

SB 6503-S.E - DIGEST

(DIGEST AS ENACTED)

Directs state agencies to achieve a reduction in employee compensation costs through mandatory and voluntary furloughs, leave without pay, reduced work hours, voluntary retirements and separations, and layoffs.

Provides exceptions to certain agencies.

Requires state agencies to submit an approved reduction plan and subjects an agency to ten specified agency closure dates for failing to submit a plan.

Authorizes certain employees to use annual or shared leave in lieu of temporary layoffs during agency closures.

Modifies the definitions of "final average salary," "average final compensation," and "earnable compensation" for certain retirement system plans.

VETO MESSAGE ON ESSB 6503

April 27, 2010

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 Section 2, Engrossed Substitute Senate Bill 6503 entitled:

"AN ACT Relating to the operations of state agencies."

This bill directs state agencies to achieve reductions in employee compensation costs. Section 2 of this bill would require additional compensation reductions of \$10 million General Fund State from Washington Management Service and exempt managers, who comprise less than five percent of state employees. A cut of this size, over such a small base, is too large to be practical. For example, it would take nearly two weeks of temporary layoff -- over and above the ten days of layoff due to agency closures included in this bill -- to reach this level of compensation reduction.

Managers will be subject to the temporary layoffs in proportion to all staff. Imposing this added reduction would interfere with recruiting and retaining qualified and experienced workers. It would likely cause salary inversion, making it particularly hard to promote senior state employees with technical skills into management jobs.

For these reasons I have vetoed Section 2 of Engrossed Substitute Senate Bill 6503.

With the exception of Section 2 of Engrossed Substitute Senate
Bill 6503 is approved.

Respectfully submitted,
Christine Gregoire
Governor