

HB 1086-S.E - DIGEST

(DIGEST AS ENACTED)

Makes 2009-2011 supplemental operating appropriations.

VETO MESSAGE ON ESHB 1086

February 18, 2011

The Honorable Speaker and Members
The House of Representatives of the State of Washington

Ladies and Gentlemen:

First, I extend my appreciation for the collaborative and bipartisan effort that has culminated in this early action supplemental operating budget. I fully recognize the difficult choices that you made in a short period of time.

I asked the Legislature to consider an early target date for passage of state General Fund reductions due to concerns about the feasibility of implementing major service alterations this late in the biennium. With the passage of Engrossed Substitute House Bill 1086, we still face challenges about the timing of program cuts, especially for reductions predicated on a March 1 implementation date. I will continue to monitor the situation as agencies move forward with budget implementation, and keep you informed of issues that require additional consideration.

As you wait for final caseload, enrollment and revenue forecasts for this biennium, I encourage your attention to those budget adjustments and the small number of additions I included in my December budget proposal. As one example, the entire \$30 million cut in information technology (IT) in the enacted 2009-11 budget cannot be achieved. Given the multiple administrative cuts already specified in the budget, this IT cut will likely lead to unintended service reductions at such agencies as the Department of Social and Health Services and Department of Corrections.

As I sign this appropriations bill, the 2011 legislative session is a little more than one-third complete. Many issues of critical importance to our state must still be addressed. I commit to working with you to craft a timely and responsible budget for the 2011-13 biennium.

This is the time to set strategies in place that can be implemented and accomplish projected savings for now and the future. Because some budget revisions do not meet that criteria, I am returning, without my approval as to Sections 123(5), 707, 708, 709, and 710, Engrossed Substitute House Bill 1086 entitled:

"AN ACT Relating to fiscal matters."

Section 123(5), page 32, Department of Information Services, Prohibition on Expenditures to Equip the State Data Center

Budget language prohibits the Department of Information Services from spending any funds for the purchase or installation of equipment for the new State Data Center. This prohibition will not save any money, and will significantly delay Data Center operation and budget savings made possible by the consolidation of existing data centers. While I agree with the intent to create more time for legislative involvement, this collaboration can take place without a restriction on the equipment necessary to make the Data Center operational within its original budget.

For these reasons, I have vetoed Section 123(5).

Section 707, page 211, 3 Percent Pay Reduction

This budget would cut the pay of many non-represented state employees by 3 percent beginning April 1, for a savings of \$3.4 million in the state General Fund. While my 2011-13 budget proposal includes an employee pay cut, the early implementation date in this bill is not achievable and would have unintended consequences.

First, there is insufficient time for the necessary changes to be made to the state's payroll system to meet the April 1 implementation date. In addition, while I believe that sacrifices by state employees, in addition to many others, are essential during these tough times, I also believe that compensation reductions should be made fairly and compassionately. The Legislature's cut does not provide exceptions for workers who are paid the least and would have the most difficulty in absorbing this reduction to their paychecks. Hundreds of employees making less than \$30,000 a year would be affected by this pay cut while the pay of some higher-salaried employees would be unchanged.

Lastly, a salary reduction should also recognize actions already taken. Thousands of state employees are already bringing home smaller paychecks as a result of temporary layoffs required by Engrossed Substitute Senate Bill 6503 enacted last year. Many of these employees will be temporarily laid off for one day each in April and June of this year. Many also will have a layoff day in May. This budget does not distinguish between employees who are subject to temporary layoffs during this time period and those who are not.

For these reasons, I have vetoed Section 707.

Section 708, page 211-212, Communications Staff Savings

The budget requires agencies to achieve \$1.0 million of savings through reductions in communications functions in the executive branch. The communications staff of the legislative

and judicial branches would not be affected. Communications staff provide information to the public, media, and legislators, which advances the goal of transparency in government. Given the importance of the work performed by these employees, ranging from providing information on real-time traffic to public health concerns to unemployment insurance and licensed child care facilities and the budget, it is difficult to see how the public would be served through the sudden and dramatic elimination of these staff.

Marketing functions generate revenue in the State Lottery, state liquor stores, and correctional industries, and stimulate economic development through promotion of tourism and agricultural products. We will continue our efforts to create efficiencies such as abolishing non-essential reports, but the savings target is not achievable in the last three months of the biennium.

For these reasons, I have vetoed Section 708.

Section 709, page 212, Management Efficiencies in the Department of Social and Health Services

This section requires the Department of Social and Health Services to achieve state General Fund savings of \$1.7 million by reducing management staffing and administration in addition to achieving other efficiencies. In reality, the reduction is closer to twice that amount because many of these positions are partially supported by federal or other fund sources. The department has already instituted significant administrative and other reductions, including the elimination of 147 centralized administrative staff, which represents a 27 percent reduction. Additional administrative reductions have been made in every DSHS program. With the previously mentioned information technology cuts, these proposed reductions would jeopardize the department's ability to implement the program changes required in the budget.

Therefore, I have vetoed Section 709.

Section 710, page 212, Dual Language Pay Reductions

This section restricts dual language pay, which is provided to some employees who are fluent in more than one language and use their language skills in the performance of their duties. The reduction exceeds anticipated expenditures for this purpose in the remainder of the biennium. Further, dual language assignment pay is included in the collective bargaining agreements that cover all but a fraction of these employees, which means that this reduction cannot be implemented.

For these reasons, I have vetoed Section 710.

With the exception of Sections 123(5), 707, 708, 709, and 710, Engrossed Substitute House Bill 1086 is approved.

Sincerely,

Christine O. Gregoire
Governor