

2016 Annual Report



WASHINGTON
POLICY CENTER

Improving lives through market solutions





LETTER | FROM OUR LEADERS

Our great state of Washington is filled with people who value their communities, innovation in their workplace and daily lives, and betterment of education for themselves as well as for their family and friends.

Washington Policy Center strives to be the organization that delivers on those values. Through our work, we create community for those looking for market-driven solutions; we advocate for innovative policies to keep people working; and we champion choice for parents and families to make decisions that best fit their lifestyles.

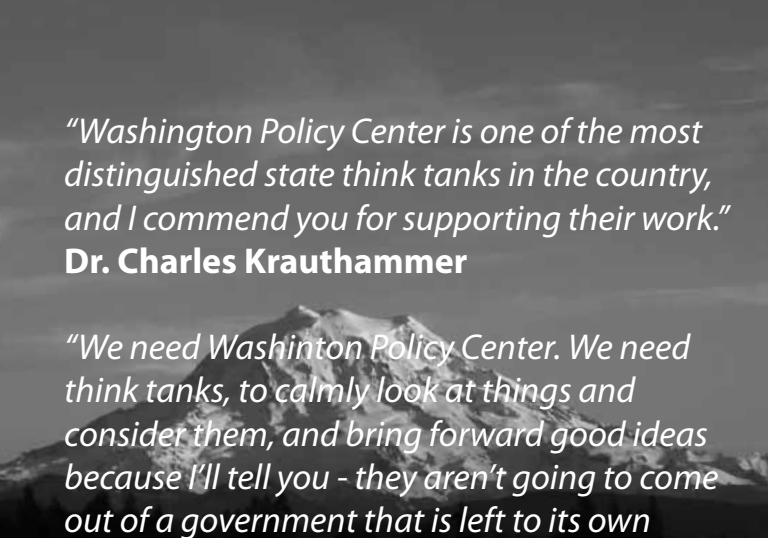
In 2016, we celebrated our 20th year of promoting sound policy. Thank you for your support this past year. We've had our most successful year to date with an increase in our number of members, total revenue, and our engagement and impact.

While ideas have grown and times have changed, through those years, our mission to improve Washingtonians' lives has never swayed. Throughout this last year, we launched a new research arm, our Initiative on Agriculture, to give farmers and their families a voice in Washington policy and highlight their issues to the entire state; our research and work led to the defeat of a local income tax in Olympia; we continued our efforts in bringing more transparency for citizens to state and local government; we helped save charter schools in our state; and much more.

While we're proud of 2016's victories, 2017 is full of new challenges and opportunities, including keeping Washington an income tax free state; making the case for the importance of labor reform that benefits workers and taxpayers, eventually making Washington a Right to Work state; and implementing historic education reform. Your support is crucial to us achieving our goals in continuing to make Washington the best place to raise a family and start a business. We are excited about what the future holds, because with your continued backing, the best is yet to come.

Craig Williamson
WPC Board of Directors, Chairman

Dann Mead Smith
WPC President



"Washington Policy Center is one of the most distinguished state think tanks in the country, and I commend you for supporting their work."

Dr. Charles Krauthammer

"We need Washinton Policy Center. We need think tanks, to calmly look at things and consider them, and bring forward good ideas because I'll tell you - they aren't going to come out of a government that is left to its own devices, this is a democracy for a reason."

**General James Mattis,
Secretary of Defense**

"You've built a very impressive organization and event! The success of the Policy Center's thoughtful, pragmatic solutions to key issues is amazing, particularly in our political environment."

2016 Annual Dinner guest

"I would like to thank WPC for the tremendous work that they do every single day, and it's not an exaggeration to say this: if they didn't exist, we would have to create this organization."

**Honorable Bobby Jindal,
former Louisiana Governor**

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“A generation ago, it became apparent that the forces pushing higher taxation and ever entangling regulation were carrying the day in Olympia. Well, a group of us who believed progress came from freedom, not from more government, decided to push in the other direction by founding an organization based on limited government, freedom, innovation, and free markets. That organization became Washington Policy Center.”

- **John Carlson**,
*Co-founder of Washington
Institute for Policy Studies, and
KVI 570 radio host*



Team

Our Events

Snapshots of WPC events in 2016

Annual Dinner

WPC's Annual Dinner encompassed three separate events—the Eastern Washington Annual Dinner event in Spokane, and two in Bellevue, including the main event and the Young Professionals Annual Dinner. Together, these events attracted more than 2,500 elected officials and business and community leaders, and raised a record \$1.1 million to support WPC's work.

Candidate Briefing

We held our biennial Candidate Briefing, where we released our new *Policy Guide*, and shared WPC's analysis of the key policy issues voters would be considering in 2016 to over 75 candidates at events on both sides of the state.

