

VETO MESSAGE ON SB 6387-S

April 5, 2002

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

I am returning herewith, without my approval the following appropriation items and sections 103, lines 10-11; 113, line 23; subsections 125(31); 125(34); 137(2); 137(4); 204(1)(h); 204(1)(k); 204(5)(c); 205(1)(a); 205(1)(j); 206(11); 207(1)(e); 207(1)(f); 207(1)(g); 207(1)(h); 207(1)(i); 207(1)(j); 207(1)(k); 207(1)(l); 207(1)(m); 207(1)(n); 221(2)(i); 308(18); 501(2)(b)(iii); 604(10); 605(4); section 606, lines 31-38, page 204; lines 1-3, page 205; subsections 607(1); 607(2); 608(1); 608(11); 609(2); and section 725 of Engrossed Substitute Senate Bill No. 6387 entitled:

"AN ACT Relating to fiscal matters;"

Engrossed Substitute Senate Bill No. 6387 is the state supplemental operating budget for the 2001-2003 Biennium. I have vetoed several provisions as described below:

**Subsection 125(34), Page 29, Mobile Home Relocation Assistance (Department of Community, Trade, and Economic Development (CTED))**

This subsection designated \$202,000 from the nonappropriated Mobile Home Park Relocation Account for implementation of Second Substitute Senate Bill 5354, the Mobile Home Relocation Assistance Fee Act. Since the account is nonappropriated, CTED will still be able to spend the funds in a manner that will accomplish the intent of the policy bill.

**Subsection 204(1)(h), Page 63, Restrictions on Administration Costs for Regional Support Networks (RSNs) (Department of Social and Health Services (DSHS) - Mental Health Program)**

The 8 percent administrative cap in this proviso may not be appropriate for all RSNs. In response to the Joint Legislative Audit and Review Committee recommendations, DSHS is currently conducting a review of existing RSN administration levels. That review is expected to be finished within a month. Until this review is complete, it is premature to set an administrative cap for each individual RSN. The budget contains other language and savings requirements that will impose sufficient restraints on RSN administrative spending without the necessity of this proviso.

**Subsection 204(1)(k), Page 63, Mental Health Ombudsman Proposal Development (Department of Social and Health Services (DSHS) - Mental Health Program)**

This proviso would have required the Department of Community, Trade, and Economic Development and DSHS to develop a proposal to create a structurally and functionally independent mental health ombudsman program. This requirement increases the workload for both departments without providing additional funding during a time of increasing fiscal constraints.

**Subsection 204(5)(c), Pages 67-68, State Hospital Bed Allocation (Department of Social and Health Services (DSHS) - Mental Health Program)**

Beginning this year, DSHS implemented a new state hospital bed

allocation plan based on a more equitable distribution methodology than was previously used. The plan also addressed potential legal issues related to historical allocations. To minimize impacts, the new allocation formula has been phased in and Regional Support Networks signed their contracts based on the new bed formula. In light of this, it is inappropriate to substitute the allocation method mandated in Subsection 204(5)(c). I have vetoed this proviso in order to maintain the current approach.

**Subsection 205(1)(a), Page 68, Monthly Progress Reports (Department of Social and Health Services (DSHS) - Developmental Disabilities Program)**

This requirement for additional monthly reports is excessive, and there are alternative means to effectively provide the information needed by the Legislature. I have directed DSHS to keep the Legislature fully informed of actions taken by the Division of Developmental Disabilities regarding the implementation of expanded services, the development and implementation of new home and community-based waivers, and improvements in program and fiscal management. DSHS will coordinate with the Legislature to adjust the agency's existing reporting mechanisms to ensure that necessary information is communicated on an appropriate and timely schedule.

**Subsection 207(1)(e), Page 80, Drug and Alcohol Treatment Services (Department of Social and Health Services (DSHS) - Economic Services Program)**

This proviso would have reduced funding for DSHS to contract with the Employment Security Department to maintain support for drug and alcohol treatment services designated to help parents receiving Temporary Assistance to Needy Families (TANF) benefits. Funding for employment services is central in assisting TANF recipients to find work and leave welfare. If families remain on TANF, the funding for alcohol and drug treatment, as well as other needed support services, will not be available.

**Subsection 207(1)(f), Page 80, Comprehensive Drug and Alcohol Treatment Project (Department of Social and Health Services (DSHS) - Economic Services Program)**

This subsection would have provided an additional \$878,000 of the federal appropriation for the comprehensive alcohol and drug treatment project. I have vetoed this item, but will dedicate \$878,000 of existing General Fund-State appropriations to match federal Medicaid funds. This action will increase the funds available for these projects to \$1,756,000 and allow the evaluation of these projects to be completed.

