

VETO MESSAGE ON SB 6108-S

April 3, 1998

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 115(5); 117(18); 120; 122(6); 124(3); 124(4); 125; 204(3)(b); 205(1)(f); 205(1)(k); 207(9); 211(5); 215(2); 217(11); 219(28); 222(3); 222(8); 222(9); 302(18); 302(19); 302(20); 303(4); 303(5); 307(34); 308, page 112, lines 4-5; 308(10); 308(11); 309(6); 309(7); 906; 907; 908; Engrossed Substitute Senate Bill No. 6108 entitled:

"AN ACT Relating to fiscal matters;"

Section 125, Page 32 (For the Horse Racing Commission)

The proviso in section 125 directs the Horse Racing Commission to conduct a study with the Gambling Commission on the impact to the race tracks and the horse racing and breeding industry of allowing gambling at race tracks. This proviso does not provide the direction or the funds that are needed to ensure that all affected interests, including the tribes, will come together to perform a thorough study of a very complex issue.

Section 204(3)(b), Pages 50-51 (For the Department of Social and Health Services, Mental Health Program, Special Commitment Center)

Section 204(3)(b) requires the Department to develop a staffing model for the Special Commitment Center by October 1, 1998. I am vetoing this proviso because the October 1998 deadline does not provide adequate time to develop a proper staffing model after the scheduled relocation of the Special Commitment Center from Monroe to McNeil Island in April 1998. I am, however, directing the Department to submit an interim report on staffing by October 1, 1998, to be followed up with a comprehensive staffing model that will be completed in time for budget development for the 1999-01 Biennium.

Section 205(1)(f), Page 54 (For the Department of Social and Health Services, Developmental Disabilities Program, Number of Developmentally Disabled Clients Served)

Section 205(1)(f) directs that the Department shall not reduce the number of persons served in community residential, employment and day programs, or family support below levels identified in the 1997 Legislative Budget Notes in order to undertake activities proposed by the Department but not funded in the supplemental appropriations act. Because the Legislature did not fully fund the costs of maintaining current service levels in community programs, this proviso could have required reductions in current services to families and disabled individuals. This proviso unduly restricts the ability of the secretary to manage the division's programs. In addition, I do not support attempts to enact Legislative Budget Notes into law through reference in a proviso. For these reasons I am vetoing this section. I am, however, directing that the Department shall make all efforts not to reduce the number of persons being served in these three programs below their current levels.

Section 205(1)(k), Page 55 (For the Department of Social and

Health Services, Developmental Disabilities Program, Autism Pilot Program)

Section 205(1)(k) requires the Department to contract for a pilot program to test an alternative delivery model for services to persons with autism. I am vetoing this section for the reason that no funding was provided in the supplemental appropriations act for this requirement.

Section 207(9), Page 63 (For the Department of Social and Health Services, Economic Services Program, TANF Funding For Local Nonprofit Agencies)

This subsection earmarks \$5 million in federal Temporary Assistance to Needy Families (TANF) block funding to provide grants to community action agencies and other local nonprofit organizations. As welfare caseloads decline, it will be necessary to reinvest a portion of our budgetary savings into community-based programs « similar in purpose to those described in this subsection « for WorkFirst participants who need intensive assistance in order to get and keep a job. It is, however, too early in the implementation of WorkFirst to earmark a set amount of funding for the specific purposes identified in this subsection. For this reason, I am vetoing this subsection.

Section 222(3), Page 90 (For the Employment Security Department, Job Placement Levels)

Section 222(3) requires the Department to maintain the current level of job placement services at all 32 community and technical college location sites through the remainder of the 1997-99 Biennium. Because the Legislature did not provide resources to maintain this activity, it would be impossible for the Department to continue the current level of service. Therefore, I am vetoing section 222(3); however, I am directing the Employment Security Department to coordinate with the State Board for Community and Technical Colleges to ensure the greatest level of service possible is provided.

