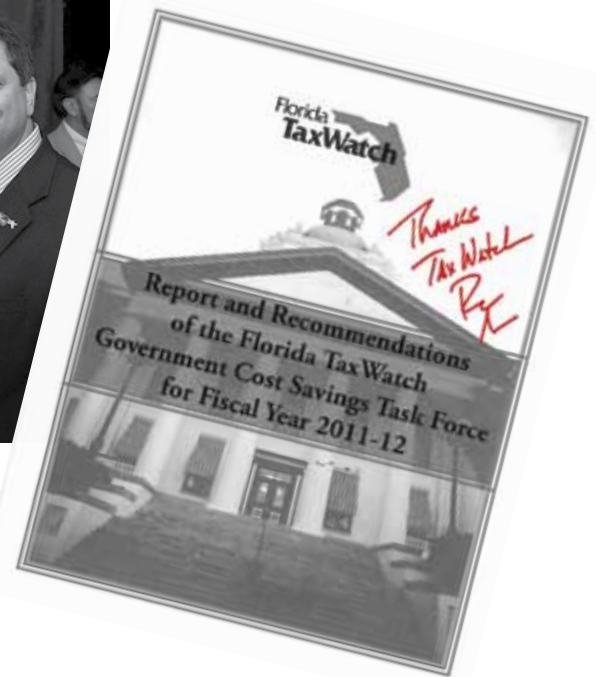




# A Message from Governor Rick Scott To Florida TaxWatch Members



*We did a lot of good for the taxpayers this legislative session and Florida TaxWatch was a big part of that. I appreciate all you do to ensure Floridians get the best return for their tax dollars.*  
-Governor Rick Scott



The contribution of Florida TaxWatch is unparalleled in the history of Florida government.

— Governor Bob Graham



The blending of TaxWatch ideas with our internally generated approach to savings will inure to the benefit of all our citizens and taxpayers.

— Governor Wayne Mixson

Florida TaxWatch's accomplishments and contributions have been invaluable to all Floridians.

— Governor Bob Martinez



Thank you for playing a critical role in policy making and in guarding the public interest. The taxpayers of Florida are fortunate to have an advocate and friend in Florida TaxWatch.

— Governor Jeb Bush

Florida TaxWatch is a highly respected organization that facilitates good government, offers timely advice, and presents insightful research that gets results. It has improved government accountability while discouraging government waste and inefficiency. TaxWatch is an organization well prepared to help our state prosper as it enters the next millennium.

— Governor Lawton Chiles

*This year's Annual Report cover features a "word cloud," which is a visual representation of a large selection of text, where the size of a word in relation to the others represents how many times that word appears in the original text. The text used for this year's cover is a collection of quotes about Florida TaxWatch by Florida's leaders over the past year.*

For 32 years now, Florida TaxWatch has been providing the credible quality research and recommendations that have made a significant difference in government performance, productivity, and accountability throughout Florida.

Florida TaxWatch is a statewide nonpartisan, nonprofit government watchdog and taxpayers' research institute — your eyes and ears in Tallahassee.

In the first 20 years alone, policymakers and state employees implemented three-fourths of Florida TaxWatch recommendations, according to an independent assessment conducted by Florida State University. Those recommendations saved state taxpayers more than \$6.2 billion — or approximately \$1,067 in added value for every Florida family.

It is the only independent statewide organization devoted entirely to Florida taxing and spending policies and practices. Since its inception in 1979, TaxWatch has worked diligently and effectively to inform and safeguard the interests of the taxpayer, helping to reduce inefficiencies and prompting responsible improvements in the management and operation of citizens' hard earned tax dollars without lobbying.

Florida TaxWatch is supported by tax-deductible contributions by all types of taxpayers — homeowners, small businesses, corporations, professional firms, philanthropic foundations, members of the news media, associations, and individuals — representing a wide spectrum of citizens.

The high quality economic and fiscal research and recommendations of TaxWatch are widely distributed to elected state officials and policymakers and regularly cited in and reported on by the statewide news media.

Now more than ever, Florida TaxWatch is ever present to ensure that taxes are fair, equitable, not excessive, that the public benefits and costs are weighed, and that government agencies are more responsive and productive in their stewardship of taxpayer funds.

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## Letter from the Chairman and the President

Dear Fellow Members:

This past year has been challenging throughout not only our country, but the State of Florida in particular. As Chairman of Florida TaxWatch, it's been an honor for me to have had the opportunity to work closely with the Florida TaxWatch team and its outstanding group of volunteer leaders in helping to more fully understand both the problems and the solutions to some of our greatest challenges and opportunities.

As we move into this new year, the fiscal demands upon this state are great, but the commitment, focus and professionalism of Florida TaxWatch and its members and partners throughout the state of Florida continues to be both an inspiration to me personally as well as a tremendous asset to the taxpayers and legislative leadership of this great state.

Thank you for your support of our efforts, without which we could not be successful, and for allowing me to be a small part of this research institute's 32 years of service.

Respectfully,



Marshall Criser III  
Florida TaxWatch Chairman

*“Very few people stand up for the people in the state who have to pay taxes. Time and time again you have focused on the fact that the dollars they spend are not voluntary and found ways to reduce the taxes and spending. Thank you for what you do.”*

—Former U.S. Senator George LeMieux

Dear Fellow Members:

Florida is changing at an unprecedented rate. Rapid advances in technology and communications are transforming the way we work, play, think, and act. How tasks were accomplished yesterday has little bearing on how we do them today, which, in turn, will likely have little to do with how we will do them tomorrow. This breakneck pace of change also presents Florida TaxWatch and the 18 million-plus Floridians with issues, situations, and challenges that have never been experienced before. The solutions are going to be found within the hearts and minds of dedicated, committed, and industrious citizens who size up the problems in fundamentally honest and comprehensive ways and go about addressing them in a manner that helps all of Florida.

A major step in this direction is the work of the annual Florida TaxWatch Government Cost Savings Task Force. This past year, Florida TaxWatch released the final reports of two Task Forces, both comprised of notable and dedicated Floridians, including past and present elected officials and business and community leaders from around the state: the *Report and Recommendations of the Government Cost Savings Task Force for FY2011-12* (in September 2011 before the 2012 General Session of the Florida Legislature and the *Report and Recommendations of the Government Cost Savings Task Force for FY2010-11* (in December 2010 before the 2011 General Session of the Florida Legislature). In both cases, the reports contain more than 125 extensively researched efficiency-improving recommendations aimed at achieving significant cost-savings and/or cost-containments in key areas of state government: Criminal and Juvenile Justice, Medicaid, Healthcare, Education, Procurement, Revenue Enhancement, General Government Operations, and Productivity Enhancement and Workforce Optimization. The Legislature implemented 30 recommendations from the December 2010 report worth nearly \$2 billion, including five on criminal and juvenile justice reform and nine on Medicaid reform. Florida TaxWatch will continue to work with elected officials and key government staff to implement even more recommendations from the September 2011 report. The exemplary work of these two Task Forces joins the prestigious work of previous Task Forces that have seen their recommendations implemented by the Florida Legislature to the tune of more than \$3 billion in cost-savings, cost-containment, or cost-avoidance for Florida taxpayers.

These cost-savings efforts are especially important with the arrival of the new Scott Administration, which Florida TaxWatch assisted by presenting the *2010 Governor's Transition Decision Handbook* during the transition period prior to Governor Rick Scott's inauguration in January 2011. The Handbook relies on the experience of eight past Governors' and their key administration officials, to detail the responsibilities, time frames, and critical decisions that need to be made by not only the Governor, but his entire staff, in order to help facilitate a fast start for any new administration. *The Governor's Transition Decision Handbook*, like the December 2010 report of the Government Cost Savings Task Force, was well received by then-Governor-Elect Scott.

The same could also be said of the work of the recently created *Florida TaxWatch Center for Smart Justice (CSJ)*, which presented evidence-based research on several issues, including how expansion of Civil Citation programs would improve public safety and save Florida taxpayers tens of millions of dollars. Another CSJ research study found prison bonding to be tougher on Florida taxpayers than on crime. In short, the CSJ strives to show that tough on crime and tough on spending for crime are not mutually exclusive, that both can be achieved on behalf of taxpayers.

The Florida TaxWatch *Center for Educational Performance and Accountability (CEPA)* also left its mark on another high profile area—education. Because students of today are the taxpayers of tomorrow, and because education takes a full one-third of the state budget, CEPA conducts research, issues publications, and makes recommendations about educational policies, practices, and expenditures. The CEPA helped collaborate on a number of educational reforms that were enacted this year, including the Student Success Act and Expansion of School Choice Options for Florida Families.

Looking ahead to 2012, Florida TaxWatch helped jump start debate on reform of important issues to the Florida economy such as the Tangible Personal Property Tax, economic development programs targeting manufacturers, and the state's property and casualty insurance system through independent analysis of these issues by the *Center for Competitive Florida (CCF)*. Tangible Personal Property Tax reform is a potential game-changer in improving Florida's competitiveness, although the issue will ultimately be decided by voters in the form of a Constitutional Amendment if first passed by the Legislature. The CCF has also thoroughly researched the impact of manufacturing on the state's economy and recommended ways to improve

the processes designed to encourage manufacturers to locate or expand operation in Florida, thus making it a much more welcoming state for high skill jobs that pay far in excess of the average wage. Meanwhile, we will continue our incisive analysis of Florida's property and casualty insurance as it relates to catastrophic weather events. Unless major overhauls are made in the system, taxpayers could be on the hook for tens of billions of dollars when the next hurricane makes landfall in Florida.

