



STATE OF WASHINGTON
— OFFICE OF GOVERNOR BOB FERGUSON —

May 20, 2025

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

Esteemed Colleagues:

I am returning herewith, without my approval as to Sections 1049, 2038(4), 3031(3), 3031(4), 3031(5), 3054, 6010(2), 6010(3), 6011(2), 6011(3), 6012(2), 6012(3), 6018(2), 6018(3), 6019(2), 6019(3), 7072(1), 7072(4), 7072(6), 7072(7), 8018(2), 8018(3), and 8036, Substitute Senate Bill No. 5195 entitled:

"AN ACT Relating to the capital budget."

Section 1049, pages 64-65, Office of Financial Management, Capital Budget Cost Study

This section directs the Office of Financial Management (OFM) to conduct a capital budget cost study. As indicated in OFM's April 11, 2025, concerns memorandum to the Legislature regarding the initial legislative capital budget proposals, the scope, timeline and amount provided for the study are not implementable. For this reason, I am vetoing Section 1049.

Section 2038(4), page 93, Department of Children, Youth, and Families, Additional Juvenile Rehabilitation Capacity

Section 2038(4) requires the Department of Children, Youth, and Families to provide a cost estimate for additional juvenile rehabilitation capacity as part of its decision package for the 2026 supplemental budget. It is not reasonable for the agency to meet this timeline. For this reason, I am vetoing Section 2038(4). However, I am directing the department to submit a predesign to the Office of Financial Management and the appropriate committees of the Legislature no later than March 31, 2026, and to include a full plan of construction, including costs and schedule, as part of its decision package for consideration in the 2027-29 biennial budget.

Sections 3031(3), page 110; 3031(4), pages 110-111; and 3031(5), page 111, Department of Ecology, Capitol Lake-Deschutes Estuary Project

Sections 3031(3), 3031(4), and 3031(5) set forth several requirements for the Department of Ecology that are not necessary due to the availability of past reports and studies that contain elements of a lake management plan. For this reason, I am vetoing Sections 3031(3), 3031(4), and 3031(5). However, in light of future uncertainty with federal funding, I am directing the Department of Ecology to continue with a fresh look at cost effective options for the estuary restoration and to identify any other short-term actions needed, including improving the water quality of Capitol Lake.

Section 3054, pages 117-118, State Parks and Recreation Commission, Cama Beach State Park Study

This section requires an engineering study of certain structures at Cama Beach State Park. This requires Tribal consultation because it is a culturally sensitive area. A veto of this study will allow time for State Parks to engage meaningfully with the affected Tribes on this issue. For these reasons, I am vetoing Section 3054.

Sections 6010(2), page 180; and 6010(3), page 180, Department of Commerce, 2019-21 Building Communities Fund Program

Sections 6010(2) and 6010(3) require the Department of Commerce to reissue contracts for unexpended grants that would otherwise expire, and also direct that the funds will lapse if they are not spent by the end of the 2025-27 biennium. These sections conflict with the Department of Commerce's grant program policy and existing contract provisions. For this reason, I am vetoing Sections 6010(2) and 6010(3).

Sections 6011(2), page 180; and 6011(3), page 180, Department of Commerce, 2019-21 Early Learning Facilities

Sections 6011(2) and 6011(3) require the Department of Commerce to reissue contracts for unexpended grants that would otherwise expire, and also direct that the funds will lapse if they are not spent by the end of the 2025-27 biennium. These sections conflict with the Department of Commerce's grant program policy and existing contract provisions. For this reason, I am vetoing Sections 6011(2) and 6011(3).

Sections 6012(2), page 181; and 6012(3), page 181, Department of Commerce, 2019-21 Behavioral Health Capacity Grants

Sections 6012(2) and 6012(3) require the Department of Commerce to reissue contracts for unexpended grants that would otherwise expire, and also direct that the funds will lapse if they are not spent by the end of the 2025-27 biennium. These sections conflict with the Department of Commerce's grant program policy and existing contract provisions. For this reason, I am vetoing Sections 6012(2) and 6012(3).

