**MINUTES of AAUP Executive Board meeting**

**Monday 3 August 2020, 3:30-5:00pm**

<https://washington.zoom.us/j/3285799782>

Three priorities in the current AAUP strategic plan:

1.     the escalating division of insecure academic labor

2.     reductions and restructuring of public funding and budgeting processes

3.     the increasingly hostile environment affecting students and faculty

#### On Zoom: Eva Cherniavsky, Amy Hagopian, Duane Storti, Ann Mescher, Nora Kenworthy, Diane Morrison, Jim Gregory, Abraham Flaxman, Jay Johnson

#### Absent: Theo Myhre, Charlie Collins, Rob Wood, Dan Jacoby, Jim Bakken (AAUP regional)

#### Resigned, but acting in treasurer capacity in the interim: Bert Stover

**Minutes**

This mid-summer meeting is unusual for AAUP, but board members felt there was too much uncertainty impending COVID-related doom for us to relax our vigilance.

***Childcare for parents when schools are closed***

Some progress this week! President Cauce formed a task force, and managed to invite the “Academic Mamas” group. Clearly, staff and students have overlapping issues, as it’s a complex problem affecting many sectors in the city. Now at least it has the attention of high-level administration. A couple of weeks ago there was an attempt to push the issue to the department level, so that would have been disastrous.

It seems two UW-wide task forces will be organized-- one on childcare campus wide, another on faculty issues. Cheryl Cameron and Mindy Kornberg will lead, with reps from undergrads, grad students, post docs, pro staff and classified staff and faculty (as named by faculty senate). Mark Richards and Robin Angotti are working on some kind of faculty webinar.

Parents of young children are not the only ones facing challenges clearing their time for academic work during COVID—this also affects caregivers of other family members.

The discussions around caregiver issues have brought into stark contrast the significant HR and rights issues in relation to back up plans for faculty who get sick or have to unexpectedly become caregivers. HR’s lack of clarity on faculty benefits is frustrating. For example, Nora reported her daughter got exposed, and it took 7 days to get a test result (during which time she could not attend childcare). Does one (or doesn’t one) have rights to sick leave if you are awaiting test results or are quarantining? We need some educating in tandem with HR to ensure faculty know what they can access before they have an exposure. Especially those who are on soft money, whose livelihoods are not protected.

Ann noted the Senate passed a resolution four years ago showing the UW’s childcare relative to our peer institutions and how far we are behind our peer institutions. There was a task force for this four years ago, but the issue wasn’t important enough to solve, apparently. (Ann circulated the historical documents generated then.)

If **administration would signal some willingness to do something, the task force will feel more empowered**. There is lots of empty space on campus, including safe outdoor spaces, for childcare and youth educational experiences. There seems to be a serious lack of imagination about what’s needed and possible, however.

We could invite Cheryl Cameron and other task force leaders to meet with us, if there’s no progress on getting a campus-wide meeting with the task force members.

Academic Mamas points:

* As you know we circulated a petition / letter outlining the problem and presented it to the upper administration ahead of the 'back to school' online meeting several weeks ago. In that meeting President Cauce did acknowledge the significance of this issue and indicated further work would be going ahead.
* Meanwhile, we were able to get in touch with a number of the unions representing faculty / staff / students at UW and attended a joint meeting to present on childcare issues. One request coming out of that meeting was for a survey for the UW community to identify key caregiving issues and try to measure the breadth of those issues for the community.
* Meanwhile, in conversations with deans and other administrators at several schools / campuses early on, it became clear that upper admin was attempting to decentralize the caregiving crisis response down to units and schools - telling them they should figure out which of these requests they can meet. Obviously this is an inadequate response that will only further create inequities, as well as, potentially, resentment against caregiving faculty who will now be seen as pulling resources or preferential treatment from colleagues if some of these measures are implemented with unit / school resources.
* Finally, we've heard through the grapevine that President Cauce is creating a tri-campus committee to look into university-wide options to address this issue, with representation from faculty, students and staff. None of the faculty who originally wrote the letter or advocated for this issue has heard anything from Pres. Cauce directly or been asked to join the committee.
* I want to say that the responses we've received from faculty about this issue are resoundingly supportive, with many writing to us poignantly about their struggles staying afloat and sane during this time, and their concerns about long term erosion of equity at the institution. We have not received a single negative response, despite a lot of distribution / amplification.

