



**FOR IMMEDIATE RELEASE:**  
January 8, 2009

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## **Florida TaxWatch Releases Detailed Cost-Savings Recommendations Worth More than \$2.5 Billion**

**TALLAHASSEE** — The State of Florida can save billions by improving cost effectiveness, increasing government productivity, and enhancing revenue maximization efforts. In a report released today in the Florida Capitol, Florida TaxWatch provided more than 40 detailed recommendations that will help the state government effectively reduce operating expenditures, increase productivity, and maximize state revenue collections to generate more than \$2 billion in added value for the taxpayers.

**Dominic M. Calabro**, President and CEO of Florida TaxWatch, the nonpartisan, nonprofit research institute and government watchdog, explained the importance of the report at this time in Florida's history. "In these difficult economic and fiscal times, as the state faces the need to make unprecedented budget cuts on top of unprecedented budget cuts, it is especially important that the citizens weigh in and work with the Legislature to find sensible cost savings. We simply cannot tax our way out of this economic downturn, so the government, like families all over Florida, must find a way to do more with less – to tighten the belt, so to speak – and focus on protecting the core services and essential functions."

The report, ***Constructive Ideas to Help Florida Address the Budget Shortfall***, reflects the contributions of numerous groups representing taxpayers, service providers, and the business community, as well as former and current policymakers and agency heads. The recommendations have also been discussed in detail with House and Senate Leadership and with key legislative staff.

"We have met with Legislative Leadership to discuss these recommendations and are very encouraged that they are working on implementing many these measures to maximize available revenues and minimize harm to Floridians," Calabro explained. "Many of the recommendations that can produce immediate cost-savings or increase revenues are being included in the budget solutions that the Legislature is currently finalizing. On behalf of the taxpayers of Florida, I thank Senate and House leadership, especially the heads of the appropriations committees, Senator JD Alexander and Representative Dean Cannon, for their hard work and continuing efforts to implement these recommendations. Also, thanks to Senate President Jeff Atwater who actively engaged his senior leadership team and key staff to pursue these recommendations."

**House Finance and Tax Council Chairman Dean Cannon** explained the importance of these efforts by the House and Senate to focus on the Florida TaxWatch recommendations. "Conventional wisdom says that the only way to reduce Florida's budget deficit is to raise taxes or cut services. But imagine if we ignored conventional wisdom and instead focused on ways to make government more efficient, more productive, and more accountable to the taxpayers of Florida? These forward thinking ideas are aimed at just that: stimulating Florida's economy and eliminating bureaucratic waste and inefficiency at every level of government."

The recommendations in the report are based on the long-standing Florida TaxWatch principle that the budget should not be balanced using indiscriminate, across-the-board cuts that jeopardize the core functions of government ensuring the health, safety, and prosperity of Floridians. Government should first look to eliminate inefficiencies and target non-essential programs, and where broader cuts are needed, the cuts should first be targeted to administration and overhead to avoid cuts in direct services.

“Of course,” Mr. Calabro continued, “the importance of enacting cost-saving measures will not end with the Special Session. Many of these recommendations will need to be discussed and implemented during the upcoming regular session as well to help mitigate the unavoidable problems in the upcoming 2009-2010 budget, which is already projected to require \$5 billion in additional budget cuts. More so than ever, now is the time for fiscal statesmanship. Budget cuts can generally occur in one of two ways, with cuts that shrink the government or cuts that adversely affect the governed. The former should be the primary focus and the latter should only be a last resort. Floridians always deserve efficient and effective government, but now it is not so much a goal as a necessity.”

“With this unprecedented fiscal situation comes extraordinary opportunity to refocus state government on core functions and improve the way we deliver necessary services to the citizens of the Florida,” **David A. Smith**, Chairman of Florida TaxWatch and Chairman and CEO of PSS World Medical, Inc., a Jacksonville-based company that is the country’s largest provider of medical supplies to the physician market. “The state should work to improve the business of governing. Throughout the state, businesses and households have had to find ways to do more with less and we should expect the same from our state government. I commend the organizations and individuals that provided ideas and information for this Florida TaxWatch report, as well as the House and Senate Leadership for their dedicated service. Going forward, I expect that our state leaders will continue to pursue these recommendations and work to implement them for the benefit of all Floridians.”

The report makes forty-two specific recommendations totaling an estimated \$2.68 billion in cost-saving and revenue enhancements. The recommendations include:

- Renegotiating Non-Client-Service Contracts
- Selling or Leasing Unnecessary or Underutilized State Assets
- Expanding Virtual Higher Education Offerings
- Evaluating IT expenditures/purchases for non-essential employees
- Eliminating Unnecessary Duplication in Reading Programs and Services
- Utilizing Improved Audit Programs to Reduce and Recover Unnecessary and Fraudulent Medicaid Payments
- Adopting Policies to Immediately Avoid Building Three New Prisons
- Implementing A Healthcare Provider Services Assessment (HPSA)
- Collecting All the Federal Aid that Florida has Earned
- Increasing Tax Compliance
- Rescinding Unexpended Funds Appropriated for Member Projects/Budget Turkeys
- Reducing or Eliminating Non-Essential Programs
- Maximizing Flexibility for Class Size Reduction
- Tightening the Bright Futures Scholarship Program
- Replicating Productivity Improvements Identified by the Prudential-Davis Productivity Awards
- Utilizing Competitive Costing for Providing All Services
- Consolidating the Management of State Assets
- Forbidding Elected Official from Entering DROP Program

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Florida TaxWatch is a statewide, non-profit, non-partisan research institute that over its 30-year history has become widely recognized as the watchdog of citizens’ hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida state and local government. Its support comes from homeowners and retirees, small and large businesses, philanthropic foundations, and professional associations. On the web at [www.FloridaTaxWatch.org](http://www.FloridaTaxWatch.org).