While no one can predict the next hurricane, we can forecast hundreds of million dollars more in taxpayer savings through the Prudential – Davis Productivity Awards. In 2011, the annual awards competition recognized and rewarded innovations and productivity improvements worth \$473 million in cost savings, cost avoidances, and increased revenue for state government. Over the past 23 years, award winners have generated a grand total of \$7.1 billion in added value for Florida taxpayers and businesses.

In Tallahassee, Florida TaxWatch added some real estate value by securing the property of our next door neighbor to enable long-term growth, ensure financial stability, and add some badly needed parking to our downtown location. As our Officers would say, "It's always a good idea to buy the property of your next door neighbor, especially if it's half price." The new property will help ensure Florida TaxWatch's strategic Capitol presence for years to come.

With its more than three decades of increasingly successful experience, Florida TaxWatch is uniquely qualified to help the state navigate through the critical fiscal, economic, and budgetary challenges that lie ahead. We are grateful for the numerous contributions and support of the many leaders who have assisted us this year and for the past 31 years, and hope that you can introduce our efforts to other persons and organizations that may benefit from this important work. We thank you for your continued involvement in and commitment to helping Florida TaxWatch build a stronger, healthier, and more prosperous Florida because you, the taxpayers of Florida, rightfully deserve and should expect nothing less.

Respectfully,



Dominic M. Calabro  
President & Chief Executive Officer

# Florida TaxWatch Executive Committee

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AT&T



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Florida TaxWatch



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IBM (retired)

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Resort

Ed Hannum  
AvMed Health Plans

Clayton Hollis  
Publix Super Markets,  
Inc.

Mike Jennings  
Prudential

Ron LaFace  
Greenberg Traurig

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Michael A. Jennings,  
2005-2007

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Barnett, 2003-2005

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2001-2003

T. O'Neal Douglas,  
1999-2001

Joseph P. Lacher,  
1997-1999

David McIntosh,  
1995-1997

Byron E. Hodnett,  
1994-1995

L. Charles Hilton, Jr.,  
1993-1994

Buell G. Duncan,  
1992-1993

Michael Zagorac, Jr.,  
1990-1992

T. Wayne Davis,  
1981-1982, 1988-1990

Tom L. Rankin,  
1986-1988

Philip D. Lewis,  
1984-1986

Kenneth A. Plante,  
1982-1984

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EMERITUS  
Mark C. Hollis, 1979-  
1981

PAST CHAIRMAN  
EMERITUS  
James E. Davis  
1979-1993

## FOUNDERS

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T. Wayne Davis,  
Tine W. Davis Family  
Foundation

Mark C. Hollis,  
Publix Super Markets, Inc.

George Jenkins, 1907-1996,  
Publix Super Markets, Inc.

Philip D. Lewis,  
Former President, Florida  
Senate

Kenneth A. Plante,  
Former Minority Leader,  
Florida Senate

### UP TO PRESENT



**\$6.2 Billion Results.** Florida State University's Office For Needs Assessment and Planning documented and verified that initiatives recommended by Florida TaxWatch in its first twenty years alone added \$6.2 billion to the value of state service delivery.

### UP TO PRESENT



**Prudential-Davis Productivity Awards.** These performance-based awards have honored more than 17,000 individuals, teams, work units and partnerships to date, whose efforts measurable increased state government productivity in producing \$7.1 billion worth of added value and cost savings to Florida taxpayers.

# Florida TaxWatch Board of Trustees

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Barney Bishop  
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Florida

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Jon Moyle  
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Van Poole  
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Viann Hardy  
MAXIMUS

Vinny Dolan  
Progress Energy Florida, Inc.

Wayne Blanton  
Florida School Boards  
Association

Governor Wayne Mixson

## UP TO PRESENT



**Budget Turkey Watch.** Florida TaxWatch annually points out where the Florida Legislature does not follow its own policies and procedures for reviewing proposed appropriations. Florida's Governors have vetoed \$1.32 billion worth of spending items from the TaxWatch Turkey Watch lists since 1983.

## 1980

**State Retirement Fund.** The first major report issued by the Citizens Council For Budget Research (CCBR) -- renamed Florida TaxWatch in 1984 -- prompted the state pension fund to increase returns by \$6 billion over the next eight years.

# Senior Research Fellows

The Senior Research Fellows assist and advise Florida TaxWatch with its research agenda and annual evaluation of Prudential – Davis Productivity Awards nominations. Each Fellow is a prominent scholar or professional of national repute chosen for his or her public policy analysis and evaluation expertise in the areas of state and local government accountability, finance, and taxation.

## CHAIRMAN

**Dr. William Earle Klay**  
Professor, Askew School of Public Administration and Policy  
Florida State University

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Distinguished Research Professor,  
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Vice Chairman, Council of Economic Advisors at Florida  
TaxWatch  
Dean, School of Business, St. Thomas University  
Principal Economic Advisor, Washington Economics Group, Inc.

*“In my humble opinion Florida TaxWatch is the best taxpayers organization in Florida period. You have a better command of the issues than anyone else.”*

— Florida TaxWatch member Bud Wild, President of Wild Brothers”

1981

**Architect and Engineer Contracts.** A CCBR study prompted reduction of Department of Transportation architectural and engineering contract costs, saving an estimated \$88 million by 1989.

1982

**Improper Use of State Facilities.** CCBR research that raised concerns about expenditures and management decisions at the Florida School for the Deaf and Blind were substantiated by Florida’s Auditor General, saving \$102,400.

## Treasurer's Report

Dear Fellow Taxpayers,

Florida TaxWatch further expanded its statewide representation of taxpayer concerns in Florida during the fiscal year that ended September 30, 2011. This widening support demonstrates the recognized quality and enhanced public value of the institution's mission and research program accomplishments. During this fiscal year, Florida TaxWatch continued to adhere to the sound fiscal standards required of such a respected research institute.

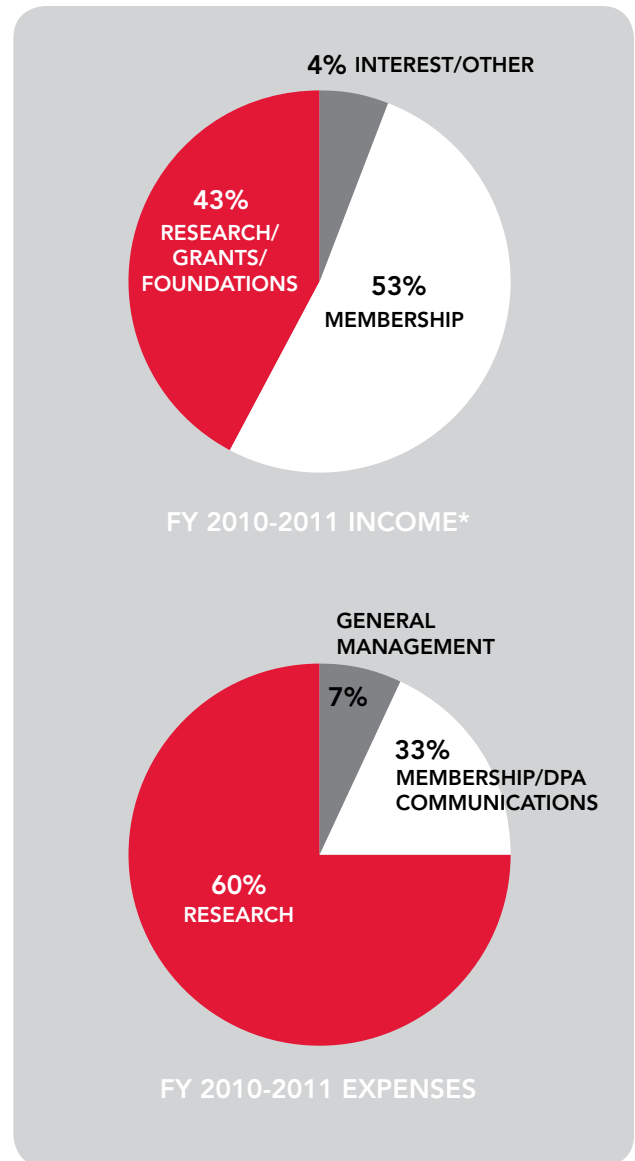
According to the year-end record of expenses, all expenditures went to prepare, conduct, publish, disseminate, and properly communicate the research program's findings, conclusions, and recommendations about Florida government tax and spending policies and practices. No funds were expended on lobbying activities, as specifically restricted by the institute's Articles of Incorporation and Bylaws.

The Treasurer's Report for FY 2010-2011 demonstrates the sound management practices and proper financial controls applied by the institute which ensure effective and productive operations with direct accountability.

According to the financial statement and Treasurer's Report, total expenses of \$2,187,291 were kept below total revenue of \$2,304,127.\*

Michelle A. Robinson  
Treasurer

\* Unaudited



\* Excludes Capital Campaign Revenue

*Florida TaxWatch Values:  
Integrity, Productivity, Accountability,  
Independence, Quality Research*

1983

**Trust Fund Review.** A CCBR recommendation prompted a new law that abolished numerous state government trust funds that were no longer necessary.

1984

**Cogeneration of Energy.** A TaxWatch report showing that the sales and use tax on cogenerated energy discouraged energy conservation prompted the Legislature to repeal the tax. Taxpayer savings over the next ten years totaled \$329 million.

# Research Summary

## Improving Taxpayer Value, Citizen Understanding, and Government Accountability

### Florida TaxWatch FY 2010-2011 Research Summary

Florida TaxWatch Research Institute conducts research in the public interest on state and local government spending and taxing issues in Florida to promote greater effectiveness, efficiency, and accountability in the management and use of taxpayers' money. Research findings and recommendations are based on empirical evidence, scientific methods, relevant literature, and informed professional judgment.

All the organization's research products adhere to the "Policies and Procedures to Maintain the High Quality, Integrity, and Independence of Research Conducted by Florida TaxWatch and its Centers of Excellence and Task Forces" adopted by the Board of Trustees and revised in May 2010.

Under its umbrella mission of improving taxpayer value, citizen understanding, and government accountability, Florida TaxWatch Centers of Excellence study and recommend strategic solutions to challenges facing Floridians in more defined subject areas than the

general Florida TaxWatch research program. The Centers bring together partnerships and collaborations to affect dynamic and constructive solutions in the state. Three such centers, the Center for Educational Performance and Accountability (CEPA), the Center for Competitive Florida (CCF), and the Center for Smart Justice (CSJ) currently operate under the leadership of an executive director and a volunteer advisory board along with the assistance of the Florida Council of Economic Advisors at Florida TaxWatch.

Florida TaxWatch is pleased to share the following fiscal year 2010-2011 summary of research and resulting accomplishments from the general research program, the CCF, CEPA, CSJ, and the Florida Council of Economic Advisors at Florida TaxWatch.

Our work is proving that Florida TaxWatch is the premier source of information, insight, and recommendations on Florida government tax and spending policies.

## Florida TaxWatch Research Summary

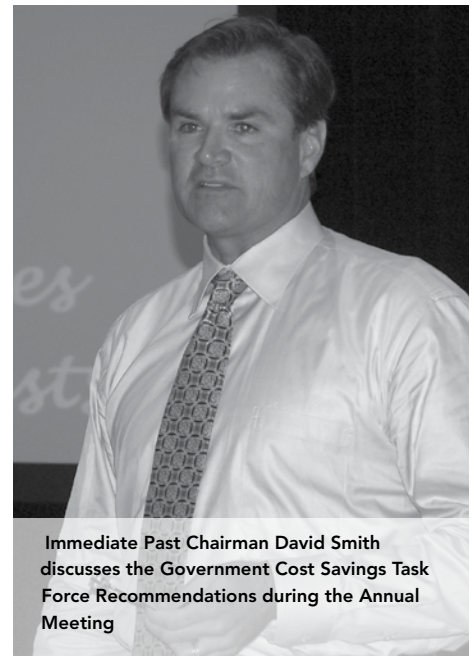
### Analysis of Florida's Catastrophic Property Insurance Market, November 2011

This *Research Report, Risk & Reform* analyzes how Florida's hurricane insurance financing system depends on an intricate, cross-connected web of private and semi-public entities. The result of the current system is that financing catastrophic hurricane damage could subject Florida policyholders, insurance companies, charities, and business owners to assessments, a form of taxes.

Various proposals exist to reform the system, many of which will be considered by the Florida Legislature in its upcoming session. This report quantitatively examines some of the current proposals to reform the state-run Florida Hurricane

Catastrophe Fund, and estimates their costs and benefits, as well as their effects on other components of Florida's hurricane insurance system. The report concludes that reforms are necessary, but that any reforms need to be quantitatively analyzed to determine their effects on the system as a whole.

**Impact:** It has been six years since the last major hurricane made landfall in Florida. The next "big one" could hit at any time. Accordingly, now is the time to focus attention on the inadequacies of the current system and call attention to the need for prompt reform.



Immediate Past Chairman David Smith discusses the Government Cost Savings Task Force Recommendations during the Annual Meeting

1985

**Jobs.** A TaxWatch recommendation to give welfare recipients priority in filling appropriate state jobs helped place more than 3,000 welfare clients by 1989.

1986

**Gross Receipts Tax.** An TaxWatch article arguing against allowing cities and counties to impose a 1% levy on businesses' gross receipts contributed to its legislative defeat.



Florida TaxWatch Chairman Marshall Criser III, President & CEO Dominic Calabro, Prudential – Davis Productivity Awards Executive Director Clarissa Dunlap and Anchor Sponsor Prudential Vice President Mike Jennings meet with Prudential – Davis Productivity Awards Program Chair Lt. Governor Jennifer Carroll.

### Expanding the Scope of Practice for Advanced Registered Nurse Practitioners (ARNPs) and Physician Assistants (PAs) Would Generate Fiscal Savings While Providing High Quality Medical Care, November 2011

This *Briefing* examines the potential effects of expanding the scope of practice for ARNPs and PAs in Florida in order to reduce costs of health care services for Floridians. This report recommends the Florida Legislature remove the barriers of practice for ARNPs and PAs by allowing these medical professionals to prescribe controlled substances and directly bill Medicaid and insurance providers.

**Impact:** The discussion of removing the barriers of practice for these medical professionals is changing the perspective on primary care services in Florida.

### Report and Recommendations of the Florida Tangible Personal Property Tax Task Force, November 2011

This *Report* looks into whether the reduction or elimination of tangible personal

property (TPP) taxation would provide a boost to economic development in Florida.

