



WASHINGTON
POLICY CENTER

2023 ANNUAL REPORT



The Babylon Bee's Editor-in-Chief and CEO address WPC's Annual Dinner in Bellevue

Dear friends of WPC,

On some levels, 2023 may be remembered as a turning point for those closest to Washington Policy Center. Professional staff changes brought fresh perspectives on how best to convey and promote WPC's vital work for the people of Washington. For others across the state, 2023 felt like the year the pendulum finally started swinging away from extremes that have challenged our economy and divided our communities.

Throughout the changes inside and outside WPC, the constant for our Policy Center remains exceptional, data-driven research and analysis that delivers clarity and accountability in our state. While 2024 may well be remembered as an unprecedented year for Citizens' Initiatives in the Legislature and on voters' ballots, these watershed democratic moments were launched from the work of WPC's research centers in 2023 and earlier on education, cap and trade, the income tax on capital gains, the long-term care payroll tax, and local income taxes.

As WPC strives to grow its momentum along with its advocacy network to adopt free market innovations that ensure opportunities for all Washingtonians, rest assured that our team will continue to provide the compass our state so dearly needs for direction toward better policy and accountability. Our objective is clear, and our members are instrumental in making our visions reality for all we serve. We are grateful for your tireless commitment and generous support – past, present, and future.

Cheers to a brighter future,

Steven Hatting
President & CEO

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Young Professionals
Coordinator

WPC Impacts 2023

| | | | | | | |
|----------|----------|--------|----------|----------|----------|----------|
| 3 | 10 | 25.6 | 12.59 | 17.98 | 15.26 | 129.85 |
| 18.44 | 20.77 | 5.86 | 3.96 | 6.4 | 1 | 0 |
| 3 | 1.5 | 4 | 0.37 | 0 | 0.5 | 11 |
| 0 | 0.5 | 2.39 | 0.3 | 1.21 | 0 | 0 |
| 2.7 | 53.32 | 1106 | 13945.79 | 14851.18 | 176333 | 22.06 |
| 9964.9 | 9964.76 | 1106 | 13945.79 | 14851.18 | 176333 | 19138.99 |
| 149.99 | 211.18 | 5.21 | 453.65 | 229.93 | 59.97 | 139.96 |
| Apr | May | Jun | Jul | Aug | Sep | |
| 13369.77 | 14016.76 | 894.89 | 12901.21 | 12625.01 | 13686.73 | 213.05 |
| 925.61 | 1232.46 | 7046.6 | 1152.52 | 1210.19 | 2180.86 | 2100 |
| 2990.29 | 3408.59 | 445.21 | 3400 | 2856.12 | 3778.39 | 325.32 |
| 340.83 | 445.02 | 491.75 | 442.9 | 443.92 | 603 | 774.39 |
| 8953.85 | 8323.28 | 228.76 | 9744.81 | 4654.11 | 6468.39 | 8983.6 |
| 1676.65 | 1859.25 | 73.12 | 1914.77 | 1830.85 | 1268.69 | 165.45 |
| 911.7 | 860.27 | 13.35 | 979.59 | 847.94 | 1007.62 | 1163.01 |
| 482.46 | 561 | 5.83 | 515.79 | 558.06 | 645.75 | 549 |
| 419.47 | 390.98 | 36.2 | 403.78 | 402.73 | 329.7 | 367.56 |
| 57.72 | 89.6 | 4.2 | 87.88 | 35.36 | 71 | 85.26 |
| 1.24 | 0.99 | | 17.86 | 1.88 | | 1.3 |
| 1 | 0.75 | | 3.70 | 2.5 | 0 | 0 |
| 196.85 | 313.82 | 1.44 | 191.87 | 172.84 | 153.74 | 704.06 |
| 173.81 | 306 | 2.03 | 14.44 | 0 | 20.7 | 119.41 |
| 0.2 | 14.44 | 0 | 20.7 | 0.19 | 0 | 0 |
| 30.8 | 16.56 | 23.4 | 30.25 | 28.35 | 45.7 | |

A **TAX TRANSPARENCY WEBSITE** for 1,740 taxing districts in WA.



STOPPED rent control.



OCCUPATIONAL LICENSING REFORM to help people get jobs.



NO NEW TAXES passed in the legislature.



