GARY LOCKE
Governor

STATE OF WASHINGTON
OFFICE OF THE GOVERNOR
P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

June 26, 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 103; 148(1); 156(1); 161, lines 4-13 and lines 16-17; 171, lines 24-32; 172(1); 172(2); 215(1); 227(2); 229(1); 229(2); 232(3); 273(5); 304(2); 352(2); 401; 429; 620; 783; 816(1); 816(2); 816(3); 821(1); 821(2); 821(3); and 907(4)(g) of Substitute Senate Bill No. 5401 entitled:

"AN ACT Relating to the capital budget;"

Substitute Senate Bill No. 5401 is the state capital budget for the 2003-2005 Biennium. I have vetoed several provisions as described below:

Section 103, page 2, Office of the State Auditor
This appropriation would have provided $100,000 from the Thurston County Capital Facilities Account to move the Auditor from the Sunset Building and to purchase equipment. These proposed uses are inconsistent with the Thurston County Capital Facilities Account, as defined in existing statute. Moving costs are agency responsibilities within their operating budgets.

Section 148 (1), page 23, Department of Community, Trade, and Economic Development
The first proviso for the Seventh Street Theatre cites to Section 906(2)(b), which is intended for the acceleration of environmental rehabilitation and restoration projects. This project does not relate to natural resources and the reference is apparently in error.

Section 156 (1), page 28, Office of Financial Management (OFM)
Section 156(1) would have directed OFM to emphasize particular factors when reviewing capital appropriation requests from state agencies. This directive unnecessarily adds to existing statutory requirements already in place.

Section 161, page 30, lines 4 – 13 and lines 16-17, Department of General Administration
This appropriation would have provided $500,000 from the Thurston County Capital Facilities Account for Heritage Park. This appropriation is inconsistent with the purpose of the account as defined in statute. Heritage Park is an element of the state capitol campus and seat of government. Improvements to the park should be financed from general state obligations and not from funds derived from agency collected fees for services.

Section 171, page 34, lines 24 – 32, Department of General Administration
This proviso would have directed a revision to an existing agreement between the Insurance Commissioner and the department, which is already complete. The funds referenced in the proviso were spent on the feasibility study during the 2001-2003 Biennium.

Section 172(1) and (2), page 35, Department of General Administration
Subsections (1) and (2) would have created restrictions on projects less than $1 million by prohibiting use of funds for studies, surveys or carpet replacement. The funds appropriated in this section derive from agency fees for services so that the Department of General Administration can adequately maintain state-owned facilities, as required by statute. This proviso language would have unduly restricted the agency's ability to evaluate and remedy maintenance needs as they occur, potentially resulting in higher costs in the future.

Section 215(1), page 46, Department of Social and Health Services
Section 215(1) would have prohibited the expenditure of reappropriated funds for developmental disabilities facilities subject to closure. The language is ambiguous in its intent, since no developmental disabilities facility is scheduled for closure in the 2003-2005 biennium. Furthermore, if this prohibition were applied to each structure in a facility, it could prevent the preservation of essential buildings and jeopardize certification and eligibility for federal funding.

Section 227(2), page 50, Department of Social and Health Services
Section 227(2) would have prohibited the use of funds for demolition of abandoned structures at facilities managed by the Division of Developmental Disabilities. There is in excess of 300,000 square feet of abandoned and hazardous buildings already scheduled for demolition at Fircrest School, Rainier School, Lakeland Village and Yakima Valley School. Prohibiting removal of these buildings is inefficient and a risk to public safety.

Section 229(1) and (2), page 51, Department of Social and Health Services
In the operating budget, the department is required to develop a transition plan for the residential consolidation of clients from the Fircrest School. That transition plan will be complete by January 2004. The capital budget language in Section 229(1) and (2) would have required a capital facilities plan based on the operational planning determinations from this transition plan. Since the capital facilities plan would be due September 2003, it would create an inconsistency in the schedule of the operating plan.

Section 232(3), page 53, Department of Social and Health Services
Section 232(3) would have required review and approval by both the executive and legislative branches for a Juvenile Rehabilitation planning study. Since required components of the study are listed in Section 232(2), and the final study must be submitted to the Legislature, it is unnecessary to also submit the preliminary outline of project scope.

Section 273(5), page 67, Department of Corrections
Section 273(5) would have required review and approval of the.Master Plan scope of work by both the executive and legislative branches. Since other provisos in this section indicate the objectives and components of this effort, it is unnecessary for the department to obtain additional approval for the initial scope of work.

Section 304(2), page 71, Department of Ecology
This subsection would have provided $1.8 million of Local Toxics Control Account grants to Klickitat County for removal, disposal or recycling of vehicle tires. This effort is not an eligible project under the Local Toxics Control Account Remedial Action Cleanup Program. To be eligible for such funding, a site must be under an agreed-upon order or consent decree, have completed a site assessment and cleanup plan, and be a declared toxic waste site. This site does not meet these criteria.