Section 222(8), Page 91 (For the Employment Security Department, Additional Tax Information)

Section 222(8) requires the Department to disclose additional tax information on the 1999 employer tax rate notice. While I support the disclosure of tax related information, this section requires information that could mislead employers about the relationship between the taxes they had paid and the benefits their former employees had received. In addition, tax rates are calculated on a fiscal year basis, while this subsection requires information be provided for a calendar year. It is impossible for the Department to correlate the fiscal year tax rate calculation with the calendar year information. For these reasons, I am vetoing this subsection and directing the Employment Security Department to conduct a study, in consultation with all interested parties, on how to improve the disclosure of information on the employer rate notice.

Section 222(9), Pages 91-92 (For the Employment Security Department, Federal Waiver For Welfare-To-Work Grant Program)

As a condition for receiving \$20,157,000 in federal funding, Section 222(9) requires the Governor to successfully obtain an approved federal waiver for use of an alternative agency or agents

to administer the welfare-to-work grants. I am vetoing this subsection because I do not want the success of an important program to depend on the success of obtaining a federal waiver; however, I have directed the Employment Security Department to pursue a federal waiver as required by the Legislature.

Section 302(18), Page 98 (For the Department of Ecology Coastal Erosion Project Grants)

I am deeply concerned for people whose homes and businesses are threatened by erosion along our state's coastline. As a result, I am signing provisions which provide \$275,000 in the operating budget and \$150,000 in the capital budget for coastal erosion projects in Ocean Shores. However, the Legislature has redirected \$250,000 of funds previously committed to the Department of Ecology for a long-term coastal erosion study to the Department of Community, Trade, and Economic Development (CTED) for new coastal erosion project grants. The Coastal Erosion Study begun by the Department of Ecology and the U.S. Geological Survey in 1996 is already providing sound information for decision making and will continue to provide important information over the next three years. This redirection of funds would seriously compromise this effort. The study is critical to the state, as well as local communities, to make decisions based upon sound science and good information. Therefore I am vetoing this subsection.

Although I am vetoing this subsection, I am directing CTED to immediately begin designing a collaborative process, involving all appropriate interests, to develop short- and long-term policy recommendations on coastal erosion. These recommendations will be based on sound economic and environmental principles, as well as solid scientific research and information. Because I believe the people who will be most directly affected by the outcome should have a say in the process, CTED is to include representatives from communities experiencing coastal erosion, state agencies with mandates to protect coastal resources, and other affected stakeholders.

Section 302(19), Pages 98-99 (For the Department of Ecology Rural Economic Development Project Assistance To Businesses)

This subsection requires the Department of Ecology (DOE) to expedite its assistance to businesses seeking permitting and technical help, and to give top priority to projects in rural counties which have initiated coordinated permit processing through DOE's Permit Assistance Center. To date, only one project has met these conditions. Although I strongly support efforts to promote business development in rural areas, it is unfair to give one potential project preference over all others in rural communities throughout the state.

Section 302(20), Page 99 (For the Department of Ecology Lake Steilacoom Scientific Review Contract)

This subsection requires the Department of Ecology to contract with a panel selected by the Society of Environmental Toxicology and Chemistry for a scientific review of various permits and studies related to efforts to control aquatic weeds in Lake Steilacoom. The Legislature failed to provide any funding for this study, which is estimated to cost \$150,000 to \$200,000. In

addition, a review of DOE permits related to Lake Steilacoom would have very little benefit because such a review would not have any legal standing and would be after the allowable time limit for appeals has expired.