Joined the **NURSING LICENSURE COMPACT** with 38 other states.



REMOTE TESTIMONY for legislative hearings was made permanent.



COVID relief funding directed to **TUTORS for LEARNING LOSS.**



PRESERVED the voluntary stewardship program.



STOPPED a 33% REET tax.



STREAMLINED THE PROCESS for new state ferry purchases.



STOPPED 13% CUT to classroom instruction time for students.

In 2023, WPC work was covered in:



And over 60 other outlets.

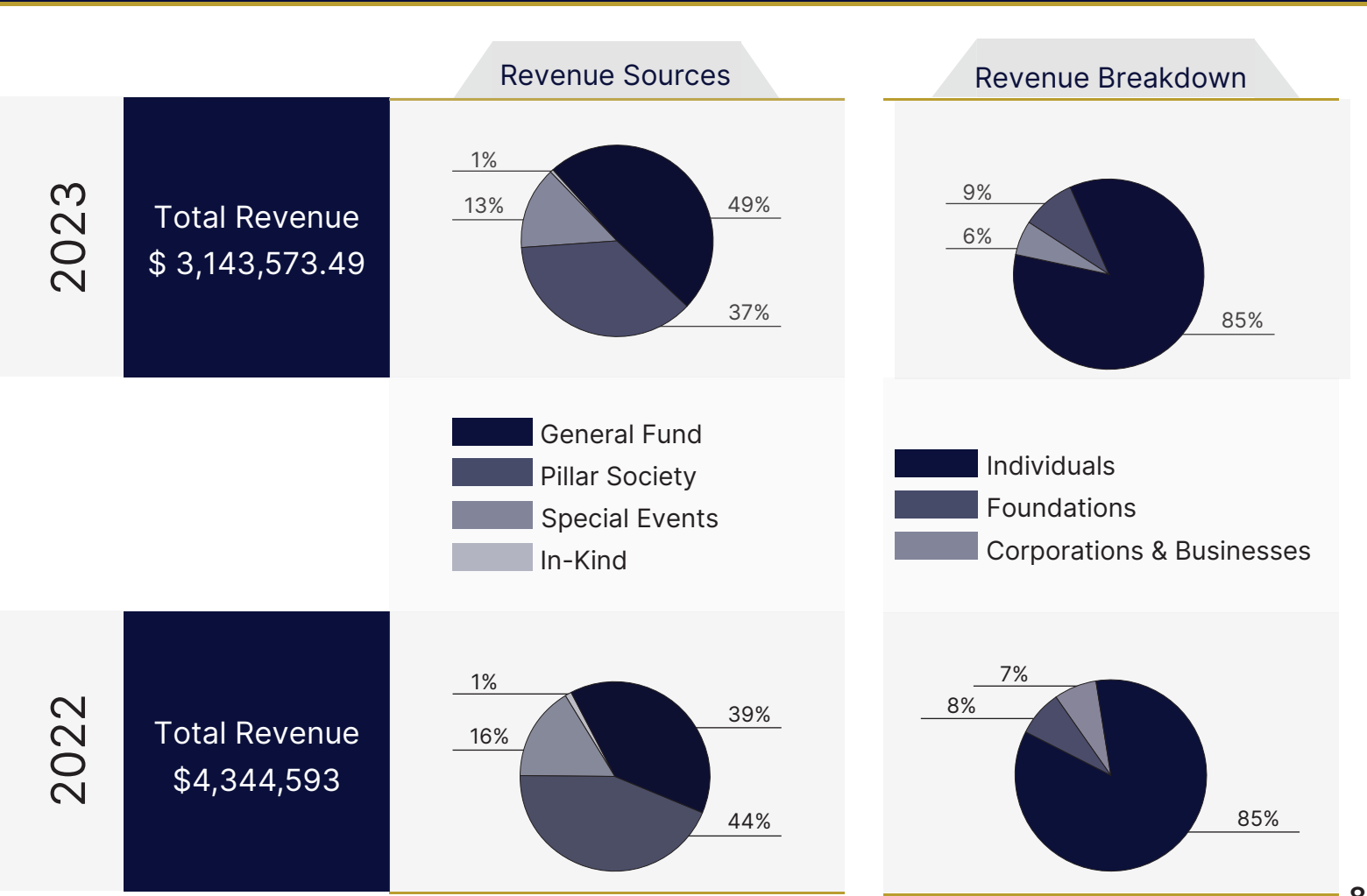
MEDIA TOTALS

- 1,570** Print and Online articles
- 305** Op-eds
- 226** Television Interviews
- 746** Radio hits
- 2,263** Total media hits

PUBLICATIONS

- Legislative Memos: **19**
- Blogs: **377**
- Policy Notes: **7**
- Policy Briefs: **12**
- 415** Total Publications

Our Funding





Our Support

Washington Policy Center raised \$3.14 million in revenue in 2023. Our funding comes from various sources including WPC’s Pillar Society, members, individuals who make a substantial three-year pledge to support WPC’s work. Also making meaningful contributions to advance WPC’s eight research centers are individuals, small businesses, foundations and corporations. WPC raises significant operational funding from our popular Annual Dinner gala events which bring together more than 2,000 people from across the state to celebrate free market ideas.

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.

Center for Agriculture

Pamela Lewison, Director

Governor request legislation to save salmon by establishing vast riparian buffer zones marred the discussion throughout much of the 2023 legislative session and latter part of the year. Three nearly identical bills were introduced in the legislature to create one-size-fits-all solutions to fish habitat throughout the state, much like the first round of buffer bills introduced in 2022. All three were roundly rejected by the agricultural, tribal, and forestry communities.

In a novel approach to leading a legislative committee, Rep. Mike Chapman committed to requiring unanimous votes for any legislation to pass out of the House Agriculture and Natural Resources Committee. With that commitment in place, he asked a subcommittee of legislators, members of the tribal and agricultural communities to develop a riparian bill that would satisfy the needs and expectations of everyone involved. After a great deal of discussion and gathering input, a well-stakeholdered bill was introduced, heard, and testified on. Support for the bill was nearly unanimous in testimony – including supportive testimony from Washington Policy Center – and it was voted out of committee with unanimous bipartisan support.

While the bill failed to move out of the Senate agriculture committee, it was the first time in recent years that a committee chair required true bipartisanship from his or her colleagues. The commitment to working as a unified team in House Agriculture and Natural Resources has continued and created a unique dynamic among the members of the committee. Despite disagreements in ideology, there is an understanding of the need to work together and find common ground and working solutions for the betterment of the communities served by the committee.

There will be a leadership change after the next election cycle. With luck, the legacy of bipartisanship will remain as will the openness to working with WPC.



Center for Education

Liv Finne, Director

The Center for Education reported on the academic learning losses suffered by Washington's 1.1 million students from the COVID school shutdowns lasting 18 months. Education experts at McKinsey and Co, Harvard, Stanford and Georgetown have consistently said the damage to students "was a hurt that will last a lifetime." Economists project that lifetime earnings of these students will be reduced by 7 to 9 percent.

In response, the legislature earmarked \$120 million of federal COVID relief funds for individual tutoring and extended learning programs to help students recover their learning losses. Despite test scores showing 60 percent of students failing the state Smarter Balance test in math, State Superintendent Reykdal denies the existence of learning loss, saying students are "accelerating in their recovery."



The Center continues to criticize the public schools and the state legislature for violating the civil rights of teachers and students by mandating teachers and staff to receive training in the anti-Semitic, racist and harmful ideology known as Critical Race Theory under the guise of Diversity, Equity and Inclusion.

The Center also testified in strong opposition to SB 5054, the WEA effort to reduce classroom instruction time by one day a week, leading to its failure to pass. The Center also helped defeat SB 5237, which would have cut funding to districts that refuse to teach a woke ideology.

The Center also helped defeat passage of HB 1333, the Attorney General's effort to create a "Ministry of Truth" in his office to criminalize free speech.

The Center reported the true, actual cost of six school bond measures on the November ballot, with KING 5 TV publishing these accurate numbers. Five out of the six measures failed to pass. We put out the true, actual cost of these school bond measures, and KING 5 published accurate numbers for the South Kitsap bond, which also failed.

The Center is also reporting on the dramatic growth of school choice in other states, with 36 percent of all students in the country now eligible to receive public dollars for private school.





Center for the Environment

Todd Myers, Director

As the state's new tax on CO2 took effect, WPC was the primary source of information about the impact on energy prices. We accurately predicted the price impact of the tax on gas and diesel fuel. We received a great deal of media attention about the accuracy of our calculation, with one reporter calling our predictions "remarkably accurate."

Governor Inslee was pressured to hold two press conferences on the high price of gasoline and had to answer questions specifically about our predictions.

We revealed a decision by state utilities commissioners, with the support of the Office of the Attorney General, to allow Puget Sound Energy to raise natural gas rates and prohibiting them from listing the cost on customers' bills because it would be "confusing."

Working with KING 5's chief investigative reporter, we exposed the failure of the Inslee Administration to meet many of its own environmental targets. The governor repeatedly ducked a promised interview to address the data. It was the most comprehensive demonstration of the governor's failure to improve the state of the environment in Washington after more than a decade in office.

Center for Government Reform

Chris Corry, Director

During the 2023 session, the legislature provided initial funding for Washington Policy Center's proposed tax transparency website. This website will allow taxpayers to view their complete tax burden from all state and local taxing jurisdictions.

The Washington State Supreme Court upheld the capital gains tax in a 7-2 decision. WPC led an amicus brief in support of an appeal to the Supreme Court of the United States, which included organizations such as Americans for Tax Reform, the National Taxpayers Union Foundation, and the Tax Foundation. However, the appeal was not heard by SCOTUS.

The Center for Government Reform played a crucial role in highlighting the Department of Revenue's implementation of rules for the capital gains tax, leading to engagement and participation by tax professionals to improve rules and limit overreach.

The Center for Government Reform also provided coverage and analysis for the proposed income tax on capital gains by the City of Seattle. This call to action ultimately led to the City of Seattle not adopting the tax increase.





Center for Health Care

Elizabeth New, Director

There's good and bad news for Washington state's system of health care.

Policymakers are rightly looking at workforce issues — easing cumbersome licensing requirements and considering expanding providers' scope of practice where appropriate. The Legislature is rethinking misguided certificate-of-need requirements that limit competition and innovation. It is exploring ways to increase dangerously low Medicaid reimbursement rates that require hospitals, providers and people who purchase health insurance to pick up the tabs the government leaves behind. These are longtime Washington Policy Center suggestions that could increase access and contain costs.

At the same time, the legislative majority wants to make more people reliant on taxpayers for health care and is pursuing a complete system overhaul. It seeks changing our already deficient, overregulated system that relies on third-party payers — separating consumers from most cost decisions — into a taxpayer-funded, government-run system. That's a bad direction. A true free market system should be pursued to increase access for all Washingtonians, retain quality and control costs.

WPC will continue to urge policies that prioritize decisions between doctors and patients, bring health care services closer to the consumer and keep safety nets limited to people in need.

Coles Center for Transportation

Charles Prestrud, Director

In 2023 activities of the Coles Transportation Center were largely in response to the legislature's Move Ahead Washington funding package that had been passed in 2022. The legislature amended the transportation budget in the 2023 session to include the windfall of carbon-emissions revenue, but within six months it was apparent things weren't going according to plan. Due to very large cost-overruns, unforeseen problems and several executive decisions, there was a multi-billion dollar budget gap and major transportation problems still needing attention. WPC focused on the following transportation issues:

Washington State Ferries— Ferry service was reduced during the pandemic, but three years later WSF was still unable to restore all the service that had been cut, or even operate reliably at a reduced level. In outreach to legislators and the news media WPC showed that the Governor's executive orders mandating vaccinations and directing WSF to transition to a zero emissions fleet had contributed significantly to the service reductions and delays in renewing the fleet. In the 2023 legislative session WPC testified in support of the bill that allowed more competitive procurement of new ferries. WPC has continued to make the case that superior alternatives exist to the very costly hybrid-electric ferries WSF hopes to purchase.





State Highways– In early 2023 WSDOT revealed that highway preservation and maintenance was underfunded by \$350 million per year. Later, the estimated underfunding was revised upward to \$770 million per year. By early 2024 WSDOT had increased the estimated shortfall to approximately a billion dollars per year and said even an aggressive plan would require nineteen years to bring highways and bridges up to a state of good repair. WPC coordinated with other organizations, including the Association of Washington Business and the Washington State Good Roads & Transportation Association, to emphasize the need to adjust transportation spending priorities to address this massive backlog.

WSDOT Planning– WPC made legislators aware that WSDOT hadn't prepared an updated State Highway System Plan since 2007, and as a result had no long-range plan for highway system improvements despite the state's growing population and increasing traffic volumes. Late in 2023 WSDOT finally published a draft plan, but the new version contains no list of projects, cost estimates, or timeline for construction, thus it fails to comply with the planning requirements in statute and was irrelevant for the legislature's prioritization and budgeting deliberations. A final version of the plan still has not been produced.

High Speed Rail– WPC provided vital information to a consultant study of the proposal prepared for the legislature's Joint Transportation Committee. The study showed that project costs had been underestimated by tens of billions of dollars and ridership estimates were based on optimistic assumptions. WPC made sure the pertinent information was made available to the Federal Railroad Administration, which was reviewing a WSDOT grant application for the project (the grant was not approved, though WSDOT will take another shot at it in 2024).



Center for Worker Rights

Elizabeth New, Director

The Center for Worker Rights at Washington Policy Center is focused on protecting Washingtonians' paychecks from state government and unions and easing unnecessary licensure or degree requirements that limit workers and hurt service levels in our state. We expose government overreach that penalizes work by creating public safety nets that are far too wide, using workers' hard-earned wages to help people who are not in need of taxpayer assistance. We shine light on policy decisions that threaten the unemployment insurance benefit fund.

In 2023, we continued to encourage policy decisions and practices that allow workers to enjoy ideological and health freedom in the workplace. We also continued to point workers who do not want to be associated with a union to alternatives and asked the government to get out of its inappropriate dues-collection role for unions. We saw success for one of our long-time policy goals: joining a multi-state Nurse Licensure Compact to lower unnecessary hurdles for qualified professionals. Other helpful compacts are now being pursued.

Center for Small Business

Mark Harmsworth, Director

2023 was a relatively quiet year on the small business regulation front. Changes in affordable housing and rent costs, however, were front and center for the legislature, homeowners and renters.

With pressure from rapidly increasing interest rates and the lack of housing supply, legislators felt compelled to pass new laws to help. Much of the legislation made an already volatile housing market worse. Passage of many bills WPC opposed were defeated, including new REET taxes (4%) and Seattle Housing Authorities \$12 billion bloated budget. Some good bills passed including permitting exemptions for multi-unit (12 units or less) construction and a key WPC policy, streamlined permitting, House Bill 1293. Middle housing became law with some concerns from WPC over local zoning control removal.

WPC published citizens guides for the Bellingham Rent Control and Minimum wage initiatives, unfortunately both passed, but WPC had good media coverage connecting the impacts of defunding the police on small business. Early in 2024 the legislature passed Initiative 2113 to restore police pursuits.



Eastern Washington

Chris Corry, Eastern Washington Director

While WPC experienced Eastern Washington leadership turnover and engaged in an extensive search for new leadership in the role of Eastern Washington Director, the region remained a significant priority for WPC research and event staff.

WPC provided extensive expertise for the offices of Congresswoman Cathy McMorris Rodgers and Congressman Dan Newhouse in preparation for a U.S. House Natural Resources Committee hearing on the Snake River Dams. WPC staff was called on to participate in numerous legislative panel discussions including ten legislative re-caps to community groups and Lieutenant Governor Denny Heck's Civic Health Project program in Spokane.

WPC work was featured regularly in numerous regional print and broadcast outlets including a biweekly column in The Spokesman Review and on KIT Yakima and Tri-Cities' KONA radio stations.



Young Professionals WPC

In 2023, WPC served YP membership through social media, virtual and in-person events, and relationship-building. YP hosted twenty in-person events across the state as well as two virtual events in partnership with Talent Market and League of Our Own WA. Additionally, YP's Book Club continued its quarterly gatherings to discuss works covering economics, public policy and philosophy.

Engagement on YP social media platforms grew by twenty-six percent on Instagram and twenty-nine percent on Facebook. WPC matched 20 YP Gold members with respected and high-achieving mentors to help them develop skills, knowledge and wisdom for career advancement and personal growth.

The Young Professionals took ownership of the Jennifer Dunn-Thomson scholarship program and awarded \$15,000 to four bright and talented students.

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