April 9, 2003

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 202, lines 31 and 32; 305, lines 14 and 15; 706; and 707 of Substitute Senate Bill No. 5403 entitled:

"AN ACT Relating to fiscal matters;"

My reasons for vetoing these sections are as follows:

Section 202, Lines 31-32, Page 31, Appropriation Reduction for the Children and Family Services Program (Department of Social and Health Services)

This appropriation item would have reduced the appropriation to the Department of Social and Health Services' (DSHS) Children and Family Services Program by $3,804,000. DSHS has already adopted numerous measures to contain costs and achieve the savings assumed for this fiscal year. Equipment purchases and out-of-state travel have long ago been frozen and hiring has been delayed. However, a number of unanticipated, unavoidable costs will need to be covered between now and June 30, 2003, the conclusion of the fiscal year. Possible federal funding changes and additional expenses related to pending litigation are examples of these costs. Meanwhile, current budget estimates for the department indicate no ending fund balance with which to assure the agency can meet its obligations through the end of the biennium. I am directing the department to continue to aggressively cut costs wherever it can. This item veto provides the department a small amount of necessary budget flexibility so that they can properly close out the fiscal year.

Section 305, Lines 14-15, Page 105, Appropriation Reduction for the State Toxics Control Account (Department of Agriculture)

This appropriation item would have reduced the State Toxics Control Account appropriation to the Department of Agriculture by $433,000. However, this reduction is not similarly reflected in the proviso. Thus, there is a technical error. In order to correct it, I am vetoing the entire reduction. However, I am instructing the director of the
Department of Agriculture to place $433,000 of the agency’s proposed State Toxics Control Account authority in reserve.

Section 706, Page 165, Allotment Reduction for Travel, Equipment, and Personal Service Contracts

This section would have directed the Office of Financial Management to reduce agency allotments for travel, equipment and personal service contracts by $10 million dollars. Without this veto, the Office of the Superintendent of Public Instruction’s committed contracts to conduct the Washington Assessment of Student Learning and Iowa Test of Basic Skills assessments in the state’s K-12 schools this year are jeopardized. This section also jeopardizes the contracts the Attorney General employs with expert witnesses to defend the state’s interests in major lawsuits; the Department of Social and Health Services’ ability to travel allowing Child Protective Service workers to safeguard vulnerable children on a daily basis; the Department of Corrections’ essential ability to transport dangerous prisoners; and the Department of Transportation’s construction contracts in place with the private sector.

State agencies need to do everything in their power to control discretionary expenditures in these difficult financial times. However, essential travel, equipment and personal services contracts are often critical in delivering direct services to Washington citizens, and cannot be stopped without affecting those services.

The $10 million cut in this provision would have been added to employee-related savings and program reductions already implemented in most agencies. Many agencies simply cannot absorb the cumulative effect of these multiple reductions in the three months remaining in the 2001-03 Biennium.

I agree with the general intent of this provision, therefore I am directing agencies to continue to closely monitor and control discretionary expenditures in preparation for the significant program cuts that will need to be part of the new budget that begins on July 1.

Section 707, Pages 165-166, State Employment Restrictions

This section would have prohibited executive branch agencies from establishing new staff positions and would have restricted agencies’ ability to fill vacancies. In the recently passed budget proposal for 2003-05, the Senate has already recognized that this restriction is far too limiting. However, there are no assurances that a budget for the next biennium will pass the Legislature in time to cure this problem, so I am vetoing this section.

Directive No. 02-04, which I issued in December of 2002, set in motion the key provisions of this section of the supplemental budget by directing executive agencies to limit hiring and meet specific employee reduction targets. If this section were implemented, natural resource agencies like State Parks, the Department of Ecology, the Department of Agriculture and the Department of Natural Resources would have been
unable to hire the essential spring and summer temporary employees to manage and safeguard our parks, campgrounds and recreational areas. The Consumer Advocacy program in the Insurance Commissioner’s Office would have been unduly limited by this provision.

Agency budgets and employment levels have already been reduced in separate actions in this supplemental budget bill. In keeping with the intent of this section, agencies will continue to limit hiring to meet the employment reduction targets pursuant to my directive.

For these reasons, I have vetoed sections 202, lines 31 and 32; 305, lines 14 and 15; 706; and 707 of Substitute Senate Bill No. 5403.

With the exception of sections 202, lines 31 and 32; 305, lines 14 and 15; 706; and 707, Substitute Senate Bill No. 5403 is approved.

Respectfully submitted,

[Signature]
Gary Locke
Governor