



CHARLIE CRIST
GOVERNOR

May 28, 2010

Interim Secretary Dawn K. Roberts
Florida Department of State
R. A. Gray Building
500 South Bronough Street
Tallahassee, Florida 32399

Dear Interim Secretary Roberts:

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 112th Regular 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, 2010, and ending June 30, 2011, 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.

The legislature has passed Florida's \$70.4 billion budget for Fiscal Year 2010-11, the largest budget in recent years. While economic recovery is on the horizon, General Revenue dollars are still scarce and spending has to be carefully prioritized to provide the most critical services to the citizens of our state. The majority of the budget provides funding for essential state services, protects our most vulnerable, keeps our citizens safe, and provides for the education of our children. For that I am grateful to our legislative leaders and commend their efforts.

My constitutional duty as the state's chief administrator for planning and budgeting for the state is to ensure the appropriate use of the people's money. Therefore, I directed my staff to provide a thorough review of each item in the budget. Through this process we have identified projects in the budget that were inserted late in the process; funded outside of established processes; and earmarked funds benefiting a select group or geographic region. While projects fitting this criteria were not vetoed comprehensively, they were reviewed exhaustively and approved if they served the most vulnerable, provided for job creation, or stimulated economic development.

There are several other items in the budget that I feel compelled to address.

First, with Florida's economy teetering on recovery, it is important that government act responsibly and take positive steps in favor of economic activity and higher employment. The legislature's decision to sweep the State Transportation Trust Fund tips the balance by eliminating transportation projects and removing jobs from the market. Further, the legislature chose to link this sweep to funding for the Florida Education Finance Program (FEFP). We should not have to choose between jobs for Floridians or funding for our children's education. Therefore I have decided to veto proviso that made funding for the Florida Education Finance Program (FEFP) contingent upon the transfer of funds from the State Transportation Trust Fund.

Second, I am concerned about prohibiting universities from conducting human embryonic stem cell research. The benefits of human embryonic stem cell research will allow researchers to understand the growth, development and differentiation of cells into several specialized cell types. This can lead to a better understanding of genetic diseases and has the potential for the development, testing of new therapies and medications that can help thousands of Floridians. In addition, other states have invested millions of dollars into human embryonic stem cell research because their state governments allow them to do this type of research. As a result, these states are seeing more research and development investment from national corporations and start-ups. Florida must diversify its economy and help its people. For this reason, I veto proviso that prohibits funds from supporting human embryonic stem cell research in our universities.

Third, the decision by the legislature to implement a recurring methodology for reducing nursing home reimbursement rates to achieve a reduction of \$199.4 million is of great concern to me. Over the past two fiscal years, nursing home reimbursement rates have been reduced. This additional rate reduction has the potential to create an access problem to long term care for Medicaid recipients. Nursing homes which serve a large percentage of Medicaid patients are at the greatest risk of closing their doors and going out of business. Consequently, I decided to veto proviso that would have reduced nursing home rates.

Last, I am also concerned about rate reductions that affect providers that serve Florida's most vulnerable citizens. Providers that serve the needs of the developmentally disabled have been subject to numerous rate reductions in the past few years. This additional reduction in the Fiscal Year 2010-11 General Appropriations Act of 2.5 percent places many of these services needed by the developmentally disabled at risk and many providers will have to shut down operations and close their doors. I am concerned about leaving the developmentally disabled population without a robust service delivery system to meet their needs and provide the specialty care they need. For these reasons, I am also vetoing proviso related to the 2.5 percent provider rate reductions.

I do hereby withhold my approval of the following line items in the 2010-11 General Appropriations Act: