Dear Friends and Neighbors,

It is an honor to serve as your state representative. I hope you will find this newsletter informative as I recap what the Legislature has accomplished over the past two legislative sessions.

Last year, the Legislature’s top priority was passing a comprehensive education-funding plan that would end school districts’ overreliance on local levy dollars to fund basic education. As you know, this is an issue we have been working hard to resolve since the state Supreme Court handed down its McCleary ruling in 2012.

House Bill 2242, which was wrapped into the 2017-19 operating budget, was a major breakthrough that almost completely resolved the McCleary saga. The bill will invest $7.3 billion in additional K-12 funding over the next several years, which means by the end of the 2019-21 biennium, the Legislature will have increased state K-12 education spending by $13.3 billion since the 2011-13 biennium — a 99 percent increase!

There was one other court case for us to tackle this biennium: the Hirst decision. For nearly two years, the state Supreme Court effectively halted development in rural communities by changing the rules regarding the issuance of building permits to private property owners who wanted to drill wells. Essentially, property owners would need to pay for expensive hydrogeological studies to determine withdrawal of water on their land would not impair instream flows.

It was clear the Legislature would need to come up with a long-term fix to the court’s decision – and fast. However, an agreement could not be reached on the bill’s language, and the 2017 session frustratingly adjourned after a record 193 days.

Discussions continued throughout the 2017 interim, and thankfully, the Legislature passed a long-term fix early on in the 2018 session. That was important because the passage of a Hirst bill became linked with passage of the 2017-19 capital budget. For many of us in the Legislature, it simply did not make sense to pass a capital budget to fund construction projects in local communities while families in those communities were effectively prohibited from building homes on their private property. While the fix we passed is not perfect, it does allow landowners to drill wells and resume building, which is good news.

The passage of the 2017-19 capital budget is also good news for communities all across the state. The $4.17 billion capital budget will make important investments in K-12 school construction, mental health, higher education, and more. Our district will also see more than $18 million in funds for projects, which you can learn about inside.

As you read through this newsletter, please don’t hesitate to contact me with any comments or questions you have. I also welcome you to contact me if you would like to meet with me in district to chat about your top priorities for the 2019 legislative session.

It is an honor to serve you.

Sincerely,

Mark Hargrove
2018 Legislative Review

**MY COMMITTEES**

This biennium, I had the privilege of continuing to serve as the assistant ranking member on the House Transportation Committee, which works on the transportation budget, revenue sources for transportation funding, and issues relating to transportation policy and agencies.

I also remained on the House Education Committee, which considers all issues surrounding K-12 education, and became a member of the House Rules Committee. The Rules committee considers all bills reported from policy and fiscal committees, and determines whether they make it to the House floor for a vote.

**CAPITAL BUDGET**

Our district will see capital budget funds allocated for a number of projects, including:

**$5 million to build a new YMCA in Kent and renovate surrounding parks**

$5 million in grants will be allocated to build a new YMCA in Kent on the East Hill. The capital project will be a Silver LEED-constructed, 60,000 square foot state-of-the-art facility. Additionally, funds will be allocated for the renovation and consolidation of two aging parks that bookend the central YMCA site: Morrill Meadows Park immediately to the west, and East Hill Park immediately to the east. The renovation will bring the two park parcels together with the YMCA to provide a high-quality indoor and outdoor recreation experience for the local community.

**$820,000 for Covington Town Center civic plaza development**

This project involves land acquisition, design, and construction of a new civic plaza and outdoor public space within the new Town Center for Covington. Beyond the benefits of redevelopment and new retail business activity that will occur, this new civic plaza and public gathering space will foster public activities and social events, and be a new place for our youth to interact in a safe and positive way.

**$717,000 for the expansion of Clark Lake Park**

The City of Kent will use this grant to buy 5.5 acres to expand Clark Lake Park. The land is next to the park’s undersized 10-car parking lot and main entrance, and will allow the city to expand the parking lot and provide space for amenities like a restroom, picnic shelter, trails, and a nature playground.

**$592,000 for Phase 2 of the SoCo Park expansion**

The City of Covington will use this grant to buy 2.25 acres to expand the three-acre SoCo Park, which is next to the newly developing downtown area of the city. This expansion will provide future walking trails, picnic areas, and play equipment.

**$500,000 for Nexus Youth and Families**

Nexus Youth and Families will be renovating a portion of its campus to enhance the space where their Homeless Services and Behavioral Health/Substance Use Disorder therapists deliver services. Currently, Nexus employees are operating in a space that was constructed in 1979. The upgrades provided by these funds will provide a better space for them to operate.
In my opening letter, I mentioned the additional $7.3 billion in K-12 spending provided in the 2017-19 operating budget. However, there were several other highlights:

- No capital gains income tax, carbon tax, or business and occupation (B&O) tax increase on service businesses;
- Makes critical investments in our state’s mental health system, building on previous efforts;
- Makes a number of improvements to our state’s foster care system to help bring an end to our ongoing foster parent shortage;
- Invests in homelessness relief, assisting individuals with a history of mental illness and providing housing opportunities for homeless youth;
- Increases funding for the State Need Grant program, which assists the state’s lowest-income undergraduate students; and
- Provides a significant rate increase to child care providers, many of which are struggling to stay in business.

One major disappointment was the governor’s veto of an agreed-to section of a revenue bill that would have extended the preferential B&O tax rate Boeing currently receives to all manufacturing companies in the state. This would have spurred economic development and job creation, while also providing a major lift to an industry that has underperformed economically in recent years.

This year, we passed the 2018 supplemental operating budget. Unfortunately, I could not support it because instead of making small tweaks to the two-year spending plan we passed last year, it increases state spending by $1.2 billion in the 2017-19 biennium, and another $600 million in the 2019-21 biennium. That represents a nearly 16 percent increase in spending from the time the 2015-17 operating budget was enacted. That is unsustainable, and for us to spend nearly every cent of the extra revenue we are projected to bring in over the next four years is irresponsible.

In my view, most of the extra revenue should have gone into the constitutionally protected Budget Stabilization Account (BSA), also known as the state’s rainy day fund. However, a budget gimmick to divert money away from the BSA was used, which established the precedent that any time we don’t want to put money into the account, we don’t have to.

Another reason I voted against the budget was that it does not provide immediate property tax relief, as Republicans were calling for throughout session. Instead, the budget will provide some small relief next year – roughly $90 for a $300,000 home. However, I don’t believe that is enough.

Finally, we should have provided Sound Transit car-tab relief this year. Unfortunately, none was approved, and none of the reforms Republicans proposed were adopted.

In my role as assistant ranking member of the House Transportation Committee, I attend budget meetings three nights per week during session. I can truly say everyone involved in the process gets along, and while we may have different approaches, we are often able to compromise.

The 2017-19 transportation budget and the 2018 supplemental transportation budget are both good for our district and the state. Important projects are being funded, as is road maintenance, and state troopers are seeing their pay go up. Locally, a number of transportation projects will benefit residents in Kent, Auburn and Covington, as well as our neighbors in surrounding communities with whom we share our highways.

This year, we will see the widening of Kent-Kangley over Jenkins Creek in Covington, removing the bottleneck between Covington and Maple Valley. Also, just east of there, 204th Ave. SE will be widened and improved to connect with the intersection of SE 256th St. and State Route 18. This should also ease congestion on Kent-Kangley through Covington.

A new roundabout will be installed at the intersection of Willis and 4th Ave. in downtown Kent. This creative solution will allow traffic to exit off of State Route 167 more quickly, hopefully eliminating exiting traffic from backing up onto the highway. Speaking of SR 167, Northbound 167 from Puyallup to Hwy 18 in Auburn will be restriped to add an extra HOV lane, easing congestion. And at the northern end of SR 167, we are already seeing the new interchange with I-405 take shape to get the left SR 167 HOT lane traffic merged onto the left I-405 HOV lane without having to merge back and forth across all SR 167 and I-405 lanes.

Additionally, the interchange of SR 18 and I-90 with an extra lane to the Tiger Mountain truck lane is currently being redesigned, so hopefully we can get that project moving in the next transportation budget we draft.
MY LEGISLATION

House Bill 1215 would create a more robust system for the establishment and operation of locally-authorized Innovation Schools in Washington state. The bill is modeled after the very first bill I introduced during my first term in the House. While some Innovation Schools were established as a result of the passage of that bill, House Bill 1215 would create a stronger system to meet the educational needs of a diverse student population and improve educational performance. Evidence-based practices to reduce demographic disparities in student achievement would be implemented, while local school communities and principals would be given greater control over decisions related to staffing, personnel selection and evaluation, scheduling, and educational programming.

House Bill 2419 would ease restrictions on how Washington-based microbreweries and wineries sell their products at farmers markets. Under my bill, microbreweries would be authorized to fill and sell growlers in addition to offering canned and bottled beer for sale. Wineries, in addition to selling bottles of wine, would have the option of providing two-ounce samples of cider and mead, as well as offering bottles or growlers of each beverage for sale. In my view, we should be letting the free market work so the more than 900 wineries and 400 microbreweries operating in Washington state have the opportunity to meet the demand for their products.

House Bill 2420 is an attempt to address the concerns of private property owners regarding newly proposed regulations of their septic systems by the King County Department of Health. Intense public outcry resulted in King County backing off its proposal, but concerns understandably remain. I introduced House Bill 2420 to require the State Board of Health to adopt rules that would restrict other jurisdictions from implementing overly burdensome regulations.

The bill would do three things:

1. Prohibit a local jurisdiction from requiring a property easement to inspect a septic system before a permit could be obtained, as well as affirm that permission from the property owner would be required before an inspection.
2. If a septic system failed, a local jurisdiction would be prohibited from requiring the latest and greatest technology be installed, possibly at such a cost the home owner could no longer afford the property.
3. Prohibit a requirement that a monitoring contract with a private company be in place before a permit could be obtained.

This compromise bill, if passed, will get us halfway to our objectives. It passed almost unanimously out of the House, as well as a Senate committee, but it was not brought to the Senate floor for a vote. I feel certain we will be able to get it passed next session, however. In the meantime, we did manage to get the State Department of Health to open up its rules for revision regarding the septic WAC, and I will be notified of rule-making activities throughout the process. My hope is the department will make the changes we have been pushing for.