



CHARLIE CRIST
GOVERNOR

June 11, 2008

Secretary Kurt S. Browning
Secretary of State
R. A. Gray Building
500 South Bronough Street
Tallahassee, Florida 32399

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DEPARTMENT OF STATE
TALLAHASSEE, FLORIDA

FILED

Dear Secretary Browning:

Today I sign Florida's \$66 billion budget for the 2008-09 fiscal year. Although smaller than in recent years, I believe this budget can maintain the gains Florida has achieved over the past several years. I have often reflected that it is easier to govern when the economy is stronger and revenue growth is consistent. However, historic times such as these demand leadership, commitment and the fortitude to make tough choices. I commend Senate President Ken Pruitt and House Speaker Marco Rubio for their dedication, wisdom, and sound judgment regarding the needs of Floridians and our State. The 2008-09 General Appropriations Act is a responsible budget which was designed to fund the critical needs of our State, without placing tax burdens on the people. I'm truly grateful to the leaders and to each member of the Legislature and applaud their continued commitment to the people of Florida.

In developing Florida's 2008-09 budget, the Legislature had to make difficult choices regarding the expenditure of the people's money. I am pleased to report that this budget supports essential state services at meaningful levels, protects our most vulnerable, keeps our citizens safe, and provides for the education of our children.

This year's budget will preserve key programs for public schools, such as merit pay for teachers and bonuses for National Board Certification, as well as funding medical schools and Bright Futures scholarships in higher education. Notably, while public school funding per student is slightly lower than last year, it is still greater than any previous year. I am most grateful that direct medical services to our most vulnerable citizens will be sustained by using a limited amount of state reserves. Funding is provided for programs that benefit the children of Florida, including enrolling an additional 38,000 children in KidCare, enhancing child protection by increasing the number of adoptions and creation of children's zones to provide a comprehensive prevention strategy to children living in high-risk neighborhoods. Funding is provided to maintain and repair existing senior centers and county health departments. Even in a challenging budget year we are able to continue the state's partnership with the federal government to restore the Everglades, and funds are provided to allow the Florida Forever program to continue acquiring lands vital to the preservation and conservation of natural resources. Over \$7 billion is funded to continue critical road and bridge repairs and to construct, preserve, and manage the state's transportation infrastructure. In addition, funding is provided for an additional 10,200 prison beds, so our citizens can rest assured that prisoners will continue to serve a minimum of 85 percent of their sentences.

Economic recovery and growth will continue to be a major focus in the coming year, with a substantial commitment to job creation, tourism promotion, and economic incentives. Together we have faced many challenges, and together we must address the challenges before us now. I stand firm in my vision to expand Florida's economy and believe that as we take steps to implement these changes, our successes will begin to bear fruit.

By the authority vested in me as Governor of Florida, under the provisions of Article III, Section 8, of the Constitution of Florida, I do hereby withhold my approval of portions of House Bill 5001, enacted during the 110th Session of the Legislature, since Statehood in 1845, convened under the Constitution of 1968, and entitled:

An act making appropriations; providing moneys for the annual period beginning July 1, 2008, and ending June 30, 2009, to pay salaries, and other expenses, capital outlay - buildings, and other improvements, and for other specified purposes of the various agencies of State government; providing an effective date.

**SECTION 5 - NATURAL RESOURCES/ENVIRONMENT/GROWTH
MANAGEMENT/TRANSPORTATION**

Specific Appropriation 1772C

Pages 233 through 236 - A portion of proviso language

"Harris Chain of Lakes Restoration..... 300,000"

SECTION 6 - GENERAL GOVERNMENT

Specific Appropriation 2636A

Page 321 - A portion of proviso language

"Exponica International..... 840,000"

OTHER SECTIONS

I believe the Insurance Capital Build-Up Incentive Program is well intended, has had the net effect of removing nearly 200,000 policies from the Citizens Property Insurance Corporation, and has kept an additional estimated 480,000 policies out of Citizens. The original funding for the program came from the General Revenue Fund; however, additional funding for the program for the 2009-10 fiscal year would have come from policyholders' surplus in Citizens, which is used to pay claims in the event of a catastrophic hurricane. I believe this funding mechanism is inappropriate.

Citizens has a combined loss exposure in Florida of about \$223 billion and approximately 1.3 million policyholders. Taking \$250 million away from Citizens' ability to pay claims will substantially increase the likelihood of assessments for Floridians across the state.

The people of Florida are already feeling the heavy weight of property insurance and property tax burdens. I do not support risking an additional financial hardship on Floridians; therefore, I vetoed section 16 of Senate Bill 2860 and House Bill 5057 as these bills would have required Citizens Property Insurance Corporation to transfer \$250 million of its policyholders' surplus funds into the state General Revenue Fund.

Section 78 of the General Appropriations Act would have completed the transfer of Citizens' reserves to the Insurance Capital Build-Up Incentive Program. Without the transfer from Citizens, there are not sufficient funds to accomplish this appropriation; therefore, I do hereby withhold my approval of the following line item:

Section 78

Pages 391 and 392

"SECTION 78. The sum of \$250,000,000 is appropriated from General Revenue Fund on a non-recurring basis to the State Board of Administration for purposes of the Insurance Capital Build-Up Incentive Program established pursuant to s. 215.5595, Florida Statutes. This appropriation is contingent upon Citizens Property Insurance Corporation transferring \$250,000,000 to General Revenue Fund for this purpose as provided by law. Costs and fees incurred by the State Board of Administration in administering this program, including fees for investment services, shall be paid from the funds appropriated by this section."

The portions of House Bill 5001 which are set forth herein with my objections are hereby vetoed, and all other portions of House Bill 5001 are hereby approved.

Sincerely,



Charlie Crist