

VETO MESSAGE ON SB 6244-S

April 6, 1994

To the Honorable President and Members,
The Senate of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 122(10); 122(12); 123; 132(3); 135(9); 145(15); 204(4)(h); 228(19); 303(8)(b); 305, page 87, lines 3 and 4; 305(1); 311, page 92, line 31; 311(5); 603, page 127, lines 17 and 18; and 610(5)(a), Engrossed Substitute Senate Bill No. 6244 entitled:

"AN ACT Relating to fiscal matters;"

My reasons for vetoing these sections are as follows:

Section 122(10), pages 18 and 19, Long-Term Care Ombudsman Program (Department of Community Development)

Section 122(10) provides additional resources for a long-term care ombudsman in Kitsap County; requires a minimum of \$10,000 be allocated to each of the 14 long-term care regions; limits the amount of the appropriation that can be spent on administration; and prohibits any reductions in existing contracts. It further requires the Department of Community Development to report to the fiscal committees of the legislature on the allocation of funding for Long-Term Care Ombudsman (LTCO) services, including recommendations for changes in the distribution of funding.

I am concerned that the limitations on administrative expenditures would reduce direct support for the regions currently provided by the LTCO central office. The central office would likely have to adopt a fee-for-service approach to pay for those services to the regions. Simply accounting for these transactions would drain resources from direct services in the regional and central offices. In addition, the cap on administrative expenditures by the central office would not provide sufficient funding for federally mandated programs.

For these reasons, I have vetoed this proviso. I am directing the new Department of Community, Trade and Economic Development to ensure that residents of long-term care facilities in Kitsap County have improved access to the ombudsman program using the additional funding provided for that purpose. I am also directing the department, in cooperation with the LTCO program and other interested parties, to prepare a comprehensive evaluation of the program for presentation to the fiscal and human services committees of the legislature in the 1995 session. The evaluation will include a specific analysis of the funding allocation method used by the program, including possible ways to increase the proportion of funding available to the regional offices consistent with existing law.

Section 122(12), page 19, State Environmental Policy Act/Growth Management Act Integration Grants (Department of Community Development)

The proviso arbitrarily requires a minimum of three grants of not less than \$300,000 each. The language appears to be intended to ensure that grants made by the Department of Community Development for this purpose be of sufficient scale to achieve meaningful results. I am concerned that the specific dollar amounts are overly restrictive and would unnecessarily limit the prudent management of

the funding provided by the legislature. Because the new Department of Community, Trade and Economic Development will seek participation in these projects from private and local sources, the state commitment necessary for any one project could be less than the minimum amount provided in the language. The department should not be limited to a requirement to spend at least \$300,000 for each project if it can effectively satisfy project objectives for less.

In keeping with the intent of the language, I have directed the department to support at least three large scale integration projects of at least \$300,000 total cost per project including private and local contributions. I have also directed the department to limit its budget for technical assistance to the amount stated in the proviso and to report to the legislature in December of 1994.

Section 123, page 20, Fire Protection Policy Board (Department of Community Development)

Section 123 would reduce the Department of Community Development's appropriation from the Oil Spill Administration Account by \$130,000. The magnitude of this budget reduction, which represents 39 percent of the department's funding for oil spill training, would significantly impair oil spill training programs in this state. Therefore, I am vetoing this proviso and directing the new Department of Community, Trade and Economic Development to place \$61,000 of the Oil Spill Administration Account into reserve to restore the funding to the level recommended in my supplemental budget proposal.

Section 132(3), page 25, Engrossed Second Substitute Senate Bill No. 5468 (Department of Revenue)

Section 132(3) allocates funds for a Department of Revenue study of firms that have participated in sales tax deferral, business and occupation tax credit, and development loan fund programs. The department would be required to collect information to measure the effect of these programs and to assess whether participants have followed a wide range of federal and state requirements. This study was also mandated by Engrossed Second Substitute Senate Bill No. 5468.

Engrossed Second Substitute Senate Bill No. 5468 would have required the department to examine the compliance of businesses with environmental, health and safety, and employment standards. If compliance with existing standards in these areas is to be reviewed, the Department of Revenue is not the proper agency to conduct the study. I am also concerned that this provision does not ensure adequate protection against disclosure of proprietary business information.

I am vetoing section 132(3) of the supplemental operating budget to be consistent with my veto of section 2 of Engrossed Second Substitute Senate Bill No. 5468. The Department of Revenue is directed to place the funding in reserve status.

I have also asked directors of state agencies with responsibility for environmental protection, employment, economic development, and workplace health and safety, to coordinate in identifying eligibility criteria that the state might establish for participation in assistance programs.

Section 135(9), page 27, State-wide Collocation Efforts (Department

of General Administration)

I have vetoed this proviso in order to enable the Department of General Administration to test the findings of collocation and consolidation studies with \$75,000 of the new appropriation contained in the capital budget for further collocation effort. The \$171,000 of appropriation from the General Administration Facilities and Services Revolving Fund will be placed in reserve and may be allotted to support collocation costs in excess of \$75,000 upon presentation of adequate justification as defined by the Office of Financial Management.

Section 145(15), page 34, Associate Development Organizations (Department of Trade and Economic Development)

While I am supportive of the intent of the language in this section to provide continuing support for Associate Development Organizations (ADOs) in distressed and rural areas of the state, I am concerned that the proviso limits the new Department of Community, Trade and Economic Development's flexibility to manage these funds most effectively. In keeping with the spirit of the proviso, I have directed the department to provide full funding to those counties in timber and distressed areas that are most in need and to provide funds to rural and distressed counties that would otherwise be excluded from funding under this language.

Section 204(4)(h), pages 49 and 50, Community Residential Services Efficiencies (Developmental Disabilities, Department of Social and Health Services)

This proviso directs the Department of Social and Health Services to develop and implement a plan for increasing the efficiency of the community residential services programs within the Division of Developmental Disabilities. The plan must specifically address strategies and timelines for (1) increasing the number of individuals not currently receiving state-funded residential services during 1995-97 by at least 220 adults, and (2) reducing the General-Fund state costs of providing these residential services in 1995-97 by at least \$2.9 million.

While I am generally supportive of the intent of this language, which is to reduce the average daily cost of residential services, the specific targets are overly prescriptive, particularly as they relate to the next biennium. I am vetoing the proviso, but I am directing the division to complete its currently planned evaluation of all residential services, including those in the community, the residential habilitation centers, and the state operated living alternatives in time for the 1995 legislative session. This plan will also address potential costs savings related to residential reconfiguration and methods of providing services to those currently unserved.

Section 228(19), page 79, Unemployment Insurance Compensation (Employment Security Department)

Section 228(19) directs the Employment Security Department to use \$80,000 of the Unemployment Compensation Administration Fund to study computer technology that could be used to improve various compensation procedures, as specified in Engrossed Senate Bill No. 6480. Since that bill was not approved by the legislature, I am vetoing this section of the supplemental budget bill.

Section 303(8)(b), page 84, Water Rights Permit Processing

(Department of Ecology)

The legislature structured the funding for the Water Rights Permitting program so that 50 percent of the program's Fiscal Year 1995 funding would be eliminated if a water rights permit fee bill was not passed in the 1994 legislative session. It was the legislature's expectation that 50 percent of the funding for the Water Rights Permitting program, including data management, would be supported from water rights permit fees. The failure of the legislature to pass the water rights permit fee bill, Engrossed Second Substitute Senate Bill No. 6291, will mean that a significant portion of the department's water rights permit processing activities will be eliminated. Consequently, the ability of the department to administer a vital resource will be greatly impaired. However, there is much in the water resources program that still needs to be done. Among those activities are the continued implementation of the data management program and instream flow determinations.

In addition, section 303(8)(b) contains a technical error which would reduce the department's General Fund-State appropriation for water rights permit administration activities by \$654,000, when only \$279,000 in new General Fund-State was provided. For these reasons, I am vetoing this section and directing the department to use the \$279,000 of new funding to augment other water resource activities not directly related to the processing of water rights permits.

Section 305, page 87, lines 3 and 4, Oil Spill Administration Account Appropriation (State Parks and Recreation Commission)

The legislative budget reduced the State Parks and Recreation Commission's appropriation from the Oil Spill Administration Account by \$16,000. The magnitude of the legislative budget reduction will mean that the training provided to park rangers and educational efforts designed to prevent oil spills by small vessels will be curtailed. Therefore, I am vetoing this appropriation.

Section 305(1), page 87, line 23 through line 26, State Parks Fees (State Parks and Recreation Commission)

Section 305(1), page 87, line 23 through line 26, requires the State Parks and Recreation Commission to implement fees that generate at least \$3 million of additional revenue for the 1993-95 Biennium. A veto of this requirement will allow the commission to eliminate the day use parking fees scheduled to begin on May 1, 1994. While I feel that such charges may be necessary at some point in the future, user concerns have convinced me that we need more time to evaluate the impact of these fees on public access to state parks.

Section 804 of this act requires the transfer of \$22.3 million from the Trust Land Purchase Account, where park fees are deposited, to the state General Fund. My veto of the language in Section 305 will result in an estimated \$2.7 million in loss in revenue to the Trust Land Purchase Account, thus reducing the amount available for transfer to the General Fund. I will ask the legislature to address this issue in the 1995 legislative session.

Section 311, page 92, line 31, and Section 311(5), page 93, Warm Water Fish Enhancement (Department of Wildlife)

I am vetoing section 311, page 92, line 31, to remove the

appropriation for the Warm Water Fish Account and section 311(5), which provides funding for the implementation for Engrossed Substitute Senate Bill No. 6125, combined recreational hunting and fishing license and warm water fisheries enhancement. While I support the consolidation of the recreational hunting and fishing license documents, I do not support the implementation of an expanded warm water fisheries enhancement program. Engrossed Substitute Senate Bill No. 6125 imposes a \$5 surcharge on all who fish for warm water species. My primary concern is that until a general review of the new Department of Fish and Wildlife's program funding needs occurs, I am opposed to imposing yet another earmarked fund and with it a new fisheries program. I vetoed the sections of Engrossed Substitute Senate Bill No. 6125 dealing with the warm water fisheries enhancement program, and therefore, the program's appropriation and proviso contained in section 311 of the supplemental budget bill are no longer required. However, I am directing the new Department of Fish and Wildlife to expend \$53,000 from the Wildlife Fund-State appropriation to implement the recreational licensing component of Engrossed Substitute Senate Bill No. 6125.

Section 603, page 127, lines 17 and 18, Oil Spill Administration Account Appropriation (University of Washington)

The legislative budget reduced the appropriation for the University of Washington's (UW) appropriation from the Oil Spill Administration Account by \$136,000. A reduction of this magnitude would eliminate funding for the UW's oil spill education programs in Fiscal Year 1995, hampering the state's efforts to inform operators of small commercial vessels and shoreside facilities about ways to prevent oil spills. Therefore, I am vetoing this appropriation and directing the UW to place \$89,000 of the Oil Spill Administration Account into reserve. This restores the funding to the level recommended in my supplemental budget proposal.

Section 610(5)(a), page 134, Financial Aid (State Need Grant) Money for Post Secondary Education Resource Centers (Higher Education Coordinating Board)

I am vetoing the proviso contained in section 610(5)(a) permitting the use of \$249,000 of current state need-grant funding to help create post-secondary education resource centers. Under this proviso, the legislature directed that these funds be used as matching funds for an equal amount of federal dollars to create these centers. Last year I worked hard to double the amount of state money available for direct grants to low-income, higher education students. I believe it is inappropriate to reduce the number of financial assistance grants made directly to students who are in need in order to set up an information service for other potential applicants. If the legislature wanted to establish this administrative unit, new money should have been provided. This veto will ensure that the original level of grants to needy students is maintained.

With the exception of sections 122(10); 122(12); 123; 132(3); 135(9); 145(15); 204(4)(h); 228(19); 303(8)(b); 305, page 87, lines 3 and 4; 305(1); 311, page 92, line 31; 311(5); 603, page 127, lines 17 and 18; and 610(5)(a), Engrossed Substitute Senate Bill

No. 6244 is approved.

Respectfully submitted,
Mike Lowry
Governor