

6251-S

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Rinehart and West; by request of Office of Financial Management)

Brief Description: Making supplemental operating budget appropriations.

**SB 6251-S.E - DIGEST**

(DIGEST AS ENACTED)

Makes supplemental operating budget appropriations.

VETO MESSAGE ON SB 6251-S

March 30, 1996

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 109(4); 109(5); 112(1) beginning with the word "Of" on line 12, and ending with "January 1, 1997." on line 26; 112(2); 112(4); 121(25); 132 (lines 19-20); 132(3); 206 (lines 34-35); 213 (lines 24-28); 217(15); 217(16); 218(1)(f); 218(2)(c); 301(11); 503; and 706, Engrossed Substitute Senate Bill No. 6251 entitled:

"AN ACT Relating to fiscal matters;"

My reason for vetoing these sections are as follows:

**Section 109(4) and (5), page 10, Judgeship Proviso Reference (Administrator for the Courts)**

Section 109(4) provides funding for an additional Superior Court judgeship in Thurston County effective July 1, 1996; and section 109(5) provides funding for two additional Superior Court judgeships in Chelan and Douglas Counties effective January 1, 1997. However, both sections lapse funding for these judgeships without enactment of Senate Bill No. 6151 and Senate Bill No. 6495. Although the legislature did not approve either of these two bills, it did approve substantially similar legislation (Substitute House Bill No. 2446) to increase the number of judges in Thurston, Chelan, and Douglas Counties. For this reason, I am vetoing the proviso language that ties the appropriation to the enactment of the two referenced senate bills, thereby making the funding available to the courts to carry out the intent of the legislature.

**Section 112(1), beginning with the word "Of" on line 12 and ending with "January 1, 1997." on line 26 and Section 112(2), page 12, Management Improvement Project for the Children and Family Services Division of the Department of Social and Health Services (Office of the Governor)**

Section 112(1) provides \$1,100,000 of a \$1,518,000 General Fund-State appropriation solely for allocation to the Public Policy

Institute at The Evergreen State College to direct a management improvement project for the Division of Children and Family Services (DCFS). I wholeheartedly support this project and believe the legislature has taken an important step to assure that Washington State's system for delivery of child welfare services is a sound organization of which everyone can be proud. However, this subsection requires that the full \$1.1 million designated for the project be expended on a structural and process examination of DCFS. While such an examination should be the project's primary focus, I believe this amount could be used more effectively if some of the funds are also directed toward an examination of other key issues affecting DCFS and toward making immediate and tangible improvements in children and family services.

Therefore, I am vetoing part of section 112(1) in order to broaden the project's scope and to ensure that the state receives immediate and lasting results from the money designated for this project.

Specifically, I will broaden the scope of the project to include an examination of substance abuse and its impact on families and DCFS' delivery of services. I believe we, as a state, must come to grips with this problem, and I believe it is an important consideration of any review of the role and management of DCFS. In addition, I will direct that a portion of the money designated for the project be used to implement some of the strategies that experts have already identified as essential to improve our child welfare system. The most notable of these improvements is the creation of a separate licensing function with the Department of Social and Health Services to assure the health and safety of children in the department's care.

As intended by the legislature, the examination of DCFS' structure and processes by an objective, impartial expert will remain the central focus of the project. As set forth in section 112(1), this examination will include the study and development of DCFS' strategic plan, mission, goals, and performance-based outcome measures. I fully share the legislature's desire to improve DCFS' performance, strengthen its accountability, and increase public confidence in its work. The comprehensive examination outlined here will help us achieve this mutual goal.

Section 112(2) creates an oversight group for the management improvement project. While I agree with the need for this group, the membership outlined in this subsection is unnecessarily restrictive. I believe the examination of the DCFS' structure and processes would benefit from the inclusion of others, including experts outside state government. Therefore, I am vetoing section 112(2). While I will welcome input from the oversight group members outlined in this subsection, I plan to convene a broader group, including children's services experts from both the public and private sector, to assist in defining the scope of the management examination. I am retaining the requirement in section 112(3) involving a legislative advisory committee in the project and look forward to working with these members. I also believe there should be close collaboration between the project oversight group and the Legislative Budget Committee which was recently directed by the legislature to conduct a performance audit of Child Protective

Services.

**Section 112(4), page 13, Office of the Family and Children's Ombudsman (Office of the Governor)**

Section 112(4) provides \$418,000 of the \$1,518,000 General Fund-State appropriation designated for establishing a new Office of the Family and Children's Ombudsman in the Governor's Office. This subsection requires the staff of the Office of Constituent Relations at the Department of Social and Health Services to be transferred to the Ombudsman's Office. These staff members perform an important function in the department and should remain there. Therefore, I am vetoing section 112(4); however, I will ensure that the Office of the Family and Children's Ombudsman will be established as intended by Second Substitute House Bill No. 2856.

**Section 121(25), page 29, Asian-Pacific Economic Conference (Department of Community, Trade, and Economic Development)**

Section 121(25) requires that \$180,000 from the General Fund-State appropriation be used by the Department of Community, Trade, and Economic Development (CTED) to supplement private funding for the Asian-Pacific Economic Conference (APEC). Because the legislature did not provide additional resources to support this expenditure, CTED would be forced to reduce funding for other valuable economic development programs to implement this budget language. While APEC's budget difficulties are very real, I cannot support a further erosion of CTED's economic development programs. Therefore, I am vetoing section 121(25).

**Section 132, lines 19-20, and Section 132(3), page 38, K-20 Technology Improvements (Department of Information Services)**

Section 132 appropriates \$54.3 million for the K-20 technology plan contained in Engrossed Second Substitute Senate Bill No. 6705. I applaud the legislature for addressing this very important need. Unfortunately, \$12 million of the \$54.3 million is appropriated from the Data Processing Revolving Account, a dedicated internal service fund used by the Department of Information Services (DIS) and other agencies to provide services on a cost-recovery basis. There are two technical problems with the use of this fund for the intended purpose. First, DIS' portion of the cash balance in this account is obligated for purchasing equipment and software needed to provide services to the contributing agencies. These services are not related to the K-20 technology plan. Second, dedicated state and federal revenues are merged in this account and using those outside sources to help finance the K-20 technology plan would be inappropriate. The largest contributors to the balance include funds of the Department of Social and Health Services and dedicated funds from the Departments of Labor and Industries, Licensing, and Transportation. Diverting these specific funds to a project not related to their intended use would ultimately result in having to pay back the original fund source.

As stated in Engrossed Second Substitute Senate Bill No. 6705,

there is an initial requirement to prepare a design and implementation plan for K-20 technology improvements. This plan will create a better cost estimate as well as lay out the timing of the project. Although the higher education system is ready to proceed, K-12 is not expected to reach that stage prior to the next legislative session. Furthermore, the appropriation from the Data Processing Revolving Account was to be expended only after the entire K-20 Technology Account appropriation had been obligated. Since these funds are not expected to be needed prior to the 1997 Legislative Session, I will be looking toward making the required investment at that time through proper funding sources.

I commend the legislature for recognizing and addressing this vitally important need for technology improvements in our education system, but I cannot allow the improper use of the Data Processing Revolving Account. Therefore, I am vetoing the \$12 million appropriation, together with subsection (3) that relates to this appropriation.

**Section 206, lines 34-35, page 52, Aging and Adult Services Fiscal Year 1996 Appropriation (Department of Social and Health Services)**

The 1996 Legislative Session ended without passage of a supplemental capital budget. Without other action, the Department of Social and Health Services (DSHS) would have insufficient resources to replace the sewer system at the Maple Lane School or to move ahead with the reconstruction of Green Hill School, which is essential to continue to operate the institution and to meet growing demands for additional beds in the future. By vetoing the lines referenced above, the original higher appropriation level is restored, providing an additional \$9,917,000 in General Fund-State expenditure authority for DSHS in Fiscal Year 1996. These operating funds will be transferred to the Juvenile Rehabilitation and Mental Health institutional budgets to replace capital expenditures, thereby freeing up \$9.9 million in bond appropriations for capital projects. Of these funds, \$7 million will be allocated for reconstruction of Green Hill School and the remainder will be used to replace the Maple Lane sewer system.

**Section 213, lines 24-28, page 65, Discrimination Dispute Resolution (Human Rights Commission)**

This proviso directs \$100,000 General Fund-State to the Human Rights Commission to implement House Bill No. 2932, regarding discrimination dispute resolution. Since House Bill No. 2932 is not a necessary or appropriate prerequisite to providing alternative dispute resolution, I have vetoed it. I am also vetoing this proviso and directing the commission to use this \$100,000 to reduce its current backlog of discrimination cases.

**Section 217(15), pages 72-73, CHILD Profile (Department of Health)**

Subsection 15 appropriates \$210,000 General Fund-State solely

for the purpose of stabilizing the existing CHILD Profile program in four counties and requires the development of a plan to expand the CHILD Profile immunization tracking system statewide by July 1, 1997. This is an extremely important effort, but I am concerned that the proviso appears to assume that the statewide planning effort can be implemented by July 1, 1997. Although the Department of Health is already engaged in determining statewide expansion of the program, implementation within this time frame is not feasible. Therefore, I am vetoing this subsection, but I am directing the Department of Health to expend the \$210,000 on the CHILD Profile program, proceed with its planning effort, and complete a report on its outcomes by July 1, 1997.

**Section 217(16), page 73, Domoic Acid (Department of Health)**

The Department of Health's (DOH) supplemental request to support testing for the presence of domoic acid, a harmful neural toxin in razor clams, blue mussels, and crabs was not funded. This proviso would require DOH to expend \$195,000 from existing general fund appropriations to conduct these tests. While domoic acid represents a public health threat to unsuspecting recreational harvesters of shellfish, the cost of these tests must be balanced against other important work being done by DOH. For this reason, I am vetoing this subsection and directing DOH to continue its testing program, to the degree possible, within existing resources.

**Section 218(1)(f), page 75, Supervision of Sex Offenders (Department of Corrections)**

Section 218(1)(f) provides \$78,000 to implement Substitute Senate Bill No. 6274, regarding the supervision of sex offenders. Substitute Senate Bill No. 6274, however, does not require the appropriation, but Substitute House Bill No. 2545, which was also approved by the legislature, does. For that reason, I am vetoing section 218(1)(f) so that the Department of Corrections can fulfill legislative intent.

**Section 218(2)(c), page 76, Life Skills Program (Department of Corrections)**

Section 218(2)(c) requires that, within the amounts appropriated, the Department of Corrections (DOC) fund the Life Skills program at the Washington State Correctional Center for Women in Fiscal Year 1997 at a level equal to or greater than that funded in Fiscal Year 1995. This directive is inconsistent with the educational requirements of Chapter 19, Laws of 1995, 1st Special Session, which require that DOC give a higher priority to basic and vocational education than to the Life Skills program. For this reason, I am vetoing Section 218(2)(c).

**Section 301(11), page 83, Water Quality Permit Fee Program (Department of Ecology)**

Section 301(11) requires the Department of Ecology to hire a

consultant to develop a fee schedule for the water quality permit fee program. Although the proviso earmarks \$110,000 from the Water Quality Permit Fee Account for this study, the Department of Ecology's appropriation was not increased (and available revenue would not support an increased appropriation). Water quality efforts would need to be reduced to implement this proviso, which would result in fewer permit reviews.

In addition, a number of studies have already been conducted addressing the issues identified in the proviso. Among them are the 1994 Legislative Budget Committee study and the 1990-91 Efficiency Commission study. This new study would be redundant to those efforts. For these reasons, I am vetoing section 301(11).

**Section 503, pages 110-114, Basic Education Salaries (Superintendent of Public Instruction)**

Section 503 determines the level of state support for certificated salaries in basic education. The legislature added new language in 503(1)(b) to base 1996-97 school year allocated salaries on the experience and education (staff mix factor) of both basic education and special education certificated staff. By including special education staff in the calculation, the new language lowers the amount allocated to some school districts for basic education salaries in the 1996-97 school year. Because of state limits on school district salaries (the salary compliance law), some school districts would be required to pay lower salaries in 1996-97 than in 1995-96. Although I favor the concept of including special education staff in the salary allocation formula, I do not favor cutting any teacher's salary. For this reason, I am vetoing section 503. I will consider budget language and accompanying legislation for the 1997-99 Biennium to include special education and other staff in the salary allocation formula. I believe this can be accomplished without forcing salary cuts on certificated staff.

**Section 706, pages 154-157, Health Insurance Benefits**

Section 706 reduces the monthly contribution funding for health benefits for employees of state agencies and higher education institutions in Fiscal Year 1997 from \$314.51 to \$304.31 per month. This reduction would decrease the overall Public Employees Benefits Board funding by approximately \$11 million (all funds), which would have the effect of drawing down the current reserve.

I am vetoing this section because this reserve should be available to address unanticipated expenditures in the current biennium or to defer some of the increased funding which will most likely be required in the 1997-99 Biennium. This action should help protect the current benefits levels in the future for state employees.

I would like to take this opportunity to acknowledge that the 1996 Legislature took responsible action in recognizing some of the funding shortfalls due to congressional budget reductions. It is critical for our state to continue summer youth programs, to

maintain the emergency food distribution programs, and to keep a commitment to salmon production. I would also like to remind members of the legislature that we may yet have to address other federal budget problems later this year. Since we no longer have predictable federal funding, it may be necessary to address serious budget shortfalls this fall, possibly even necessitating a special legislative session.

For these reasons, I have vetoed sections 109(4); 109(5); 112(1) beginning with the word "Of" on line 12, and ending with "January 1, 1997." on line 26; 112(2); 112(4); 121(25); 132 (lines 19-20); 132(3); 206 (lines 34-35); 213 (lines 24-28); 217(15); 217(16); 218(1)(f); 218(2)(c); 301(11); 503; and 706 of Engrossed Substitute Senate Bill No. 6251.

With the exception of sections 109(4); 109(5); 112(1) beginning with the word "Of" on line 12, and ending with "January 1, 1997." on line 26; 112(2); 112(4); 121(25); 132 (lines 19-20); 132(3); 206 (lines 34-35); 213 (lines 24-28); 217(15); 217(16); 218(1)(f); 218(2)(c); 301(11); 503; and 706, Engrossed Substitute Senate Bill No. 6251 is approved.

Respectfully submitted,  
Mike Lowry  
Governor