



NEWS

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DUELING FOR DOLLARS **House and Senate Heading for a Budget Showdown**

TALLAHASSEE – The budget hearings that got underway at the state capitol Thursday show signs the House and Senate are heading for the same goal – but on very different tracks. According to a Florida TaxWatch report, the budget plans are setting the stage for a battle royale between the two chambers over increasingly scarce resources.

The third in a series of Budget Watch reports from Florida TaxWatch examines the budgetary implications of slower revenue growth, the resulting budget squeeze and the battle being waged over the House and Senate approaches to balancing the budget. The TaxWatch report also explores other possible sources of funding for high-priority initiatives.

“The Senate proposal comes up with the money by doing away with the Governor’s proposed tax cuts. The House plan retains much of the tax package, making up the difference with spending cuts,” said Dr. Keith Baker, Senior Vice President and Chief Operating Officer of Florida TaxWatch. “Florida TaxWatch will continue the search for cost saving ideas that could be used to ease the budget squeeze.”

In January TaxWatch offered up \$669 million in cost-saving and productivity improvement recommendations. TaxWatch will add to that amount next week with a new list of cost savers for the Legislature’s consideration.

Despite the cooling economy and lower revenue growth than last year, Florida lawmakers are already lining up to request billions of dollars in special member projects. This year’s member project list adds up to \$2.3 billion in the Senate and \$5.2 billion in the House. The total number may be somewhat overstated because a number of projects have been proposed by more than one member.

According to TaxWatch, it is safe to predict that a number of those projects will fail to undergo the proper review process, and will wind up on the watchdog group's "Budget Turkey" list. Governor Bush has vetoed \$310 million in budget turkeys over the last two years.

"Members should pause in the fray of the duel for dollars to consider that monies appropriated for projects that wind up being vetoed as "Budget Turkeys" cannot be applied to other worthy initiatives such as the continued phasing out of the intangibles tax," Baker said.

Florida's multi-billion dollar budget is the only bill that **must be approved** by lawmakers before the legislative session ends on May 4th. The respective appropriations bills are expected to be heard on the floor of the House and Senate late next week. Final budget negotiations likely will not take place until late April.

A summary of Florida TaxWatch's Budget Watch report can be found at: www.floridatxwatch.org. Florida TaxWatch is a non-partisan, non-profit research institution supported by homeowners, small businesses, corporations, labor unions, individuals and philanthropic foundations. The organization is dedicated to improving taxpayer value, government accountability and citizen understanding and participation in their state and local government fiscal policies.

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EDITORS NOTE: Dr. Keith Baker, Senior Vice President and Chief Operating Officer of Florida TaxWatch, is available by phone for comment at 222-5052. He will be available for on-camera comment this afternoon from 2-3 p.m.