Subsection 352 (2), Page 90, Interagency Committee for Outdoor Recreation
This proviso would have eliminated reappropriated funds available to the Washington Wildlife and Recreation Program (WWRP) on December 31, 2003. If these funds lapse, several local parks and/or recreational projects would be terminated due to the loss of state matching funds used to leverage local resources. Parks, trails and recreational areas are in short supply and it is the wrong time to shut down projects that eliminate jobs important to the vitality of local communities.

Section 401, Page 109, Department of Fish and Wildlife
This section would have appropriated $500,000 to develop a Wind Power Alternative Mitigation Pilot Program for the purpose of streamlining the mitigation process for wind power projects and associated habitat. While I fully support efforts to develop this renewable energy resource, additional direction is needed from the Legislature to determine the proper components of this program.

Section 429, Page 119, Department of Natural Resources (DNR)
This section would have provided $900,000 of general obligation bond funds to digitize an unspecified portion of the DNR geology library, which is being reduced to one full-time equivalent (FTE) in the operating budget. Expenses of this type are operating, not capital in nature, and are not appropriate for bond financing. In addition, the cost of digitizing the library collection is greater than the biennial cost to operate the geology library at the 2001-03 staffing level.

Section 620, Page 133, University of Washington
This proviso would have assumed legislative approval of a future transportation budget. The reappropriated funds would have completed the design, right-of-way acquisition and environmental permits for an off-ramp into the University of Washington (UW) Bothell campus from State Route 522. The off-ramp is a requirement of the city of Bothell for future campus development of UW-Bothell and Cascadia Community College. However, due to anticipated student enrollment, additional campus development is not expected within the next six to ten years.

Section 783, Page 194, Community and Technical College System
This proviso would have assumed legislative approval of a future transportation budget. The reappropriated funds would have completed the design, right-of-way acquisition and environmental permits for an off-ramp into the Cascadia Community College campus from State Route 522. The off-ramp is a requirement of the city of Bothell for future campus development of UW-Bothell and Cascadia Community College. However, due to anticipated student enrollment, additional campus development is not expected within the next six to ten years.

Section 816(1), (2) and (3), Page 208, Community and Technical College System
These provisos would have placed overly restrictive conditions on the replacement of the North Plaza Building at Seattle Central Community College. Section 816(1) mandates construction limits that should, in part, be determined as part of the design phase of the project. Sections 816(2) and (3) require cost tracking data and additional expenditure accounting that are beyond the typical reporting requirements for a project of this size. This level of reporting poses an unnecessary expense to the college.

Section 821(1), (2) and (3), Page 210, Community and Technical College System
These provisos would have placed overly restrictive requirements on the renovation of Building 7 at Tacoma Community College. Section 821(1) mandates construction limits that should, in part, be determined as part of the design phase of the project. Sections 821(2) and (3) require cost tracking data and additional expenditure accounting that are beyond the typical reporting requirements for a project of this size. This level of reporting poses an unnecessary expense to the college.

Section 907(4)(g), Page 218, Community and Technical College System
Section 907(4)(g) would have authorized South Puget Sound Community College to purchase approximately 25 acres of land for a permanent Hawks Prairie campus. This proposal assumes the financing of a new community college campus, a decision that should be based on an assessment of future needs as part of the comprehensive budget decision process.

In addition to vetoing the sections above, I am directing the Office of Financial Management to place in allotment reserve the Thurston County Capital Facilities Account appropriated to the Department of General Administration in Section 169, Page 33. The project management functions provided by the department for capital projects should be distributed equitably across fund sources for those projects. Appropriations for

amounts in excess of the project management costs for capital projects in Thurston County are contrary to the express provisions of RCW 43.19.501. My intention is to hold the Thurston County Capital Facilities Account appropriation in allotment reserve and seek corrective appropriations in the first supplemental budget.

For these reasons, I have vetoed sections 103; 148(1); 156(1); 161, lines 4-13 and lines 16-17; 171, lines 24-32; 172(1); 172(2); 215(1); 227(2); 229(1); 229(2); 232(3); 273(5); 304(2); 352(2); 401; 429; 620; 783; 816(1); 816(2); 816(3); 821(1); 821(2); 821(3); and 907(4)(g) of Substitute Senate Bill No. 5401.

With the exception of sections 103; 148(1); 156(1); 161, lines 4-13 and lines 16-17; 171, lines 24-32; 172(1); 172(2); 215(1); 227(2); 229(1); 229(2); 232(3); 273(5); 304(2); 352(2); 401; 429; 620; 783; 816(1); 816(2); 816(3); 821(1); 821(2); 821(3); and 907(4)(g), Substitute Senate Bill No. 5401 is approved.

Respectfully submitted,

Gary Locke
Governor