businesses are reduced.
- Simple.
- Promotes savings.
- Bipartisan.
- Unique.

### **Conclusion**

The Washington Budget and Policy Center continues to research options through polling, messaging, revenue analysis, industry and sectorial analysis. Administrative and compliance issues are continually reviewed. According to Andy, “We are at a crossroads, going backwards is not an option. We need to fix the system. People who suggest the budget can be fixed by cutting are not telling the truth. If the system is not fixed, we are in danger of falling backwards on key priorities. “

**Announcement:** “Budget Matters” Policy conference November 16 sign up on website <http://budgetandpolicy.org/about-us/budget-matters-conference/policy-conference-2016>

### **WHEN**

Wednesday, November 16, 2016 from 9:00 AM to 4:15 PM (PST)

### **WHERE**

Washington State Convention Center - 800 Convention Place, Seattle, WA 98101 –

### **Questions and Answers**

**Question:** How does the state get out from under the upside down tax system.

**Answer:** Three viable options

1. Keep the current system plus capital gains.
2. Reduce property tax for low income renters and homeowners. Then raise the state property tax rate for people with higher incomes.
3. Try something new, and creative which will engage everyone.

**Question:** What ideas are being explored?

**Answer:** The worst elements of the tax system include a regressive retail sales tax, hidden taxes, a system which harms people with low incomes and is costly for business to administer. Sixty-one percent of consumer spending is *not* subject to sales tax. Even though consumer spending is growing, revenue has not kept pace because sales tax is limited to 39% of consumer spending.

**Question:** What is the definition of a consumption tax?

**Answer:** Buying products at the store

**Question:** How do you treat savings?

**Answer:** Replace the Business and Occupation (B&O) and sales tax with a VAT which is the most common tax in the world. It's reliable and dependable.

**Question:** How is a payroll tax different from an income tax?

**Answer:** Both payroll taxes and income taxes are based on an employee's wages or salary. The difference is who pays. A payroll tax is paid at least partly by the employer, while income taxes are paid by employees.

**Question:** What would be the impact on non-residents?

**Answer:** They would pay tax when they buy items covered by VAT

**Question:** Would the hotel and motel tax continue?

**Answer:** Yes

**Question:** How would this information be communicated?

**Answer:** The messaging would be complex. The Washington Public Policy Center research will help determine a strategy.

**Question:** What about federal revenue e.g. transportation funding. Would you expect it to continue at the current rate?

**Answer:** The proposed State tax system would not affect Federal taxes.

**Question:** Who are considered other collaborators?

**Answer:** Key law makers are looking for something to break the budget log jam, business, economists.

**Question:** Will the carbon tax initiative raise revenue?

**Answer:** The proposed carbon tax is revenue neutral and may be revenue negative if not done well.

**Question:** What can we do as a council?

**Answer:** Begin the preliminary discussion. As thoughts and concerns occur contact the Washington Public Policy Center.

## **Business Meeting**

**Minutes:** Approved.

**Nominating** Committee Sue Shaw, Mary Anderson and Bev Heyden presented their slate of officers for 2017.

- Chair: David Baker
- Vice Chair: Marsha Andrews
- Secretary: Lorna Stone
- At large: Eric Martenson

Molly Holmes asked for additional nominations for the four positions. No additional names were added to the slate. The Advisory Council will vote on the slate at their November 18, 2016 meeting.

### **Sponsors' Reports**

#### King County

The Veterans and Human Services Levy provides \$20 million dollars in services and is up for renewal. Fifty percent of the funding benefits veterans and 50% provides human services to the most in need. Marcy Kubbs, King County staff is completing a data analysis which could result in more services for seniors.

#### United Way

Carolyn Cunningham reported applications for funding supportive youth programs homelessness and older adults is now closed. United Way received 30 applications for \$300,000 aging programs and will only be able to fund approximately 6 of the applicants. Funding will begin January 2017.

### **Planning and Allocations Committee**

Committee did not meet

### **Communications Committee**

Eric Martenson brought an article from Tim Burgess's blog about homelessness to the Advisory Council. He passed around copies.

### **Advocacy Committee**

Dave Rogers reported the committee reviewed their community outreach activities including property tax exemptions, HALA, chronic disease self-management training, Aging Mastery, 1115 Global waiver, adult day care, Medicare and Medicaid hearing aid coverage, housing, homelessness, transportation and a meeting with Congressman Dave Reichert.

Candidate Legislative candidate forums will be held:

October 4th from 10 AM-Noon, New Auburn Community Center, 910 Ninth Street SE, Auburn.  
October 10th from 1:30-3:30, North Bellevue Community Center, 4063 148<sup>th</sup> Ave NE, Bellevue.

#### Statewide meetings:

October 26, 9:30 AM – W4A Statewide Get Together, Murano Hotel, Tacoma

October 27, 8 AM – Senior Lobby Conference, Murano Hotel, Tacoma

Gig sent around a sign in sheet for the events

## Northwest Universal Design Council

No meeting

## Seattle City Council

Mercedes Elizalde, aide to Seattle Councilmember Debora Juarez, reported the Seattle City Council's most recent priorities include:

- Homelessness strategies and investments
- Seattle Park District approval. The new revenue will provide funding for City Parks and Recreation including an expansion of community center hours, additional recreational programs benefitting youth and seniors. There will be additional funds for maintaining parklands and facilities, operating community centers and recreation programs, and developing new neighborhood parks on previously acquired sites.

## Director's Report

Maureen Linehan reported.

- The City of Seattle passed an initiative making Seattle an Age Friendly Community. Seattle's Mayor Murray has made the commitment to making Seattle age friendly. A staff member from the Mayor's office has been assigned to the project and will coordinate activity throughout city departments. A stakeholder group is meeting to begin implementation. AARP will provide technical assistance. The initiative is a large step to positive aging. The concept of an Age Friendly Community is defined by the World Health Organization and includes 8 domains:  
Domain 1: Outdoor Spaces and Buildings  
Domain 2: Transportation  
Domain 3: Housing  
Domain 4: Social Participation  
Domain 5: Respect and Social Inclusion  
Domain 6: Civic Participation and Employment  
Domain 7: Communication and Information  
Domain 8: Community and Health Services

Maureen Linehan, ADS and Doug Shadel, AARP appeared on *Northwest Today* to provide information about Age Friendly Communities.

- The Seattle Fire department hired two staff members to track and analyze frequent callers and find resources that will reduce the number of non-emergency calls. The program manager reports to the fire chief. It's a great opportunity for collaboration between ADS case management and the Fire Department.
- Evergreen Care Network, the East King County case management program provider ceased providing services as of April 2016. After an RFP process ADS contracted with two case management program providers
  - Lifelong Aids will handle clients in East King County.
  - Neighborhood House will serve refugee groups

**NEXT REGULAR MEETING:**

**November 18**

**Noon – 2:00 PM**

**Seattle City Hall**

**Boards and Commissions Room L280**

**600 4<sup>th</sup> Ave**

**Seattle, WA**

<http://www.agingkingcounty.org/advisory-council/>