

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 · Olympia, Washington 98504-0002 · (360) 753-6780 · www.governor.wa.gov

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To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 113(9); 127(14); 127(29); 129(11); 141(1); 214(13); 222, page 105, line 12; 307(23); 307(24); 307(30); 402, page 147, line 33; 949; 1608(4) and (5); and 1621(4) of Substitute House Bill 1128 entitled:

"AN ACT Relating to fiscal matters."

Section 127(14), page 25, Department of Community, Trade and Economic Development, Distribution of Visitor Guides

Visitor guides are an important tool for promoting tourism to Washington State. The Department of Community, Trade and Economic Development currently has a formal agreement with the tourism industry to store and mail visitor guides as requested by the industry. The Department, in close partnership with the new tourism committee created by Substitute House Bill 1276, should have discretion on how many guides should be distributed. Therefore, I have vetoed Section 127(14).

Section 127(29), page 28, Department of Community, Trade and Economic Development, Grant to the Synergy Group

This nonprofit organization has the potential to ensure that the delivery of social services in the Lake Stevens area is accomplished more efficiently, and I encourage this type of coordination. However, this effort is more appropriately a local function, not the state's. Furthermore, the Synergy Group has not yet been legally established and does not yet have a clearly defined mission and purpose. For this reason, I have vetoed Section 127(29).

Section 129(11), pages 37-38, Office of Financial Management, Technical Assistance to Pharmacies

This proviso requires that the Office of Financial Management enter into an interagency agreement with the Department of Social and Health Services to establish a technical audit

assistance program for pharmacies that provide Medicaid services, to oversee the technical assistance program, and to review and update pharmacy audit practices. No new funds were provided to accomplish these activities. In addition, the delegation of this authority to the Office of Financial Management over audit practices appears to violate the federal Medicaid Single State Agency requirement that the Department of Social and Health Services handle matters of this sort. For these reasons, I have vetoed Section 129(11).

Section 141(1), page 44, Department of General Administration, Moving Costs for Office of Minority and Women-Owned Businesses

This proviso prevents the Department of General Administration from charging the Office of Minority and Women's Business Enterprise for the cost of moving to a new office. Since the Department of General Administration is supported by rates and fees, any service that is not charged to the agency receiving the services could result in higher rates for other state agencies. Therefore, I have vetoed Section 141(1).

Section 214(13), page 97, Health Care Authority, Family Practice Residency in Southeastern Washington

This proviso establishes a family practice residency program in southwest Washington. On-going programs of this nature are best established with substantive legislation, not as a proviso in the appropriations bill. For this reason, I have vetoed Section 214(13).

Section 222, page 105, line 12, Department of Health, Oyster Reserve Land Account Appropriation

This is a technical veto to correct an over-appropriation in this account. While the Department of Health will no longer have a direct appropriation, the Department of Fish and Wildlife will enter into an agreement with the Department of Health to distribute pass-through funding to local health jurisdictions for grants to individuals to improve on-site sewage systems, as required by Substitute Senate Bill 5372, the Puget Sound Partnership. For this reason, I have vetoed Section 222, line 12.

Section 307(23), page 135, Department of Fish and Wildlife, Sinking Vessels in Puget Sound for Dive Attractions

This proviso requires that, within existing funds, the Department of Fish and Wildlife in coordination with the Department of Ecology shall evaluate the environmental impacts of sinking vessels in Puget Sound for dive attractions. A needs assessment and scoping study (including environmental impacts) for sinking ships as diving sites in Puget Sound has already been completed, and was submitted to the Office of Financial Management and the Legislature in November of 2006. No additional funding was provided for this new evaluation. For these reasons, I have vetoed Section 307(23).

Section 307(30), page 136, Department of Fish and Wildlife, Use of Appropriated Funds for Mole Trapping, Mountain Beaver Removal Enforcement

This proviso prohibits the Department of Fish and Wildlife from using appropriated funds to enforce RCW 77.15.194, providing penalties for the use of leg-hold traps for trapping by mole exterminators or for the removal of mountain beaver from forest lands. The budget bill is not the appropriate vehicle for making substantive policy changes in the way the state implements

Initiative 713. No bill passed the Legislature this session modifying RCW 77.15.194. Therefore, I have vetoed section 307(30).

Section 402, line 33, page 147, Washington State Patrol, DNA Data Base Account

Appropriation

A drafting error resulted in an inadvertent appropriation from the DNA Data Base Account, which is a nonappropriated fund. Funds from the nonappropriated source are still available to the State Patrol for forensic laboratory improvements. Therefore, I have vetoed the appropriation from this account.

Section 949, page 283-287, Health Care Authority, Amending the Public Employee Benefits

Board Statute

In this act, the Legislature defines the maximum contribution rates to be paid by state agencies on behalf of employees for health benefits. The Public Employee Benefits Board (PEBB) uses this funding level to secure a competitive benefit package for PEBB participants. Section 949 amends existing statute to prevent the Board from revising health plan offerings if that change would increase the actuarial value of the plans for the 2007-09 Biennium. This restriction is contrary to the PEBB's responsibility to successfully manage a competitive employee benefit package within the fiscal parameters established by the Legislature. It also limits the involvement of key stakeholders (including labor, retirees, and benefit experts) in important benefit decisions. For these reasons, I have vetoed Section 949 in its entirety.

Section 1608(4) and (5), page 501, Department of Retirement Systems, Funding for 2006

Legislation

These subsections add funding for legislation that was passed in 2006, and is already in the budget. Therefore, I have vetoed Section 1608(4) and (5).

Section 1621(4), page 506, for the Office of Financial Management, Technology Funding

This proviso would prohibit the release of funds to pay for at least 35 projects with a risk-severity assessment of level 2 or greater until a feasibility study is completed and the project is approved by the Information Services Board. While I agree that these projects need careful review and scrutiny before they proceed, I am vetoing Section 1621(4) because of the added workload and complexity introduced by these requirements. However, I direct the Department of Information Services and the Information Services Board to use their existing authority to provide the review and analysis desired in this proviso so that future costs and risks are better understood before the projects are allowed to move forward.

In addition, I share the intention expressed by the Legislature in Section 903 of this bill to better manage technology investments to achieve more common and coordinated technology and data solutions. Therefore, I also direct the Department of Information Services and Information Services Board to use their existing authority to review and strengthen investment planning for information technology projects to include, at a minimum, a review of the ability of projects to better use common services and solutions. Doing so can help reduce costs and risks for individual projects and can help the state realize greater economies of scale across multiple projects.

The following sections are vetoed because the bills referenced did not pass:

Section 113(9), page 12, Office of Administrator for the Courts, SHB 1141, Diversion Records

Section 307(24), page 135, Department of Fish and Wildlife, ESHB 1147, Damage to Livestock

For these reasons, I have vetoed Sections 113(9); 127(14); 127(29); 129(11); 141(1); 214(13); 222, page 105, line 12; 307(23); 307(24); 307(30); 402, page 147, line 33; 949; 1608(4) and (5); and 1621(4) of Substitute House Bill 1128.

I am signing Section 307(8) which directs the Department of Fish and Wildlife to implement a joint management and collaborative enforcement agreement with the Confederated Tribes of the Colville and the Spokane Tribe without providing additional appropriations for the agreement. While I would have preferred that the Legislature provide new funding for this important endeavor, I am committed to the agreement and will work with the agency, the tribes and the Legislature to ensure its success.

With the exception of Sections 113(9); 127(14); 127(29); 129(11); 141(1); 214(13); 222, page 105, line 12; 307(23); 307(24); 307(30); 402, page 147, line 33; 949; 1608(4) and (5); and 1621(4), Substitute House Bill 1128 is approved.

Respectfully submitted,

/s/

Christine O. Gregoire
Governor