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1686	657	April 26	April 26
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1783	661	April 26	April 26
1871	662	April 26	April 26
1885	663	April 26	April 26
1900	664	April 26	April 26
1937	665	April 26	April 26
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Sincerely,

Joan Anderson Growe Secretary of State

STATE OF MINNESOTA OFFICE OF THE GOVERNOR SAINT PAUL 55155

April 26, 1988

The Honorable Robert Vanasek Speaker of the House of Representatives The State of Minnesota

Dear Representative Vanasek:

I am returning without my signature H. F. No. 1999, a bill relating to workers' compensation. The bill still does not represent good public policy because it creates unnecessary upheaval without getting to the crux of the problem.

H. F. No. 1999 does not guarantee that Minnesota businesses will pay lower workers' compensation rates in the future. While the bill does provide adjustments which could lower the cost of the system, there is no assurance that the lower costs will be passed on as rate reductions for employers, because it still fails to provide for effective regulation of the insurance industry. More than ever, I strongly believe that reform of the workers' compensation system is necessary, if the key ingredient of effective insurance regulation is part of that reform.

The elimination of the Workers' Compensation Court of Appeals, without any apparent policy justification, still causes me a great deal of concern. It would disrupt the system, creating longer delays and less justice for employers and employees, not to mention more litigation and higher costs.

In some areas, the benefit changes bring equity to the system, and could help reduce costs. Yet the major cost savings result is from diminishing bureaucratic delays on benefits, not from reducing the size of the benefit check. If the duration of benefits is limited, then the system must get injured workers back to work as quickly as possible. Research shows that rehabilitation is the most effective course of action. Yet this bill limits rehabilitation.

In short, the bill makes several changes in the workers' comp system that could create serious problems. Most importantly, the balance of justifiable insurance rates and cost reductions both of which are necessary for long-term reform, are still not present in this bill. Therefore, I am vetoing this bill and returning it to you.

Sincerely,

RUDY PERPICH Governor

STATE OF MINNESOTA OFFICE OF THE GOVERNOR SAINT PAUL 55155

April 27, 1988

The Honorable Robert Vanasek Speaker of the House of Representatives The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files: