

Team 17 Newsletter

January 22, 2012

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LEGISLATIVE UPDATE

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FROM TEAM 17

Team 17

Senator [Elliot Werk](#)

Representative [Sue Chew](#)

Representative [Bill Killen](#)

Office Hours!

Every Thursday, 7:00 - 8:30 PM in the Borah High Career Center

Next Forum

Thursday, February 9, 2012, 7 PM Bishop Kelly High Library

We need your expertise.

To help with legislation or community projects call:

Senator Werk

208-658-0388

Rep Killen

208-345-2956

Rep Chew

208-344-0098

To fund our mailings and other service needs [Contribute with a click](#)

[Chew for House](#)

[Werk for Senate](#)

Two Weeks In

Two weeks into the 2012 legislative session and ethics and the GOP culture have dominated the discussion. Ethics reform has been proposed, a working group convened, the GOP has decried "inflammatory language", Sen. McGee retained his leadership post, and Rep. Phil Hart continues to try and use his legislative position to forestall court deadlines in his tax evasion case.

Elsewhere, the health insurance exchange is foundering, talk of tax cuts is muted, the governor proposes a 1.5% cut in public schools, required online classes can all be taught in real time (not asynchronous), the GOP attempts to stifle civil liberties by booting the Occupy Movement, and rules review is in full force. Never a dull moment when the legislature is in town!

Team 17 will keep you informed as the big issues are debated with a newsletter every few weeks. Pass this newsletter forward and please tell your friends about the newsletter and have them send us a request to be included at team17@mindspring.com.

From the Desk of Senator Werk:

Democrats Roll Out Restore Ethics and Accountability Initiative

Under considerable pressure from Democrats, the public and the press, our Republican colleagues have offered to work with us in evaluating (and possibly passing) a series of ethics reforms introduced by Democrats (some since 2005). Speaker Denny, while stating on TV that he doesn't think there is a problem in his legislature, agreed to work with Democrats by creating a bipartisan working group to look at Democratic ethics bills (none have been proposed by Republicans). Two Democrats each from the House and Senate will work with an equal number of Republican counterparts on this informal working group over the next few weeks.

Amid this development our Democratic caucus introduced three additional ethics reform bills (referenced above) that together with the ethics commission bill we are calling the **Restore Ethics and Accountability (REA) initiative**. The bills included in the REA initiative (co-sponsored by Team 17) include:

1. **Independent Ethics Commission** (no bill # yet) – Sets up an independent commission to evaluate the merits of complaints of ethical and criminal lapses within state government submitted by any citizen.
2. **Conflict of Interest Act (SB1238)** – Requires disclosure of personal financial information by elected officials and candidates to ensure that the public can fully evaluate potential conflicts of interest of elected officials.
3. **Lobbyist Restriction Act (SB1235)** – Stops the revolving door of elected official to lobbyist by requiring a one year waiting period after leaving office before a former elected official can register as a lobbyist in Idaho.

4. **The Whistleblower Reporting and Protection Act** (no bill # yet) – Sets up a confidential hotline and online process for state employees to report issues of waste, fraud, criminal, or ethics violations in state government.

In addition to these bills I proposed three other basic ethics reform bills this week that are co-sponsored by some of my colleagues. So far Republicans have not allowed these to be evaluated by the bipartisan working group. These bills include:

1. **Idaho Pay to Play Prohibition Act** ([SB1244](#)) - prohibits contributions from state contractors, their employees, or subcontractors to elected officials that could appear to influence the awarding of state contracts.
2. **Idaho Public Official Accountability Act** ([SB1245](#)) - puts in place a one year "cooling-off" period before a public official (including state employees) can go to work for, or receive other benefit from, a person or business if that public official participated in the awarding of a contract or lease in excess of \$25,000 to that person or business in the two years prior to leaving public service.
3. **Honest Leadership and Open Government Act** ([SB1246](#)) - imposes a prohibition on political contributions to elected officials from lobbyists during legislative sessions and places strict limits and public reporting on lobbyist gifts.

Together these ethics reforms (if passed) would catapult Idaho from its embarrassingly dismal ranking on ethics laws to the middle of the pack in the US. The laws would also provide a framework for the evaluation and referral of complaints by the proposed ethics commission. After all, without reasonable laws the ethics commission will have precious little to do!

From the Desk of Representative Killen:

Do Tax Cuts Create Jobs?

Like the proverbial chicken and egg, the current debate, both nationally and locally, hinges on this conundrum. Most conservatives strongly support the thesis that business tax cuts, both income and property, as leading to job creation. Their basic argument is that increasing the wealth of business entities and those controlling them, will lead to an expansion of their enterprises and -voila! - more jobs. While appealing, this thesis on many counts – just a few are presented below.

The first, discussed last week, is the lack of support in the historical record for such a result. While “tax cuts produce jobs” has been the mantra of the conservatives since at least the Reagan years, economist Ed Lotterman’s (and many other economists) analysis conclusively rebuts this. Having worked in a large and successful Silicon Valley corporation for ten years, and

run my own small business for thirty years, I can assure you that the accumulation of earnings, money in the bank, was never the trigger for hiring, i.e., creating new jobs.