#### *Rules for accessing private email*

#### In response to an anonymous post on our faculty concerns list server, President Ana Mari Cauce promised us information on whether UW can discover people’s private, non-UW business, email. It’s important to have a channel for anonymous communication, which AAUP can provide, but we owe our readers the obligation to check on the validity of the writer’s point. Amy acknowledged posting the complainant’s claims without sufficient verification. Meanwhile, we wait for Ana Mari’s explanations of what email and files UW can access from whom and under what circumstances.

#### *Town Hall*

FCFA (via Jack Lee) has responded to our request for a town hall meeting with audience engagement. Everyone thought it was a good idea, but took it to Senate leadership. Robin Angotti is taking over from Joe Janes as Senate Chair, and she may be interested in convening. The discussion will include childcare and leave policy.

This would be worth organizing around, both recruiting attendance and identifying the 2-3 key points we want to raise. Ann suggested the points would include:

1) UW assets and budgets and austerity mindset.

2) Childcare, which has a long history.

3) Faculty retention, merit raises and transparency regarding ALL faculty salary issues.

#### *AAUP Summer Institute*

Howard Bunsis (Past Chair of the AAUP-CBC) and Rudy Fichtenbaum (Past President of the AAUP) led a terrific [AAUP Summer institute](https://www.aaup.org/2020-summer-institute-webinars) on fighting back on austerity by understanding your campus’ finances. [SESSION HERE](https://www.youtube.com/watch?v=T8o0Nm9mcA0&feature=youtu.be)—but you have to log in as an AAUP member. Audience was advised universities will claim they can’t use reserves to cover regular expenses. Accounting for pension funds can disappear the reserves. $2b evaporates in pension liabilities regularly in UW books, but these are perhaps fictitious liabilities. Diane and Eva will run some of these numbers. We’ll ask Jim Bakken to do a Zoom session with us on finances, too.

#### *Regents presentation on finance*

#### In follow-up to our meeting with Bill Lyne and Chris Newfield, we might ask for time at the September Regents meeting (the August meeting was cancelled, no comment) to discuss austerity vs. declaring their support for revenue increases at the legislature. John Burbank at EOI has floated some specific proposals for revenue increases (see below); we could advance these to the Board and urge their support.

#### *Decriminalize UW presentation report*

#### Amy reported on the “Decriminalize UW” presentation to the Board of Regents meeting. After the presentation (faculty and BSU students), the Regents tried to go on with their business. Presenters filled the chat box in Zoom with comments. Eventually, a couple of Regents said, “We cannot ignore chat any longer.” See appendix below for some excerpts.

#### *Cases*

#### *Jarek Sierschynski* update (UWT) Denied tenure after a series of irregularities, including a faculty vote. Eva sent a letter of support to Academic HR, Provost, deans, president. Not a single person acknowledged it.

#### *Simon Stevenson* was hired to run a Center in the College of the Environment (Real Estate), recruited from UK. When a new dean came in, Stevenson was asked to resign (2 months short of green card), which is now compromising his immigration status. Giant screw up in the recruitment process, communication, due process. He’s in a situation where his clock will run out and he is effectively losing tenure; immigration restrictions are an end-run around tenure. Upshot is that he will lose his tenured position, and could be deported too. What settlement will he get? Position will be re-advertised and he’ll have to compete for the position. Why should he lose his job, though, even if he is deported? A very complicated case. Jim and Duane assisted Eva in this case.

#### Ancillary questions: How many Centers are there at UW with these issues? Does anyone understand why we have “Deans” without faculty status? You shouldn’t be able to be a dean without faculty status. There are two in engineering that we know of. This would require a code amendment to resolve.

