

VETO MESSAGE ON ESSB 6052

June 30, 2015

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 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7, Engrossed Substitute Senate Bill No. 6052 entitled:

"AN ACT Relating to fiscal matters."

Section 130, page 27, line 29, Office of Financial Management, Data Processing Revolving Account

The Data Processing Revolving Account will be abolished, effective January 1, 2016, pursuant to passage of Engrossed Second Substitute Senate Bill No. 5315. Because this appropriation to the Office of Financial Management is no longer necessary, I have vetoed Section 130, page 27, line 29.

Section 204(2)(f), pages 58-59, Department of Social and Health Services, Study on Clinical Role of Psychiatrists

This proviso requires the Department of Social and Health Services, within existing resources, to contract with a consultant to conduct a workload study and to examine the clinical role of psychiatrists at the state psychiatric hospitals with respect to patients who are the subject of both forensic and civil commitment. In addition to findings and recommendations on those topics, the consultant must identify factors other than compensation that are negatively affecting job retention for psychiatrists and make recommendations for addressing those issues. Although I welcome additional expertise to address factors that may influence job retention, funding is not provided for the cost of an independent contractor. For this reason, I have vetoed Section 204(2)(f).

Section 501(1)(f), page 126, Superintendent of Public Instruction, School District Accounting Rules and Reporting

This proviso requires the Superintendent of Public Instruction to revise the accounting rules for school districts, as well as accounting and financial information technology systems, to separate expenditures of levy and local effort assistance revenues from all other expenditures. It also requires additional detailed reporting of school district compensation data. The Superintendent estimated \$400,000 would be needed to implement this proviso, and no funding was provided. In

addition, the new rules and systems must be in place by the 2016-17 school year, leaving no time for the Superintendent to test the system with pilot districts prior to implementation. For these reasons, I have vetoed Section 501(1)(f).

Section 950(3), page 257, Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Distribution in 2017

I support funding for the Local Law Enforcement Officers' and Firefighters' Retirement System Benefits Improvement Account, and included funding for this account in my budget proposal. Rather than provide a General Fund--State appropriation to this account, the Legislature transferred money from the LEOFF retirement system pension fund to the benefits improvement account. While I am approving this one-time transfer, I am concerned that repeated transfers would undermine the stability of the pension fund and increase the cost of existing pension benefits for plan members, local governments, and the state of Washington. Because I believe that future funding for the benefits improvement account should be made through General Fund appropriations, as envisioned by the legislation that created that account, I am vetoing language that indicates legislative intent for future transfers from the pension fund. For this reason, I have vetoed Section 950(3).

Section 963, page 268, Life Sciences Discovery Fund

The Life Sciences Discovery Fund Authority (LSDFA) provides valuable and innovative research that improves the health of all Washingtonians. I am disappointed the Legislature could not come to an agreement on providing some new funding for the LSDFA. I am concerned that Section 963 unduly restricts the awarding of grants with money currently in the Life Sciences Discovery Fund and abruptly ends the work of the LSDFA. This prohibition also restricts the LSDFA from using new revenue provided by marijuana research licenses pursuant to Senate Bill No. 5121. We must provide maximum flexibility for the LSDFA to carry out its mission and expend all remaining money in the Life Sciences Discovery Fund. For these reasons, I have vetoed Section 963.

Section 1213, page 381, lines 6-7, Health Care Authority, Savings Through Waiver Request

The budget assumes that the Health Care Authority (HCA) can achieve General Fund--State savings in state fiscal year 2015 by, among several savings steps, seeking a waiver from the federal Centers for Medicare and Medicaid Services. This waiver would provide federal flexibility in the area of innovative reimbursement methods. The Centers for Medicare and Medicaid Services has indicated that it will not approve this waiver request, and therefore, the savings cannot be achieved. For this reason, I have vetoed Section 1213, page 381, lines

6-7, and directed HCA to place any unused funds in reserve status.

For these reasons I have vetoed Sections 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7 of Engrossed Substitute Senate Bill No. 6052.

With the exception of Sections 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7, Engrossed Substitute Senate Bill No. 6052 is approved.

Respectfully submitted,
Jay Inslee
Governor