**Subsection 207(1)(g), Page 80, Job Search and Job Placement Activities (Department of Social and Health Services (DSHS) - Economic Services Program)**

This proviso would have limited the funds available for job search and job placement activities to \$5.8 million for the biennium. DSHS cannot comply with this proviso since it has already expended over \$19 million on these activities.

**Subsection 207(1)(h), Page 80, WorkFirst Post-Employment Labor Exchange Program (Department of Social and Health Services (DSHS) -**

**Economic Services Program)**

This proviso would have eliminated the WorkFirst Post-Employment Labor Exchange program. This program is the only post-employment service available to WorkFirst participants and needs to be retained. These services aid participants in job retention, lower the number of clients returning to TANF, and support wage progression. A thorough evaluation of the program will be completed this summer, and the program's effectiveness will be reviewed again at that time.

**Subsection 207(1)(i), Page 80, Indigent Civil Legal Services (Department of Social and Health Services (DSHS) - Economic Services Program)**

I am pleased that the Legislature restored \$1.5 million (in the Department of Community, Trade, and Economic Development budget) of the \$2.4 million in legal services funding that was eliminated from the program in February. However, there are not sufficient funds in the WorkFirst budget to continue to provide these services, so I have vetoed the proviso appropriating \$900,000 in federal funds to DSHS.

**Subsection 207(1)(j), Page 80, Limit on Child Care Subsidy Co-payment (Department of Social and Health Services (DSHS) - Economic Services Program)**

This proviso would have limited the increase in co-payments for childcare to no more than two dollars per month. However, an increase of five dollars in the current co-pay must be implemented to keep program expenditures within available funds. The proviso also restricts the agency's future flexibility by forcing the childcare program to reduce eligible clients rather than increasing co-pay rates.

**Subsection 207(1)(k), Page 80, Parenting Skills Funding (Department of Social and Health Services (DSHS) - Economic Services Program)**

This proviso would have restored funding for parenting and family management skills development, enhanced childcare rates, and other programs provided at the community colleges. While these are valuable services, there are insufficient funds in the WorkFirst budget to restore these programs to the level required by the proviso. The community and technical colleges are currently reviewing the best way to serve clients being referred to them, and need flexibility in their expenditure plan.

**Subsection 207(1)(l), Page 80, After-school Programs for Middle School Youth (Department of Social and Health Services (DSHS) - Economic Services Program)**

The Legislature restored \$300,000 for after-school programs for middle school youth by assuming use of federal funding. Although this is an innovative program that benefits middle school students by providing out-of-school care, it is not core to the goals of WorkFirst and cannot be achieved without displacing other programs.

**Subsection 207(1)(m), Page 80, Consultation and Training for Child Care Providers Caring for Children with Special Needs (Department of Social and Health Services (DSHS) - Economic Services Program)**

By this proviso, the Legislature would have restored \$3.4 million

to the Department of Health for services by local public health nurses to provide consultation and training to child care providers caring for children with special needs. This is a worthy program, but there are insufficient funds in the WorkFirst budget to continue to provide these services, so I have vetoed this item.

**Subsection 207(1)(n), Page 80, Hometown and College Mentoring Services and Programs for Low-Income Youth (Department of Social and Health Services (DSHS) - Economic Services Program)**

This proviso would have dedicated \$1 million of WorkFirst federal funds to the Hometown and College Mentoring Services and Programs (Community in Schools Program). Funding for this program has already been provided, thus there is no need for this proviso.

**Subsection 308(18), Page 135, Cost Recovery for Conservation Areas and Recreational Sites in the San Juan Islands (Department of Natural Resources (DNR))**

This proviso would have directed DNR to employ cost recovery methods at its Natural Resource Conservation Areas and recreation sites in the San Juan Islands comparable to those used by State Parks. This approach could result in the imposition of fees for use of the DNR sites. A task force is created elsewhere in the budget (Subsection 303(6)) to give all users and agencies an opportunity to discuss funding options for the state's outdoor recreation facilities. Implementing a fee solely for the San Juan Islands Natural Resource Conservation Areas and recreation sites before the task force has begun is premature. Given the current state budget outlook, I encourage all interested parties to provide suggestions to the task force for funding the ongoing maintenance and operations of outdoor recreational facilities.

**Multiple Sections**

In order to maintain a more responsible reserve and because additional revenues were assumed but not enacted, I have eliminated a number of General Fund-State supplemental items. While many of these additions are worthwhile, I have vetoed the following items to save the state General Fund-State \$37.008 million.