#### *UW School of Medicine uproar*

#### On July 21, 2020, five members of the UW School of Medicine leadership signed a widely-distributed letter describing the sparking events in the School of Medicine’s Ecology Health and Medicine (EHM) course in Seattle on March 20. This letter reported EHM course leaders (Drs. Dan Cabrera, Amanda Kost, and Roberto Montenegro) have resigned from teaching the course, and portrayed their departures as individual and uncoerced. There may be career and workload/paycheck issues associated with the resignations that were not described in the letter, however.

#### What is the role of AAUP? Typically, AAUP backs professors in trouble We are concerned about supporting the faculty at the expense of rejecting reasonable student grievances, though. Do we have a sense of the student perspective here? What they wrote was vague, short on evidence. Stories we are not hearing? The thing we know from the Yale case is that if students are advocating for faculty to be fired, they need to know the consequences of abandoning due process. Students can do what they want, they get to make mistakes. If administrators penalize faculty without due process, though, that’s on administrators.

#### NY Times op ed on Sunday on being black in medical school; professor of psychiatry at Duke. He took ownership of his own silence. It lines up a little here—medical schools are unique to other departments/schools in a university. Professors stay silent in the face of a lot of racism, especially from patients.

#### In reading the student complaint, it seems other issues were being channeled into this one complaint. Whose responsibility is it to fix this? What is the problem, how do we understand it, and what is our role?

#### We’ve been asked to intervene. But we can’t hold the hearing and intervene. It’s up to the faculty members who have been harmed to take steps. Mike Townsend did investigate, now they can file for an adjudication against the dean for harming them. Especially at this point, our role is to be calm; we could make this worse. There are legal protections for due process. We don’t know enough now, and would have to investigate. Once we investigate, we are obligated to take steps.

#### Dean of Medicine also has the title CEO, he’s a very powerful person. At the UW, the individual who has the diversity title could deal with this..

#### Who does this restorative justice work? They may have suffered real harm, but the way this has played out is hurting everyone. Are we qualified to carry this out? What is our credibility?

#### Two issues: 1) due process for faculty sanctions; and 2) no mechanisms in school of medicine for adjudicating this nest of problems. Also, we have no authority to adjudicate. If we are being asked to intervene in a case where faculty were harmed, then the next step is to come to talk with us. Presumably the disciplinary procedures could be cleared up by then.

#### Were the faculty materially harmed? These are faculty of color asking for our help.

#### Can we do some back channel communications to explore further, without obligating AAUP?

#### Another resource is the ombud rep.

#### The timing is important. The disciplinary code is being rewritten, after two task forces. Adjudication and grievances. Zoe Barsness is running this, Jack Lee is writing the code. All along, Jim has been pushing for some beta testing using some case situations. Here is another example. Faculty here have no recourse. These folks should look at this case.

#### AAUP can hold Paul Ramsey accountable for having poor policies of both due process and anti-blackness.

#### Amy and Abie will do some follow up and suggest a next step.

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* **New York Times** July 27, 2020

# Medical Schools Have Historically Been Wrong on Race

While the blatant horrors of the past are gone, the ideas that fueled race-based medicine stubbornly linger. We can change.

By Damon Tweedy

*Dr. Tweedy is a psychiatrist at Duke University School of Medicine*.

A senior white physician stands by silently as a white patient uses a slur to describe a Black nurse.

A middle-aged doctor asks a Black student why the lower-income Black patients in the clinic aren’t able to speak and act the way she does.

Several young doctors make fun of “Black-sounding” names in a newborn unit and speculate when each infant will later enter the penal system.

Instances of racism like these are happening in medical schools across America today, just as they happened when I was a medical student 20 years ago.

I still vividly recall the afternoon many years ago when a patient angrily suggested that I go back to Africa and stay there, and the shrug that my white supervisor offered when I told him what happened. I’ll also never forget when a Muslim student’s name was openly mocked by a senior doctor who questioned whether he was a terrorist. Nor will I forget the moments I saw Black patients’ intelligence, motivation and truthfulness derisively questioned.

Facing the power of those above us, I remember many of my peers and me putting our heads down, just enduring, on our way to becoming full-fledged doctors. The stings never faded.

Now, however, many future physicians of color and their white allies are doing what we were too afraid to do: They are speaking up and demanding change. And medical school leaders are being forced to listen to them. Medicine, like other institutions in society, is now being called to task by its own for the role it has played in perpetuating the longstanding inequities that have led us to this moment.

The conversation took on new energy at the start of the Covid-19 pandemic, which exposed racial health disparities dating back to the origins of our country. And it became inflamed in the aftermath of George Floyd’s video-recorded murder.

I see myself in all of the dimensions of this overdue conversation: I am the medical student facing discrimination, a Black man with pre-existing health conditions and a medical school professor forced to face the cold reality that I have not done nearly enough to help my patients or my students of color.

On so many levels, Black patients and Black doctors are perpetually fighting upstream. Covid-19 has killed Black people at a rate [roughly two times greater](https://www.npr.org/sections/health-shots/2020/06/22/881886733/black-medicare-patients-with-covid-19-nearly-4-times-as-likely-to-end-up-in-hosp) than would be expected based on their share of the population. Still, diabetes, heart disease and many cancers have disproportionately ravaged Black families for much longer. Leading medical journals across all clinical specialties have chronicled these stark realities for years. But wide-scale interventions are scarce.



Isabel Alvarado, prep cook at Claw Daddy's restaurant in Brooklyn, submits a blood sample for antibody COVID-19 test.Credit...Misha Friedman for The New York Times

Racial health disparities can’t change until the health system changes itself. Starting that transformation means shifting the way that medical students are taught the interplay between race and health. For far too long, medical schools have neglected to tackle the full complexity of race in their curriculums. And two problematic, longstanding prejudices have filled that vacuum and impeded progress.

One is the focus on race as a category signifying distinct biological difference, a belief that dates back to slavery, where it was used as justification to maintain the practice. Yes, Black people are much more likely to have sickle cell anemia, just as white people are more likely to have cystic fibrosis. But these and other diseases that closely, but not precisely, track with race (or more accurately, ethnic origin) represent a very small fraction of what is encountered in medicine.

Still, distinctly race-based biology remained mainstream medicine throughout much of the 20th century. And this allowed for some of medicine’s most egregious sins: As recently [as the 1970s](https://www.cdc.gov/tuskegee/timeline.htm), Black people were experimented upon under the guise of scientific study and sterilized without their consent.

While those blatant horrors of the past are gone, the ideology that fueled those actions stubbornly lingers.

A [2016 study](https://www.pnas.org/content/early/2016/03/30/1516047113.full) at one institution found that half of the medical students and residents surveyed agreed with one or more false statements about biological differences based on race, such as the idea that Black people had thicker skin and less sensitive nerve endings than their white counterparts.

The study only buttressed [earlier surveys](https://www.sciencedirect.com/science/article/abs/pii/S027795369900338X#:~:text=Socioeconomic%20status%20moderates%20the%20relationship,pleasant%20and%20rational%20than%20Whites.) in which white physicians consistently categorized Black patients as less intelligent. Such false beliefs, left unchallenged, or worse, tacitly reinforced by professors, can lead a new generation of doctors to perpetuate discriminatory practices. To name just one example: Black patients are [prescribed less pain medication](https://journalofethics.ama-assn.org/article/pain-and-ethnicity/2013-05) for injuries comparable with those of their non-Black counterparts.

The other major flawed way in which medical education has historically been wrong on race is in its eagerness to ascribe health differences primarily to Black people’s supposed pathological misbehavior.

Too often, physicians assume certain groups of people bring an array of maladies or misfortunes upon themselves with intentional bad choices. During my residency training in psychiatry, a doctor I worked with suggested that Black men were more likely to have poor judgment (excluding me of course, he quickly added) and that this explained why they faced higher rates of involuntary hospitalization and the potentially negative consequences that come from it.

The overlapping prejudices embedded in the medical establishment are ultimately harmful not because they hurt feelings but because they alienate patients who need help and lead to bad medicine. They are biases that prevent the profession from taking a more accurate and enlightened view that emphasizes the pervasive environmental and economic roots of patients’ health problems.

Covid-19 has highlighted these issues. Pathologizing Black behavior leads to blaming Black patients, like the theory of an Ohio physician and politician [who publicly speculated](https://www.washingtonpost.com/nation/2020/06/11/black-coronavirus-ohio-gop/) last month whether Black people are more susceptible to Covid-19 because they don’t wash their hands enough.

A more nuanced approach, informed by public health, leads to exploring the real, underlying reasons the coronavirus has caused more destruction in Black communities: crowded multigenerational housing arrangements, more frequent use of public transportation and employment in newly hazardous front-line service jobs.

In recent years, many medical schools have begun broadening curriculums to include implicit bias and the social factors that influence the health of diverse patient groups. But even the most dynamic lecture can be easily drowned out by the hundreds of hours students spend experiencing the broader informal curriculum in clinics and hospital, where myths about biological difference and behavioral pathology still linger.

So it’s essential that we set up ways to ensure physician-educators are also trained and periodically evaluated in a tangible and accountable way. That way they can pass along a more empathic and open-minded approach to treating patients. And it’s a task too important to be relegated to a certain lecture or delegated to Black faculty. If it doesn’t involve every component of the medical school, we will continue to perpetuate the problem.

Thanks to the work of brave young medical students who have pushed us to have this introspective discourse and re-examine our practices, medicine is being presented with an opportunity to reckon with its troubled past and redefine its societal role.

A profession sworn to heal can no longer passively accept the inequities it has witnessed for decades — or the hand that it has played in them.

Link to full video and Zoom transcript:  
<https://washington.zoom.us/rec/share/9cYqfun232lIbYWK-E-PS4EgMN3Xeaa81HIcr_pbyx7JupmzcFaVInhJ6Pi5-M08>

**Decriminalize UW’s ten minute panel** runs from 14:03 -- 30:00

* Mahilet Mesfin: “Black students have come to the administration and presented their narratives on being harassed, threatened, and intimidated by your police force. Not the SPD’s, YOUR UWPD. You are paying 3.6 million dollars in salaries alone to harass your Black, Indigenous, and Brown communities. The long-term advancement of your Black population requires a commitment to an internally raised yearly budget plan. This annual budget plan should comprise the reallocation of funding that comes directly from the divestment of UWPD. Instead of investing in practice ammunition, dogs, and harassment tools, invest in the community.”
* Danielle Brown: “Students are not only necessary for having a diverse and vibrant academic community, but also for this institution to even exist. Students have spoken and what they want is a decriminalized campus, with a disinvested police force, where they can feel safe and secure.”
* Michele Andrasik: My years at UW have shown me that both students of color and faculty often do not feel safe and more times than not are uncomfortable on campus. This is due to police violence.
* Nikkita Oliver: “A majority of City Council members have already committed to defunding Seattle PD, and the tide is turning towards a 50% budget cut. Unless UW wants to be the most heavily policed part of the city, it must also cut the UWPD budget by at least 50%.”
* Angélica Cházaro: “President Cauce has agreed to conduct an “exhaustive review of where it is most appropriate to use an armed responder” this summer. While welcome, in order to be meaningful this review must be completed BEFORE negotiations with the union, given that their contract includes provision of ammunition and other firearm clauses. Additionally, it appears that UWPD is trying to seek lessened accountability as part of the negotiations, seeking a shorter time frame to expunge disciplinary records, and a longer time frame before an officer who has killed someone has to make a formal statement about it. The demands presented today go to the heart of much of what is being negotiated, as we speak, with UWPD. As representatives of students, faculty, and staff, those negotiating with UWPD must address the student, faculty, and staff concerns first. Otherwise, UW leadership will rightly face charges of participating in a culture where we whitewash police violence to the detriment of student welfare.”

**Regent Tamaki’s apology** for public comment period runs from 2:00:00 -- 2:02:45

* “We hear these emotional public comments, and then proceed to [in-depth presentation about Fairmont hotel renovations that ran longer than our panel], is the exact message… I just want to apologize to the panelists who all participated because we were all very moved by the comments. The University of Washington’s history of racism is something we should talk about publicly at some point, and try to rectify those things by being a leader as a Regent Board and I know we will.”

**Updates from AMC**, focused on policing begin at 3:18:00

* “We do not need an armed police officer to go to get the report about bicycle theft. That is one place where we can… and in fact, we can actually create jobs for students.”
* “Do we really need to send [two armed officers]? Might it not be better, perhaps to send a mental health professional, perhaps with a plainclothes officer with them.”
* “We are moving towards having public safety officers respond to non-criminal or low-level criminal activity, perhaps with a police officer there… We’re not talking about 100% disarming the police.”
* “When we believe that there is going to be a disturbance that our police force is not, in and of itself, able to handle we do partner with SPD. It’s an informal agreement, but it is there.”
* “We could shrink the size of the police force. That may lead to budget savings..”

Regent **Tamaki**:

* “The larger question is whether campus safety, what is the role of law enforcement with regard to campus safety? I want us to rethink, just like what this movement is asking us to rethink: our use of resources, our use of violence, our use of guns are the intimidation factor to people of color. I am looking at the young people leading this negotiation, and the world we are leaving them, and I say, if you have some new ideas and this is your world in the future, let’s try them out and see if they work.”
* “I always hear the rules, and the laws, and I’m a lawyer, I get it…. But we can also ask for the laws to be changed, or the rules to be changed. I want to give you a broad mandate to think creatively of these issues, and the Regents will support you… The most important constituency to me is the constituency that appeared this morning… The time is now.”

Regent **Rice**: “We need to be bold and we have an opportunity for strong action now. There are many of us on the board who are intimately aware of it, and we do agree that now is the time to shift the paradigm.”



**Progressive Revenue for Public Services, Not Austerity**

Washington’s state government will lose $8.9 billion in revenue over the next three years.[[1]](#footnote-1) Our current tax system, reliant on sales and gross receipts taxes, penalizes poor and middle class families along with small businesses, and rewards the affluent. This tax system is highly vulnerable to economic recessions, and, because wealthy households pay far less in taxes than in most other states, fails in both good times and bad times to sustain the public services that are vital to healthy communities and individual opportunity.

Washington’s upside down tax structure and underinvestment in public services – including child care, higher education, affordable health care, mental health, and housing – have created extreme economic inequality and left us far less resilient in facing the COVID-19 pandemic/recession. Over twelve thousand Washington families enjoy incomes in excess of one million dollars each year,[[2]](#footnote-2) and 10% of households enjoy incomes of over $200,000 annually, yet 33% of households have less than $50,000 and struggled to cover the basics even before the coronavirus recession.[[3]](#footnote-3)

A decade ago during the last recession, Washington’s legislature chose a mostly cuts approach to balancing the budget, kicking Washingtonians off of health coverage and basic income support; reducing home care for seniors and disabled people, public health, and mental health services; increasing K-12 class sizes and college tuition. These and other cuts caused significant, lasting suffering and prolonged the recession.

We should not repeat this austerity approach in this pandemic/recession. Given the political will, we could institute new taxes on the wealthy and privileged of our state, enabling our state to preserve public services to corral the COVID-19 pandemic and build stronger and healthier communities.

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| **Options for Progressive Revenue, 2020-2023** | **Annual Revenue Estimate** |
| **Excise tax on employers for windfall compensation:**  SB 6017 establishes a scalable framework. With a threshold of $137,700, employers would pay the windfall compensation tax on less than 5% of total employees in the state. With a threshold of $250,000, 1% of employees would be covered. Revenue is dependent on marginal rates and thresholds | $500 million to $1.5 billion |
| **Estate tax reform.** SB 6581 can be amended to close estate accounting loopholes and increase estate taxes on 80 of the wealthiest estates, while eliminating the estate tax for 25% of estates currently taxed and decreasing taxes on half of estates currently taxed: | $50 million |
| **Funding college and workforce education:**  SB 6492 places a 1.22% B&O surcharge on certain businesses, but caps annual contributions on global businesses with revenues over $25 billion at $9 million. Closing this loophole would enable more equitable funding for higher education.[[4]](#footnote-4) | $50 million |

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| **Wealth Tax on Billionaires**  A 1% tax on intangible property (stocks and bonds) in excess of $1 billion would apply to twelve Washingtonians, whose combined wealth is in excess of $428 billion.[[5]](#footnote-5) | Up to $4.1 billion |
| **Millionaire Income Tax**  A marginal tax for income in excess of $1 million would tax 12,500 people in Washington state (one third of one percent of all taxpayers). Revenue will depend on the rate and thresholds (Oregon’s top rate is 9.9%, Idaho’s 6.925%, Hawaii’s 11%, California’s 13.3%). | $3 billion to $4 billion |
| **Inheritance Tax**  The inheritance tax is a tax on the assets gained by Washington residents from decedents, regardless of decedents’ place of residence and death. This tax would cover fewer than 400 inheritors. | $500 million |
| **Capital Gains Tax**  HB 2156 provides the template for a 9.9% tax on capital gains, excluding the first $100,000 of such gains from taxation.[[6]](#footnote-6) This tax would cover the top 1% of households.[[7]](#footnote-7) | $900 million to $1 billion |

**We know that when the private sector falters, the public sector takes on far greater importance in laying the foundation for recovery. That includes our state government’s role in our economy. We are in a lucky position for a state, with affluence abounding even in the midst of this depression. What we need is the political will to access a very small percentage of this affluence to sustain public services and enable shared well-being for the residents of our state.**

Further details can be found in the “Memo to Legislators July 2020” and “Revenue Calculator”



**Details for Progressive Revenue for Public Services**

1. **Our Legislature can put in place equitable and progressive measures, resulting in immediate increases in revenue.**

**$50 million**: Funding college and workforce education: Close the Amazon loophole and fully fund the College Grant program

The Legislature shielded global corporations from paying into the College Grant fund. Their contributions are capped at $9 million a year. For Amazon, with revenue of $75 billion in three months, this tax is three one-thousandths of a percent of its revenue.

The legal surtax rate under the recently passed Senate Bill 6492 is 1.22% of gross income. For the 40 companies with more than $25 billion of revenues, the ceiling provides a tax windfall of at least $50 million a year.[[8]](#footnote-8) The clause providing this ceiling has been excerpted by EOI for legislative review. The tax instrumentation and implementation is in place, so increased revenues would be immediately forthcoming. Taxpayers for this: the 40 global corporations with gross revenues in excess of $25 billion headquartered in or with a nexus to Washington state. These businesses total two one-hundredths of a percent of all businesses in our state.[[9]](#footnote-9)

**$1.2 billion**: Excise tax on employers for windfall compensation to employees

The Legislature could establish a new floor for employer excise taxation of compensation above $137,700, amending Senate Bill 6017. (Employers receive a 6.35% tax holiday above this threshold, because they don’t pay Social Security FICA taxes, nor the family and medical leave payroll tax above this threshold.) Starting with a 1% marginal tax on employers for compensation above $137,700 could result in **$1.2 billion annually**. EOI has completed a re-draft of SB 6017 to enable the new design. The Employment Security Department has all records for compensation, so this tax could kick in immediately, with receipts in April 2021.[[10]](#footnote-10) With a threshold of $137,700, employers would pay the windfall compensation tax on less than 5% of total employees in the state. With a threshold of $250,000, 1% of employees would be covered.

**$50 million**: Estate Tax Reform:

Senate Bill 6581, amended to close estate accounting loopholes, would bring in $50 million.[[11]](#footnote-11) This measure would increase estate taxes on 80 of the wealthiest estates, with values in excess of $6.5 million, and eliminate the estate tax for 25% of estates currently taxed, while decreasing taxes on half of estates currently taxed. A re-drafted bill is ready for legislative review. Because the estate tax is already in place, the increases and decreases in taxation could be immediate for all deaths occurring after legislation is signed into law.