**Section 308, Page 112, Lines 4-5 and Section 308(10) Page 113
(For the Department of Natural Resources Mobile Radio Replacement)**

To comply with Federal Communication Commission requirements, the Department of Natural Resources needs to replace the mobile radio system it now uses for communications while fighting wildfires, an activity funded by the state General Fund. The appropriation in this section, however, is from the Natural Resources Equipment Account, a revolving fund at the Department for ongoing maintenance and replacement of equipment primarily used in the management of public lands held in trust for a variety of beneficiaries, including public schools. Revenues from trust lands, other than those necessary to manage the lands, must be distributed to the trust beneficiaries in accordance with constitutional requirements. Since there is only a nominal fund balance in the Natural Resources Equipment Account attributable to the fire program, the effect of this appropriation would be to inappropriately use revenues generated from trust lands to subsidize fire fighting activities. Therefore, I have vetoed this appropriation and proviso. I will work with the Department to explore alternative options for both the short- and long-term replacement of mobile radio equipment.

Sections 906, 907, and 908, Pages 204-206 (Agricultural Fair Theme Games and Lottery Distribution to the Fair Fund)

Section 906, 907 and 908 seek to replace pari-mutuel tax revenues that support the State Fair Fund and the State Trade Fair Fund with lottery proceeds. Section 906 requires the Washington State Lottery to conduct two to four games with agricultural themes per year in the 1997-99 Biennium. The Washington State Lottery will be unable to meet this obligation for Fiscal Year 1998 due to the length of time required to develop the agricultural theme scratch games. Section 907 distributes lottery proceeds to the State Fair Fund. Lottery proceeds support the General Fund and this proposal could potentially lower the expenditure limit under Initiative 601 if the new games did not increase total lottery revenues. For these reasons, I am vetoing Sections 906, 907, and 908 of the appropriations act to eliminate the possibility of lowering the Initiative 601 expenditure limit and to eliminate confusion regarding conducting agricultural fair theme scratch games by the Washington State Lottery.

I am vetoing the following sections in the operating appropriations bill because the language in each relates to bills that did not pass the Legislature.

Section 115(5), Page 16 (For the Attorney General Regulating Travel Sales)

This subsection stipulates that if Engrossed Substitute House Bill 2027 is not enacted, the subsection is null and void. Engrossed Substitute House Bill 2027 was not passed by the Legislature, therefore, I have vetoed Section 115(5) of the

appropriations act to eliminate confusion regarding the conditions and limitations for the Attorney General.

Section 120, Page 27 (For the Washington State Lottery Commission) Implementation of EHB 3120)

Subsection 3 stipulates that if Engrossed House Bill 3120 is not enacted, subsections 1 and 2 are null and void. Engrossed House Bill 3120 was not passed by the Legislature; therefore, I have vetoed Section 120 of the appropriations act to eliminate confusion regarding the conditions and limitations for the Washington State Lottery.

The following sections are vetoed in the appropriations bill because of provisions or vetoes in other bills:

Section 124(4), Page 32 (For the Insurance Commissioner) ESHB 2439, Bicycle Safety)

This subsection allocates \$100,000 from the Insurance Commissioners Regulatory Account to the Traffic Safety Commission to implement the Cooper Jones Act (Engrossed Substitute House Bill 2439). The bill that passed the Legislature, which I signed, has the authority to expend \$100,000 from the Bicycle and Pedestrian Safety Account. Therefore this appropriation from the Insurance Commissioners Regulatory Account is not needed. For these reasons I am vetoing this subsection.

Section 303(4), Page 101 (For the Department of Ecology) ESSB 5703, Water Right Beneficial Use)

ESSB 5703 allows the interim use of water without authorization (a water right) until either the court grants a water right or DOE grants a water right based on completion of a watershed plan where a planning effort is underway. Allowing the use of this water is unfair to those who have forgone the use of water by following the normal process for obtaining a water right. Because I have vetoed this bill, I have also vetoed this section to avoid confusion.