Under the guidance of Task Force Chairman Pat Neal, formed the Florida Tangible Personal Property Task Force, comprised of business leaders, property appraisers, and tax practitioners. The mission of the task force was to examine TPP taxation in Florida, issue a report, and make recommendations to the Governor and the Florida Legislature.

The Task Force found that elimination of TPP taxes would affect local governments in various counties very differently. While some of the larger, more prosperous counties could probably absorb lost TPP taxes, it would create some real problems for many smaller, fiscally constrained counties.

Florida TaxWatch also performed extensive economic simulation modeling of multiple tax reduction options, including full repeal and phasing out the tax. Narrower exemptions for manufacturing and the target industries were also modeled. All of these scenarios showed positive growth in private sector employment and gross domestic

product. Compared to total repeal, this narrower exemption produces more jobs relative to the size of the tax reduction.

This report concluded that while the total repeal of tangible personal property taxes in Florida would likely create a significant added attraction for businesses that are considering locating here, the current environment is certainly not favorable for reducing the revenue of schools and local governments by \$1.8 billion.

The Task Force recommended that the Legislature should strive for the future total elimination of ad valorem taxation of tangible personal property in the future. In the short term, the state should look at providing targeted economic development exemptions from TPP taxes that can promote capital investment in Florida and create jobs. Exempting all manufacturing and the state's Qualified Targeted Industries would probably provide the most "bang for the buck."

**Impact:** The Task Force report was presented to the Governor on September 2, 2011. Subsequently, the Governor's 2012-13 budget recommendations included a proposed reduction in tangible personal property taxes.



A representative from Florida Virtual Schools listens to a presentation during the Center for Educational Performance & Accountability Advisory Board Meeting

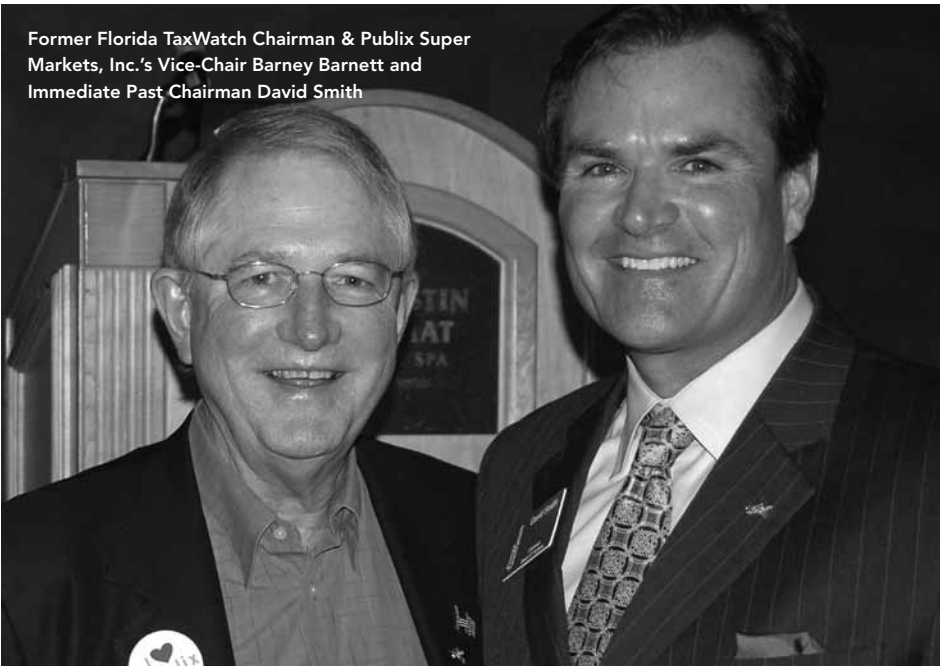
1987

**Partners in Productivity.** Florida TaxWatch and The Florida Council of 100 spearheaded a new program to implement and reward major government cost savings and performance enhancements.

1988

**Improving Prisons.** A Partners in Productivity Task Force recommended development of a state corrections system five-year master plan, dealing with capacity needs, site selection and acquisition, financing and space for prison industry programs.

Former Florida TaxWatch Chairman & Publix Super Markets, Inc.'s Vice-Chair Barney Barnett and Immediate Past Chairman David Smith



### How Florida Counties Compare, October, 2011

Local taxing and spending is a major part of Florida government operations. More than half of all Florida government spending is done at the local level, one of the highest shares in the nation. Florida's 66 county governments (plus Jacksonville's consolidated government), more than 400 municipal governments, and approximately 1,000 independent special districts spend over \$80 billion annually.

This *report* compares the taxation, revenues, and expenditures of Florida local governments. It has a vast array of information on property taxes, other taxes and revenues as well as per capita revenues and expenditures. While the focus is on county and municipal governments, the property tax data covers all jurisdictions, including special districts and school districts. This year, Florida TaxWatch also unveiled a new companion interactive website where taxpayers can go to easily find data on their local governments and see how it's taxing and spending compares with those in Florida's other counties.

**Impact:** Taxpayers now have a resource to see how their local governments stack up on taxing and spending. The information in this book and website can help taxpayers assess their relative tax burden and how their elected officials are spending their money. It is only through knowledge and participation that you can decide if you get the government you pay for.

### September Economic Commentary: Florida's Universities and Technology Transfer, September 2011

This *Economic Commentary* discusses the process that takes inventions created at Florida universities and turns them into commercial products. University Technology Transfer Offices license promising products to private companies and both the university and the inventor receive payments when products are successful. In some cases, start-up companies are formed by the university and the inventors, leading to job creation in the local area. The University of Florida is the state's leader in licenses, license revenue, and start-up companies, and ranks as the top public university in the

nation in technology transfer.

**Impact:** This enlightening piece provided keen understanding into which universities are able to turn their research into economic drivers for the state, spurring discussion.

### Analysis of Unreserved Funds, Debt, and Property Utilization in Palm Beach County, September 2011

This *Special Report*, a follow-up to a 2006 report by the Florida TaxWatch Center for Local Government Studies, reveals significant opportunities for improvement in the management and utilization of specific assets by the Palm Beach County government. Numerous financial measurements reveal that Palm Beach County has engaged in management practices that have resulted in higher than normal unreserved funds for several years. Palm Beach has consistently held its level of reserves far above any of its peer counties, with limited benefit to taxpayers. Palm Beach County appears to be designating revenues for capital projects at a higher pace than peer-counties, accumulating revenue for capital projects faster than it could acquire or construct them. The report provides a number of recommendations for improving the means by which Palm Beach County administers its reserves, property, and related financial affairs.

**Impact:** The report heightened scrutiny among county officials, taxpayers, and the media regarding the governance of funds and properties of Palm Beach County, including numerous editorials and articles.

### August Economic Commentary: Florida Retains 'AAA' Rating while Outlook Improves to 'Stable', Despite U.S. Downgrade, August 2011

This *Economic Commentary* discusses the August downgrade of the U.S. credit rating. The analysis reveals that around 42 percent of Florida's revenue comes from federal assistance, the largest section of

1989

**Cost Savings.** TaxWatch research documented state government implementation of \$1.3 billion worth of its recommendations during the organization's first decade.

1990

**Unused Appropriations.** The Legislature adopted a TaxWatch recommendation to revert a greater amount of unexpended state agency funds back to the general revenue fund, including unused trust fund revenues.

Florida's total revenue, and as debt service becomes more expensive for the federal government, there may be less money available to Florida and other states. The analysis shows that, although Florida has a AAA credit rating, the state should focus on strengthening focus and diversifying other sectors of the state's economy that bring in revenues.

**Impact:** When the U.S. had much national concern over the nation's credit rating downgrade, this report analyzed Florida's state credit rating and how federal revenues could affect state revenues.

### Manufacturing: An Economic Driver for Jobs and Florida's Future, August 2011

Currently, manufacturing is the 6th largest distinct "non-farm, non-government" employment sector in the state, accounting for approximately 5 percent of "non-farm, non-government" employment. Industries, such as manufacturing, that provide steady income to Florida residents, help smooth out tax receipts and provide stability to the state's economy, even during recessionary periods. Yet the analysis reveals that Florida is falling further behind competitor states in capital investment in manufacturing. Low capital investment in manufacturing in Florida is caused partially from the state taxing capital formation through sales taxes on machinery and equipment and through Tangible Personal Property taxes. Also, Florida's economic development incentive programs, specifically the Qualified Targeted Industry (QTI) program and Capital Investment Tax Credit (CITC), are not well-targeted toward manufacturing and are ineffective at attracting many manufacturing industries.

Using advanced econometric modeling software, this Research Report estimates that if 1,000 manufacturing jobs were created in Miami-Dade County annually from 2012 to 2021, a total of 24,213 jobs would be added in Florida by 2021. In the first year

alone, a total economic impact of \$570 million to Florida's economy should be realized through increased through a combination of personal consumption expenditures, gross private domestic investment, change in private inventories, exports and imports of goods and services, and government consumption and investment.

**Impact:** This critically needed insight into one of the largest sectors of Florida's economy underscores the state's need to nurture and encourage manufacturers to grow and prosper.

### Economic Perspective: Estimated Job Growth in Florida, August 2011

This *Economic Perspective* of the Florida Council of Economic Advisors analyzes Florida's post-recession job growth for the three year periods following the 1991 recession, 2001 recession, and the most recent 2009 recession. According to the analysis, the third year of post-recession recovery is the period in which job creation rapidly accelerates. The question is, as we enter the third year of recovery from the most recent recession, will history repeat itself? This report shows that the Florida employment situation looked better from June 2010 to

June 2011 than it did since the Great Recession ended in June 2009.