In both large and small enterprises the sole rationale for even considering initiating the hiring process is demand. Simply put, if people were buying our goods or services at a rate approaching or exceeding our ability to provide them, adding people to the payroll as a response was front and center. If we had ample assets and resources to cover the costs of hiring, training, payroll, housing and support we could move forward directly down this path. If we were short of such resources, we went to our friendly banker; if big enough or publicly traded we could perhaps sell bonds or seek additional equity funds from investors. Put simply, increased demand results in new jobs; cash on hand helps but just shapes the process; it is a means - not the end.

So – if one has funds earmarked for relief tax cut, say \$45 million or so, these resources would be far better spent in stimulating the demand side of the economy rather than using them simply to make hiring easier. With an economy that is 70% driven by consumer spending, this makes eminent sense. That money in the hands of consumers such as our state employees would do far more for economic stimulus than merely banking it in corporate reserve accounts. There it may well facilitate the hiring of new employees more rapidly or efficiently, but lacking additional demand, it is more likely to simply add to the CEO's salary or out-of-state shareholder dividends. Hopefully our governor and legislature will stop, look and listen before they make the call.

Some other food for thought, most people believe that any business tax cut we provide will stay within Idaho and stimulate the Idaho economy. The reality is that some percentage of that money will flow out of our state – leading to investment elsewhere, enriching stockholders, or making products cheaper for others around the world. This provides little or no benefit to Idaho but costs our citizens plenty.

From the Desk of Representative Sue Chew:

The Affordable Care Act and Medicaid Readiness

The Patient Protection and Affordable Care Act (PPACA) has two major portions that have deadlines that Idaho is quickly trying to meet. The first, the health insurance exchange, we discussed in the last newsletter (See more on [health insurance exchange](#)). The second is Medicaid readiness.

The federal agency that overlooks Medicaid has put forth a set of guidelines that states must follow to continue the Medicaid funding match that Idaho is currently receiving from the federal government. According to Dick Armstrong (Director of the Idaho Health and Welfare Department) complying with federal guidelines will allow Idaho to make substantial improvements to our current system. The revamped system will drastically benefit Idaho's Medicaid system regardless of the outcome of the lawsuit against PPACA.

Medicaid Readiness is the new program that Idaho is using to assure it is complying with federal requirements.

The program is divided into two strategic phases:

Simplification (Modernization). Through the PPACA and various other federal programs, Idaho can now have the needed resources to help solve some immediate problems and gaps we have struggled with in our current Medicaid system. Recall the billing and payment problems with Molina that caused so many Medicaid providers to go out of business. This project will replace band aid fixes with real fixes. Medicaid eligibility will be moved to a new system (IBIS) that will also efficiently determine eligibility for Food Stamps and cash assistance. Modernizing other systems will allow rural families access via computer, eliminating long drives to surviving offices and replacing many ineffective systems allowing the state to verify and check for misuse.

Expansion. Because the law was intended to increase access to healthcare for our most needy, Medicaid will be available to any adult under the age of 65 who earns at or below 133% of the Federal poverty line. For a single person, that would mean earnings of approximately \$14,500/year. For a family of four, that corresponds to just over \$29,500. For many, it will be a much needed relief since many adults subsist at one-quarter to one half of the poverty level but have never been eligible for help. For Idaho, payment for these individuals would be completely covered by the federal government for the next couple years. As a bonus, the \$40 million that we now spend in the catastrophic healthcare fund (without any federal matching funds) will be mostly replaced by this system where Idaho gains a 70% match for each dollar that we spend. That's big savings for taxpayers.

Whether you support or oppose the Affordable Care Act, it has already resulted in positive change in Idaho. Given these new developments, I expect even more improvements for our citizens.

Contacting Team 17

Public Forums to Discuss Legislative Issues

The legislative forums that we have held in past years have proven a great way to keep in close contact with the people we represent. Of course we want to keep these lines of communication open and we will hold more forums this year.

Here is the schedule of our remaining forums

February Forum	Thursday, February 9th 7:00 – 9:00 PM	Bishop Kelly High School Library
March Forum	Thursday, March 8 th 7:00 - 9:00 PM	Whitney Elem. School Library
Wrap-Up Forum	Thursday, April 5 th 7:00 - 9:00 PM	Borah High School Library

Weekly Office Hours

Once again Team 17 will offer the people that we serve the opportunity to meet individually with the Team on a first come - first served basis. Office hours will be every **Thursday** (except forum nights) from **7:00 - 8:30 PM** in the **Career Center** at **Borah High School**.

Our web sites are constantly being updated with the latest information, so visit them often.

WEB SITES

[Senator Elliot Werk](#) – detailed info on the legislative session and Sen. Werk’s activities

[Representative Bill Killen](#) – read Bill’s updates

[Representative Sue Chew](#) – coverage of legislative activities

Other Links

[Fiscal Facts Book](#) (historic information about budgets and good basic budget data – including various account balances)

[2012 Legislative Budget Book](#) (used by the budget committee members)

[2012 Legislative Fiscal Report](#) (details where the budget currently stands)

[2010 Idaho Fiscal Source Book](#) (sources and uses of funds for state agencies)

We want to stress what an honor it is to represent you in the Idaho legislature. We appreciate all of the visits, phone calls, emails, and letters. This input helps us to better represent our community.

Please feel free to contact any one of us at any time at team17@mindspring.com, or by phone at 658-0388 (Sen. Werk) or 344-0098 (Rep. Chew) or 345-2956 (Rep. Killen).

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Change or Unsubscribe in the Subject line.