Section 117(18), Page 22 (For the Department of Community, Trade, and Economic Development); Section 122(6), Page 30 (For the Department of Revenue); Section 124(3), Page 32 (For the Insurance Commissioner); Section 211(5), Pages 68 and 69 (For Department of Social and Health Services, Administration and Supporting Services Program); Section 215(2), Page 73 (For the Human Rights Commission); Section 217(11), Page 78 (For the Department of Labor and Industries); Section 219(28), Pages 84 and 85 (For the Department of Health); Section 303(5), Page 101 (For the Department of Ecology); Section 307(34), Page 111 (For the Department of Fish and Wildlife); Section 308(11), Page 113 (For the Department of Natural Resources); Section 309(6), Page 115 (For the Department of Agriculture) E2SHB 2345, Regulatory Reform

These subsections stipulate that the funding provided to implement Engrossed Second Substitute House Bill 2345, Regulatory Reform, will lapse if sections 1, 3, 4, 10, 11, and 12 are not enacted. I have vetoed these sections of Engrossed Second Substitute House Bill 2345 because I do not believe that these provisions are in the best interest of the state. Therefore, I have also vetoed these sections of the appropriations act to

eliminate confusion regarding the expenditure authority for these agencies.

Section 309(7) Page 115 (For the Department of Agriculture» ESSB 6204 Livestock Identification)

This subsection stipulates that the funding provided to implement sections 2 and 98 of Engrossed Substitute Senate Bill 6204 shall lapse if these sections of the bill are not enacted. I have vetoed these sections of Engrossed Substitute Senate Bill 6204, and most other sections of the bill, because they do not address programmatic and financial issues pertaining to the livestock identification program in an effective and fiscally responsible manner. Therefore, I have also vetoed Section 309(7) of the appropriations act to eliminate confusion regarding the appropriation authority of the Department of Agriculture.

Other Comments

Section 301(2) for the Columbia River Gorge Commission requires Clark County to direct \$30,000 each year from its grants for implementing the Scenic Area Management Plan to Skamania County to cover the county's cost of implementing this same plan. Although I am not vetoing this section, I continue to be troubled by the Legislature's decision not to provide adequate funding for both the Gorge Commission and the counties within the National Scenic Area. The current budget is still \$85,000 a year below what the county has identified as its costs to implement the Scenic Area Act. The Legislature also failed to provide adequate funding for the Gorge Commission itself. As we develop the budgets for next biennium, it is important to understand that the Scenic Area Act cannot be successful without stable and adequate funding.

Section 304(7) for the State Parks and Recreation Commission requires that the Snowmobile Account and the Winter Recreation Program Account provide funds to support the Northwest Avalanche Center (NWAC). The NWAC provides important weather and avalanche forecasts that benefit back country users, search and rescue personnel, counties, ski patrols, the state Department of Transportation (WSDOT), and the Washington State Patrol, as well as snowmobilers and winter recreationalists. Although I have not vetoed this section, I do not support the decision by the Legislature to appropriate \$40,000 from these accounts for the operation of the NWAC. These programs have already voluntarily contributed \$11,000 to the NWAC. This higher level of funding is disproportionate to the benefit derived by the winter recreationalists whose user fees would be diverted from direct program services to the NWAC. Furthermore, these user fees are collected statewide, while the NWAC only provides services in the Cascades and Olympics. As a result, I anticipate seeking future General Fund-State support to reimburse these dedicated funds. I also urge the NWAC, user groups, State Parks, and WSDOT, to continue to work with the Office of Financial Management and the Legislature to find alternative long term funding sources for the NWAC.

With the exception of sections 115(5); 117(18); 120; 122(6); 124(3); 124(4); 125; 204(3)(b); 205(1)(f); 205(1)(k); 207(9);

211(5); 215(2); 217(11); 219(28); 222(3); 222(8); 222(9); 302(18);
302(19); 302(20); 303(4); 303(5); 307(34); 308, page 112, lines 4-
5; 308(10); 308(11); 309(6); 309(7); 906; 907; 908; Engrossed
Substitute Senate Bill No. 6108 is approved.

Respectfully submitted,
Gary Locke
Governor