

WTIA Public Policy Priorities

R&D Tax Credits

Washington state offers two significant tax credits for research and development. One is a B&O tax credit for R&D expenditures and the other is a sales tax deferral/waiver for building R&D facilities. Both of these apply to a wide range of technologies. Additional information about these tax incentives can be found on the Dept. of Revenue website:

<http://dor.wa.gov/content/FindTaxesAndRates/TaxIncentives/IncentivePrograms.aspx>

Both of these tax incentives have helped all types and sizes of technology companies to thrive in Washington state. They allow companies to hire the best and brightest and pursue innovation that make Washington state a leader in technology.

WTIA Position:

No action should be taken to reduce or limit the application or amount of tax credits under these programs. No additional reporting requirements should be added. Both of these tax credits should be made permanent (both expire January 1, 2015).

Higher Education

Washington is the home to two top-notch research universities, University of Washington and Washington State University, along with four comprehensive universities (CWU, EWU, WWU, Evergreen). Washington state also has a vast statewide community and technical college system.

In today's competitive, global economy, the need for higher education is undeniable. In an increasingly knowledge, information and technologically based world, today's business owners and workers of all kinds in every sector need advanced training and education to succeed, not just economically but as informed citizens. Studies show that the higher the level of educational attainment, the better off both individuals and society are. Incomes are higher, health is better and use of government services is lower.

The technology industry is driven by those holding STEM (science, technology, engineering and math) degrees. Technology businesses in Washington must seek these types of degree holders from other states and nations to fill the needs of industry. Washington state's universities simply do not produce enough bachelor or master degree holders in STEM degrees. In addition, more students and those entering the workforce need business skills that require problem solving, teamwork and leadership abilities. Advanced degrees, particularly PhD's in STEM fields are also needed by the technology industry to research and develop innovative new technology based goods and services.

WTIA Position:

While progress has been made on increasing bachelor degree granting capacity at four year institutions, more needs to be done. The legislature needs to fund, at cost, additional STEM degrees, both bachelor's and master's, above the current levels in the 2007-09 operating budget. WTIA agrees with the Higher Education Coordinating Board's recommendations for degree production as found in the HECB's 2008 report "Moving the Blue Arrow", which calls for a bachelor's degree target of 42,400 per year and advanced degree target of 19,800 by 2018.

<http://www.hecb.wa.gov/research/masterplans/documents/2008MasterPlan-fromPRT.pdf>

K-12 Education

An excellent K-12 education system is one of the foundations of a stable and democratic society. Young people must learn the basic skills of reading, writing, math, science, geography and history in order to be functioning citizens who make intelligent decisions as adults. The K-12 system must also impart knowledge to students in areas such as technology, economics, finance, art and music. A high school diploma must be meaningful and give both employers and higher education institutions confidence that the high school graduate has learned a certain body of knowledge and skills. No student graduating from high school should need remediation at the college level.

Since higher education is a de facto necessity today, the K-12 system must be geared primarily toward preparing students to succeed in college or some type of additional training, such as an apprenticeship in a skilled trade.

The keys to an excellent K-12 system are high standards, curriculum that matches those standards and testing and assessments that map to the standards and curriculum.

Teachers must be well prepared, not only in pedagogy but also in the effective use of technology as a teaching tool as well in their specific subject area. If certain subjects, such as math and science, lack qualified teachers, incentives, including differential pay or bonuses, must be offered to help fill the gap. Ineffective teachers must be weaned out of the K-12 system. Increased teacher pay must be tied to student performance. Class sizes must be reduced in lower grades where it has shown to help increase student performance.

WTIA Position:

While additional financial resources need to be infused into the K-12 system, they must come with additional accountability for their use. The WTIA supports the efforts of the State Board of Education to adopt a third year of math as a high school graduation requirement as a step towards requiring four years of math. WTIA also supports Algebra II as that third year requirement.

<http://www.sbe.wa.gov/keyinitiatives.html>

The WTIA opposes any legislation, either policy or budget, to reduce, modify or end testing or assessment in any subject, unless and until a proven system of testing is found to replace the reading and writing WASL and the end-of-course math tests.

The WTIA supports legislation to recruit more qualified math and science teachers and using financial incentives to do so, if necessary.

Association Health Plans (AHPs)

The WTIA, like many other associations, sponsors and markets a health insurance plan for its members. The vast majority of WTIA's technology industry members are companies that employ fewer than 50 workers. These companies look to a trade association to provide services that are difficult to find on their own or that do not have a full time human resources person.

AHPs have been very successful in providing comprehensive and affordable health coverage for small businesses and their employees. Many, if not most, WTIA members that opt for coverage through WTIA have never offered insurance before.

WTIA Position:

The WTIA opposes any legislation or policy that would undermine or fundamentally change how AHPs are designed and marketed and provide benefit to both small businesses and trade associations.

The WTIA does not oppose efforts by state government or other entities to use alternative mechanisms to provide health insurance to small businesses and their employees, as long as these mechanisms provide more choice and competition to the health insurance market. However, if these mechanisms are designed to unfairly compete with AHPs, the WTIA will oppose such efforts.

The WTIA supports legislation or policy that would allow for health insurance policies to be sold that do not include every mandate currently required under state law to attract those who do not currently participate in the health insurance market due to cost considerations.

The WTIA opposes any law or policy that would force individuals or employers to buy health insurance.