Wake-up Forum Series

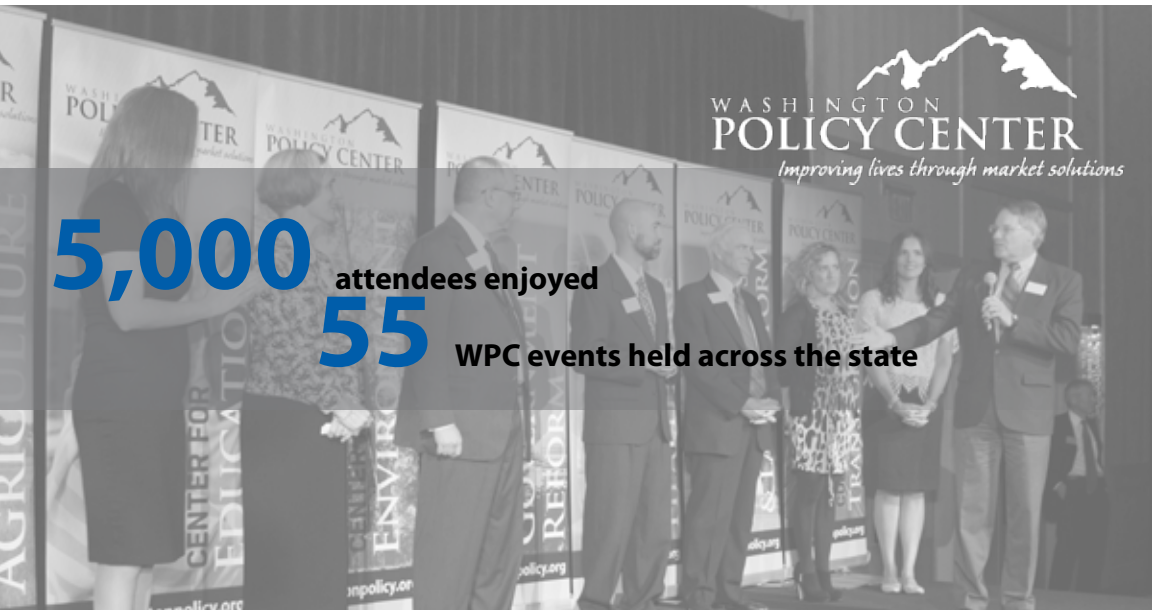
We connected our supporters to legislators at the State Capitol via live video conference at hosted breakfast events held in communities across Eastern Washington during the 2016 legislative session.

5,000

attendees enjoyed

55

WPC events held across the state



3rd Annual Young Professionals Debate Series

Young professionals and college students from three campuses, as well as a statewide audience via TVW, joined us for debates with experts to discuss mandatory unionization and whether right-to-work is right for workers in our state.

Young Professionals Summer Social

Our Annual Young Professionals Summer Social expanded to bring over 140 young professionals and college students together to enjoy drinks, BBQ eats, lawn games, and networking in the sun in both the Puget Sound region and the Tri-Cities.

10th Annual Evening in the Desert

100 of our top supporters joined us for an exclusive reception in beautiful Palm Springs to hear from *The Wall Street Journal's* Jason Riley.

3rd Annual Solutions Summit Policy Conference

Over 700 community, business, and policy leaders gathered for our two-day, statewide conference in Bellevue and the Tri-Cities. Speakers Bobby Jindal and George Pataki joined us to have meaningful discussions about solutions to our state's most pressing policy issues.

President's Lunch Series

We launched a new series of events hosted by our President, Dann Mead Smith, who visited communities across our state to update our supporters on WPC and our new strategic plan, and to hear from them about the key policy issues affecting their region.

Initiative on Agriculture Launch Events

We shared our exciting new Initiative on Agriculture at events on each side of the state with our supporters who know that keeping the Agriculture community vibrant and strong is critical in keeping our state healthy.

"Taste of Woodinville"

Our Pillar Society members gathered at an exclusive reception to hear policy updates from each of our research center directors at DeLille Cellars.

WPC 2016 Top

Achievements

Major Activities

- WPC's new Initiative on Agriculture is bringing the voice of families and farmers in Washington's small cities and rural communities to the state's Seattle-dominated policy discussions.
- WPC has consistently spoken out against Political Correctness, in defense of free speech and the freedom to discuss policy ideas in public
- Our Young Professionals group continues to grow. In 2016, we hired a full-time YP Coordinator to maintain existing activities and to expand the program to its full potential. We also added a fourth campus club to our program at Gonzaga University!

Policy Victories

- WPC research and citizens' guide publication helped defeat a local income tax ballot proposal in Olympia. We will continue to oppose a state income tax.
- WPC research and citizens' guide publication helped defeat a state law that would have given public tax money to private political campaigns.
- WPC's work with the media helped expose the governor's secret talks with union executives to increase state spending, and WPC helped Lincoln County adopt collective bargaining transparency - a first in our state.