- ∅ Section 103, lines 10-11, page 3, Second Year Funding Increase (Joint Legislative Audit and Review Committee)
- ∅ Section 113, line 23, page 11, Dependency and Termination Pilot (Office of Public Defense)
- ∅ Subsection 125(31), page 28, Artistic Organization Support (Department of Community, Trade, and Economic Development)
- ∅ Subsection 137(2), pages 38-39, Tax Incentives Study (Department of Revenue)
- ∅ Subsection 137(4), page 39, Municipal Business and Occupation Tax Uniformity (Department of Revenue)
- ∅ Subsection 205(1)(j), pages 71-72, Home Care Worker Wage Increase (Department of Social and Health Services - Developmental Disabilities Program)
- ∅ Subsection 206(11), pages 76-77, Home Care Worker Wage Increase (Department of Social and Health Services - Long-Term Care). I am asking DSHS to put \$2,927,000 of General Fund-State in allotment reserve status to reflect

this veto.

- ∅ Subsection 221(2)(i), page 104, Motor Vehicle Theft (Department of Corrections)
- ∅ Subsection 501(2)(b)(iii), pages 147-148, Technology Task Force (Office of the Superintendent of Public Instruction Statewide Programs)
- ∅ Subsection 604(10), page 203, Recruitment and Retention (University of Washington)
- ∅ Subsection 605(4), page 204, Recruitment and Retention (Washington State University)
- ∅ Section 606, lines 31-38, page 204; lines 1-3, page 205, Recruitment and Retention (Eastern Washington University)
- ∅ Subsection 607(1), page 205, Enrollment Recovery (Central Washington University)
- ∅ Subsection 607(2), page 205, Recruitment and Retention (Central Washington University)
- ∅ Subsection 608(1), page 206, Recruitment and Retention (The Evergreen State College)
- ∅ Subsection 608(11), pages 208-209, Washington State Institute for Public Policy Studies (The Evergreen State College)
- ∅ Subsection 609(2), pages 209-210, Recruitment and Retention (Western Washington University)
- ∅ Section 725, page 244, Tort Liability Account

I also have concerns about two provisos of this bill that I did not veto:

Subsection 204(1)(j) requires that DSHS reduce funding to the Regional Support Networks based on an excess of specified reserves. Recognizing legislative interests, I am directing DSHS to work with the Regional Support Networks to develop an implementation plan that identifies and best addresses any unintended consequences, were the reserves to be liquidated as planned. The implementation plan will ensure that the total reserve spend-down will result in the necessary general fund savings as required by the appropriations bill.

Subsection 205(1)(b) is an essential component of the settlement in the Arc v. State of Washington case. Although there have been concerns expressed to me regarding the program implications, vetoing this proviso would eliminate the funding needed to phase in service expansions agreed upon in the settlement and would risk continued litigation. The funding assumptions in this subsection, though complicated, will expand services. This subsection also requires a redesign of some elements of the family support, and employment and day programs. Given the complexity of these changes, I am requiring DSHS to work with clients, client advocates, and service providers to develop a plan that best implements these changes and program expansions.

For these reasons, I have vetoed sections 103, lines 10-11; 113, line 23; subsections 125(31); 125(34); 137(2); 137(4); 204(1)(h); 204(1)(k); 204(5)(c); 205(1)(a); 205(1)(j); 206(11); 207(1)(e); 207(1)(f); 207(1)(g); 207(1)(h); 207(1)(i); 207(1)(j); 207(1)(k); 207(1)(l); 207(1)(m); 207(1)(n); 221(2)(i); 308(18); 501(2)(b)(iii); 604(10); 605(4); section 606, lines 31-38, page

204; lines 1-3, page 205; subsections 607(1); 607(2); 608(1); 608(11); 609(2); and section 725; of Engrossed Substitute Senate Bill No. 6387.

With the exception of sections 103, lines 10-11; 113, line 23; subsections 125(31); 125(34); 137(2); 137(4); 204(1)(h); 204(1)(k); 204(5)(c); 205(1)(a); 205(1)(j); 206(11); 207(1)(e); 207(1)(f); 207(1)(g); 207(1)(h); 207(1)(i); 207(1)(j); 207(1)(k); 207(1)(l); 207(1)(m); 207(1)(n); 221(2)(i); 308(18); 501(2)(b)(iii); 604(10); 605(4); section 606, lines 31-38, page 204; lines 1-3, page 205; subsections 607(1); 607(2); 608(1); 608(11); 609(2); and section 725, Engrossed Substitute Senate Bill No. 6387 is approved.

Respectfully submitted,  
Gary Locke  
Governor