Sections 6018(2), page 183; and 6018(3), page 183, Department of Commerce, 2021-23 Building Communities Fund Grant Program

Sections 6018(2) and 6018(3) require the Department of Commerce to reissue contracts for unexpended grants that would otherwise expire, and also direct that the funds will lapse if they

are not spent by the end of the 2025-27 biennium. These sections conflict with the Department of Commerce's grant program policy and existing contract provisions. For this reason, I am vetoing Sections 6018(2) and 6018(3).

Sections 6019(2), page 184; and 6019(3), page 184, Department of Commerce, 2021-23 Building for the Arts Grant Program

Sections 6019(2) and 6019(3) require the Department of Commerce to reissue contracts for unexpended grants that would otherwise expire, and also direct that the funds will lapse if they are not spent by the end of the 2025-27 biennium. These sections conflict with the Department of Commerce's grant program policy and existing contract provisions. For this reason, I am vetoing Sections 6019(2) and 6019(3).

Sections 7072(1), pages 474-475; 7072(4), page 475; 7072(6), page 476; and 7072(7), page 476, Superintendent of Public Instruction, 2023-25 Small District and Tribal Compact Schools Modernization

Sections 7072(1), 7072(4), 7072(6), and 7072(7) reduce appropriations for the Small District and Tribal Compact Schools Modernization grant program through the Office of the Superintendent of Public Instruction (OSPI) and amend the lists of grantees. These funding reductions and project list changes would disallow spending that needs to occur for ongoing projects in fiscal year 2025. For this reason, I am vetoing Sections 7072(1), 7072(4), 7072(6), and 7072(7). However, I am directing the Office of Financial Management, in consultation with OSPI, to move the overlapping amounts between Sections 5014 and 7072, as well as the corrected Climate Commitment Act amount, into unallotted status. In addition, the 2025-27 funding amounts will be adjusted in my proposed 2026 supplemental budget.

Sections 8018(2), page 490; and 8018(3), page 490, Lapsing Language for Selected Capital Budget Grant Programs

Sections 8018(2) and 8018(3) direct that funding for projects that is not contracted or expended within a certain period of time will lapse. I agree with the intent expressed in Section 8018(1) that funding for the state's capital projects must be spent in a timely manner, including an expectation that projects are contracted within four years of appropriation and completed within six years. However, Sections 8018(2) and 8018(3) are constructed in a way that would be extremely difficult to implement. I also encourage the Legislature to consider the timelines of the Governor's budget when determining agency due dates. For these reasons, I am vetoing Sections 8018(2) and 8018(3).

Section 8036, pages 513-514, Amendments to Broadband Account, RCW 43.330.400

Section 8036 is duplicative of Section 6 in Engrossed Substitute House Bill 1468, both of

which create the same federal broadband account. For this reason, I am vetoing Section 8036.

For these reasons I have vetoed Sections 1049, 2038(4), 3031(3), 3031(4), 3031(5), 3054, 6010(2), 6010(3), 6011(2), 6011(3), 6012(2), 6012(3), 6018(2), 6018(3), 6019(2), 6019(3), 7072(1), 7072(4), 7072(6), 7072(7), 8018(2), 8018(3), and 8036 of Substitute Senate Bill No. 5195.

With the exception of Sections 1049, 2038(4), 3031(3), 3031(4), 3031(5), 3054, 6010(2), 6010(3), 6011(2), 6011(3), 6012(2), 6012(3), 6018(2), 6018(3), 6019(2), 6019(3), 7072(1), 7072(4), 7072(6), 7072(7), 8018(2), 8018(3), and 8036, Substitute Senate Bill No. 5195 is approved.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Bob Ferguson", with a stylized, flowing script.

Bob Ferguson
Governor