- Washington's charter schools faced significant opposition when, in response to a union inspired lawsuit, our State Supreme Court ruled that charter schools should close. We acted to ensure our legislature corrected this unjust ruling. Our Center for Education amplified the voices of parents to save their schools. The legislature responded by passing SB 6194, to fully fund our state's charter schools.

WPC impact

1,545 media hits

18 legislative testimonies
by invitation

2016 Online Presence



Highlights



40% increase in
Facebook followers

38% increase in
LinkedIn connections

washingtonpolicy.org: 270,401 visitors

washingtonvotes.org: 111,093 visitors

Online Visitors

Publications

- 14 Legislative Memos
- 17 Policy Briefs
- 22 Policy Notes
- 29 Op - Eds
- 302 Blogs

Follow Us on Social Media



Achievements

Our Research

Center for Government Reform

Jason Mercier, Director

We released a poll by Stuart Elway showing that 65% of voters want the legislature to act on a supermajority limit for tax increases. Nine separate supermajority for tax increases constitutional amendments were proposed this session and we testified on several of them. We also worked to educate voters about the real purpose behind an income tax ballot measure in Olympia, which was ultimately defeated. We also successfully worked with Commissioners in Lincoln County for adoption of collective bargaining transparency – a first for Washington. At the local level, Spokane Valley became the 3rd city to approve a local supermajority for taxes requirement. Several newspapers joined our call for greater transparency of the secret contract negotiations between the governor and state employee unions, with *The Seattle Times* writing an editorial titled: “More transparency needed in state contract negotiations.”

Center for Small Business and Labor Reform

Erin Shannon, Director

In 2016 the Center for Small Business became the Center for Small Business and Labor Reform. Our ultimate labor reform goal is to make Washington a right-to-work state. The Center is paving the way to right-to-work with a focus on reforms that would immediately improve the rights and freedoms of workers. The Center researched and published three studies in an ongoing series on labor reform policy. The Center also continued to research and explain the unintended consequences for low-skill workers of an artificially-high minimum wage, and began new efforts researching the newest labor issue looming on the small business horizon, restrictive scheduling laws that limit how employers can manage and schedule their workers.

Center for Education

Liv Finne, Director

After the state supreme court ruling against charter schools, the Center for Education moved into high gear to support efforts to save Washington’s charter schools. The Center revealed that Chief Justice Barbara Madsen, the author of this flawed decision, had taken five pages of the 20-page decision, verbatim, from the WEA union’s brief. The Center also created videos and TV ads which recorded the voices of parents and children fighting to keep their charter schools. Ultimately, every Republican and 10 Democrats joined to save charter schools by passing a new law which kept the charter schools open. The Center also continued to publish research papers on where the money goes in public education, and on options for complying with the McCleary decision without raising taxes, suggesting better ways to structure school funding. The Center also published Washington’s School Achievement Index, translating the index into letter grades for all K-12 schools. The Center also described how Education Savings Accounts can help families buy tutoring services, curricula and even tuition at a private school. Jonathan Butcher of the Goldwater Institute, a national expert on ESA’s, spoke at WPC’s Solutions Summit.

Center for Health Care

Roger Stark, MD, Analyst

The Center for Health Care was actively anticipating the November election. We were asked to speak a number of times on the status of Obamacare, the differences in the Democratic and Republican health care platforms, and the future of health care in general. We wrote on the need for medical malpractice reform and the elimination of the Certificate of Need law in Washington state, the specifics of the various health care reform proposals, and the health care positions of the various candidates for president. We were pleased to feature Dr. Lanhee Chen, Research Fellow at the Hoover Institute and Director of Domestic Policy Studies at Stanford University, as our speaker at the 2016 Solutions Summit.

Center for the Environment

Todd Myers, Director

As removal of the Snake River Dams returned to the spotlight, the Center offered unique analysis on the electricity value of dams, publishing in *The Seattle Times* and a comprehensive study in the *Idaho Law Review*. The Center was asked to organize a meeting of state think tanks to focus our efforts on environmental policy. The American Legislative Exchange Council made the Center's work on environmental principles one of its top ten priorities in 2016 and co-authored an editorial on free-market environmental principles. The Center continued to extend its national impact, appearing on CNBC, publishing an analysis of North Carolina and New Mexico's "green" schools, and launching the Eco-Fads podcast in conjunction with national environmental think tank PERC.

Initiative on Agriculture

Madilynne Clark, Director

WPC launched the Agriculture Initiative in May and rapidly began the process of serving as a free-market voice for Washington state agriculture. Encouraging policymakers and citizens to understand the impacts of regulation on agriculture, the Initiative has written on labor costs, growth management decisions, water quality regulations, and the harmful impacts of excessive regulations on Washington farmers. The Ag project has already been covered by Eastern Washington television, agriculture media, and was the subject of a positive editorial in the *Tri-City Herald*. In November, the American Council on Science and Health published an article by WPC on its national blog arguing against the attack on America's agriculture industry.