1. **Progressive taxes which could raise revenue for the 21-23 biennium:**

**$4.1 billion: Billionaire Tax**

A 1% tax on intangible property (stocks and bonds) in excess of $1 billion would generate over $4.1 billion a year. Jeff Bezos, Steve Ballmer, Craig McCaw and nine other Washington residents would be subject to this tax. Their combined wealth is in excess of $428 billion. A draft for this concept is in process.

**$3.9 billion: Millionaire Tax**

A 12.5% marginal tax rate for income in excess of $1 million would tax 12,500 people in Washington state (one third of one percent of all taxpayers), and generate over $3.9 billion. This rate is lower than California’s and slightly higher than Oregon’s top rate (9.9%). A marginal tax at Oregon’s top rate would generate almost $3 billion. Because of state supreme court decisions overturning a popular initiative and state law in 1933 and 1935, the millionaire tax would trigger an automatic legal challenge. The Legislature should request expedited review. Revenue from this tax could be forthcoming in 2022. A draft for legislative review has been completed.

**$517 million: Inheritance Tax**

The inheritance tax is a tax on the assets received from an estate. When it was in law[[12]](#footnote-12) in our state, it generated three times the revenue which the estate tax later generated. This is a tax on inheritances gained from decedents, regardless of decedents’ place of residence and death. It draws from multi-state sources for the privileged intergenerational transfers of wealth. A draft for this concept is in process. This tax would cover fewer than 400 inheritors.

1. **A Pathway for Hope and Progress:** We need education, higher education, health coverage, mental health, business security and public health, **right now**. With this progressive revenue package, the Legislature can fund

* Comprehensive testing and tracing throughout the state.
* Affordable health coverage for people on the Health Benefit Exchange
* Health coverage for all undocumented workers
* Apple Health for all essential workers, including all child care workers
* Reductions in tuition at universities and community colleges, as people out of jobs turn to community colleges to learn new skills, and as higher education has become unaffordable for families haunted by unemployment.
* Decent wages for child care workers.
* College grants for all low-income and middle class students.

The Legislature should also help small businesses, thousands of which are closing down or on the brink of bankruptcy. If we are to enable a recovery for these businesses, the state cannot adopt an austerity budget, which would decrease consumer spending, further imperiling small businesses. These businesses also need a reduction in the gross receipts tax.

We have developed an interactive calculator for the determination of new progressive taxes, decreases in regressive taxes, and new investments in public services. We are sharing this with legislators.

1. Washington State Economic and Revenue Forecast Council, Revenue Review, June 17, 2020 <https://erfc.wa.gov/sites/default/files/public/documents/forecasts/rev20200617.pdf> PDF P. 29-20 of 44 [↑](#footnote-ref-1)
2. SOI Tax Stats - Historic Table 2 <https://www.irs.gov/statistics/soi-tax-stats-historic-table-2> [↑](#footnote-ref-2)
3. U.S. Census Bureau, American Community Survey 2018, Table S1901. [↑](#footnote-ref-3)
4. <https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=58055>; <https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=58142> [↑](#footnote-ref-4)
5. https://americansfortaxfairness.org/billionaires/ [↑](#footnote-ref-5)
6. https://app.leg.wa.gov/billsummary?BillNumber=2156&Year=2019 [↑](#footnote-ref-6)
7. https://budgetandpolicy.org/schmudget/capital-gains-tax-would-almost-exclusively-be-paid-by-millionaires-billionaires/ [↑](#footnote-ref-7)
8. <https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=58055>; <https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=58142> [↑](#footnote-ref-8)
9. <https://www.census.gov/quickfacts/WA> [↑](#footnote-ref-9)
10. <https://app.leg.wa.gov/billsummary?BillNumber=6017&Year=2019> [↑](#footnote-ref-10)
11. <https://fnspublic.ofm.wa.gov/FNSPublicSearch/GetPDF?packageID=60052> The current version would bring in approximately $16 million a year. [↑](#footnote-ref-11)
12. See former RCW 83.01-83.98 [↑](#footnote-ref-12)