



JEB BUSH
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

May 28, 2004

Ms. Glenda E. Hood
Secretary of State
R. A. Gray Building
500 South Bronough Street
Tallahassee, FL 32399

Dear Secretary Hood:

By the authority vested in me as Governor of Florida, under the provisions of Article III, Section 19(b), of the Constitution of Florida, I do hereby withhold my approval of and transmit to you with my objections, a portion of Section 2, comprising a specific appropriation and related proviso, of House Bill 1251, enacted during the 106th Session of the Legislature of Florida, since statehood in 1845, during the Regular Session of 2004, and entitled:

An act relating to a joint underwriting plan of insurers . . .

House Bill 1251 restructures the Workers' Compensation Joint Underwriting Association (WCJUA) into a three tiered system that more definitively associates the risks of employers with appropriate rates. The bill provides a responsible method of addressing the deficit cash needs of the now defunct sub-plan D by allowing the WCJUA to access up to \$15 million from the Workers' Compensation Administration Trust Fund through the Legislative Budget Commission process.

However, in addition, the bill provides a direct appropriation of \$10 million to the WCJUA, something to which Lt. Governor Jennings and I objected during the legislative process and which we believed was not part of the agreement on the final legislation. The WCJUA is not a private insurance company and has no stockholders. State funds should only be available and used as necessary to pay claims and costs as they come due and not for the WCJUA to place in reserve to meet an estimate of future costs.

Some changes to the law may be necessary next year or at least by the 2007 Legislative Session to provide for a long term funding mechanism to meet the cash needs of sub-plan D. I will work with the Legislature to arrive at a fiscally responsible approach to address this deficit issue over the long term.

The objectionable appropriation provided in House Bill 1251 is as follows:

Section 2. Notwithstanding the provisions of sections 440.50 and 440.51, Florida Statutes, for the 2004-2005 fiscal year the sum of \$10 million is appropriated from the Workers' Compensation Administration Trust Fund in the Department of Financial Services for transfer to the workers' compensation joint underwriting plan provided in section 627.311(5), Florida Statutes, as a capital contribution to fund any deficit in the plan. The Chief Financial Officer shall transfer such funds to the plan no later than July 31, 2004.

The portion of House Bill 1251 that is set forth herein with my objection is hereby vetoed. All other portions of House Bill 1251 are hereby approved.

Sincerely,

Jeb Bush