Coles Center for Transportation

Mariya Frost, Director

This year was marked by the debate on transit – specifically its proper role in the Central Puget Sound. National mass transit expert Tom Rubin and local technology expert Steve Marshall presented at the Solutions Summit. The Coles Center was featured in numerous media outlets due to our work on the Sound Transit 3 ballot measure. Throughout the year, the Coles Center expanded its reach through social media outlets, and we developed relationships with local reporters and transportation experts at national think tanks. Policy recommendations in the newly released 5th edition of the *WPC Policy Guide* included: tying public spending to improvements in traffic congestion relief, expanding the use of public-private partnerships, improving Sound Transit accountability and governance, ensuring that state officials spend highway tolls to support highways, and reducing artificial cost increases in building roads and ferries.



Young Professionals

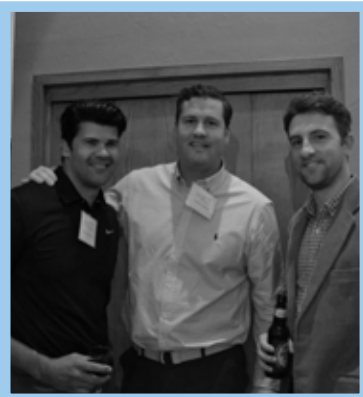
WPC's Young Professionals (YP) group continues to expand our engagement, empowerment and education of the next generation of leaders in our state. In 2016, we broadened our college program to another campus – Gonzaga University – totaling four different college clubs across the state. Between these WPC campus clubs and the YP group, we reached over 1,400 students and young professionals. Throughout the year, we hosted happy hours and a debate series on our college campuses.



This past year, the YP board, which is made up of an active group of 20 young business, policy and community leaders, went through its own strategic planning process, and they created a new, three-year plan as part of WPC's overall strategic plan.



We held two signature events: our YP Summer Social and YP Annual Dinner. At the Annual Dinner, over 300 students and YPs heard from our speakers live! Each year, membership and engagement in WPC's Young Professionals program grows as more and more young people get involved in WPC's mission of improving lives through free-market solutions.



Eastern Washington

Chris Cargill, Director

2016 was a record-breaking year for WPC in Eastern Washington. We nearly doubled the number of supporters east of the Cascades and shattered attendance records at popular WPC events, like our Eastern Washington Annual Dinner. In addition, WPC policy experts were featured in a record amount of media coverage around the eastern part of the state. Their work and visibility led to policy victories such as collective bargaining reforms in Lincoln County and the adoption of a supermajority requirement for tax increases in Spokane Valley.



Across Washington

Our Support

Our annual budget of \$3.1 million, though impressive for a state-based think tank, is dwarfed by those of special interests. We don't receive government money; we don't ask for it and we wouldn't take it even if it were offered. WPC relies on the generous support of our donors – people like you who understand that free-markets are superior to a government-rigged economy, and liberty is the air that a free people must breathe.

About WPC's Pillar Society:

WPC's Pillar Society distinguishes donors who make a substantial three-year pledge to Washington Policy Center. Pledge levels start at \$15,000 over three years and include Annual Dinner tickets or a table and personalized support programs to fit the donor's interests.

About WPC's Legacy Partners:

The Legacy Partners program recognizes people who have made a bequest or indicated they have included WPC in their estate plans. Legacy Partners have all the same benefits as our highest level of membership and satisfaction of knowing their legacy will live on through WPC's important work.

Total 2016 Revenue: **\$3,156,437**
2015 Revenue: **\$2,766,391**

(New record for WPC)

WPC revenue
comes from:

21%
Foundations

65%
Individuals

14%
Corporations &
Businesses

Legacy Partners

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Patty Edwards

John and Kathy Hennessy
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Joe and Susan Rumble
Joanne M. Stubbs
Len and Darcy Zarelli

For more information on how to support WPC with a gift of stock, monthly giving or to join our Pillar Society or become a Legacy Partner, please contact WPC's Development Director, Sydney Jansen at sjansen@washingtonpolicy.org or (206) 937-9691.

Washington Policy Center is a tax-exempt 501(c)(3) nonprofit organization. To preserve our independence, we accept no government funding, and we do not perform contract work. Contributions are deductible for federal income tax purposes as allowed by law. Our tax Id # is 91-1752769.

We gratefully acknowledge the following individuals and businesses who are members of WPC's Pillar Society and Legacy Partners. These generous contributors are an integral part of WPC's success.

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*denotes WPC Board Member



97 Members



18 New Members in 2016



Raised \$1,081,300 in 2016

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Memories take us back.





Goals take us forward.



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