This analysis also estimates that Florida can expect job growth of an average of 12,500 per month summing to 150,000 jobs. This number represents an increase of approximately two percent, which is better than what Florida has experienced during the first two years of recovery (June 2009 - June 2011), but much slower than the rate of growth in the third year of the previous two recovery periods which was 4 percent.

**Impact:** From the heightened awareness of the need for job creativity post-recession in Florida, this report gave insight to how the state's economy has behaved in the years following a recession regarding job growth and how we can estimate the coming year's job growth.

### Continuous Process Improvement: Reducing the Costs of Doing Business in Florida by Creating World Class' Regulatory Processes, August 2011

This *Briefing* proposes ideas to make the government regulation process run 'more like a business'. The quality standards we enforce today will determine Florida's future competitiveness in attracting tourists,



Center for Smart Justice Chair Robert Stork, Americans for Tax Reform President Grover Norquist, Center for Smart Justice Vice-Chair Allison DeFoor and President & CEO Dominic Calabro

1991

**Refinancing Strategies.** A TaxWatch recommendation helped prompt the Legislature to require agencies to save state General Revenue by using federal Medicaid funds to refinance eligible programs and activities.

1992

**Taxpayers' Bill of Rights.** The Legislature, three years after creating a Taxpayers' Bill of Rights Task Force chaired by TaxWatch, enacted most of its recommendations. It simplified the rights of all Florida taxpayers and created a Taxpayer Advocate within the Department of Revenue.

new businesses, and new residents who could easily choose to go to other states. The key is to make our regulatory processes “world class,” without abandoning our quality standards.

**Impact:** The discussion of implementing a world class regulatory process provides a fresh viewpoint on government regulation in Florida.

### July Economic Commentary: Florida and the Financial Situation in Europe, July 2011

This *Economic Commentary* analyzes Greece’s financial turbulence and its effect on the U.S. and Florida. Greece has a small economy in relation to other Euro zone countries, and has a smaller GDP than Florida’s two largest metropolitan statistical areas. Even though this country’s economy is small, its indebtedness has created a ripple effect that has reverberated throughout the world. The analysis reveals that Florida may feel the effects of Greece’s financial instability because the increased volatility of the Euro currency may discourage European travel to Florida, which accounts for approximately 23 percent of all of Florida’s tourism market.

**Impact:** In light of the international alarm regarding Greece’s failing economy, this report compares the impact that this country’s economy could ultimately have on the state of Florida.

### June Economic Commentary: Florida’s Business Cycles, June, 2011

This *Economic Commentary* compares the national recession dates with state-specific recession dates. Business cycles differ between states so national recession dates may not necessarily reflect state-specific recession dates. The comparative analysis shows that Florida has suffered a disproportionately longer and more severe recession than the U.S. from the most recent recession; however, further analysis indicates



Florida TaxWatch President & CEO Dominic M. Calabro; Senator Ellyn Bogdanoff introducing a bill in the Florida Senate implementing recommendations of the Center for Smart Justice

that Florida’s economy is in the process of recovery.

**Impact:** After the National Bureau of Economic Research released national recession dates by their dating committee, this report recognizes that Florida has state-specific factors that influence the state’s economy and their influence on how Florida recovers from recession.

### May Economic Commentary: U.S. Dollar Index at 3-Year Low, May 2011

This *Economic Commentary* examines the U.S. Trade-Weighted Exchange Index for the U.S. Dollar and Florida exports. Analysis shows that Florida’s exports have been rising as the U.S. dollar has weakened and that Florida is well positioned for further growth in international trade with the expected widening of the Panama Canal in 2014 and the dredging of the Port of Miami to prepare for larger ships. Overall, Florida companies continue to expand exports of goods to the world with both

long-term trading relationships and new opportunities.

**Impact:** During a time when there was national apprehension regarding the weakening of the U.S. dollar, this report analyzed the positive effects of export growth on Florida’s state economy.

### 2011-2012 Florida TaxWatch Turkey List, May 2011

This *Report* targets the number of legislative projects annually slipped into the state budget, bypassing proper opportunity for public review and circumventing competition and established protocol. The Florida TaxWatch annual “budget turkey” report focuses on these projects which usually benefit a select special interest, local area of the state or a specific private organization.

Despite a budget year that legislators characterized as the toughest on record, a surprisingly large number of member projects and other projects historically referred

1993

**State Fiscal Limitations.** TaxWatch proposed a spending/ revenue cap to limit the growth of total state appropriations to growth in Floridians’ personal income.

1994

**State Budgeting.** The Legislature approved TaxWatch recommendations for implementing the 1992 constitutional amendment on performance-based budgeting and performance measures.

to as “turkeys” ended up in the FY 2011-12 state budget. The large number of turkeys is even more disappointing when one considers that legislators also struggled over numerous deep cuts, including critical state services such as education and health and human services. This year Florida TaxWatch identified 105 appropriations worth \$203 million as budget turkeys, the most since 2007.

**Impact:** Governor Rick Scott vetoed 87 of the 105 items identified by Florida TaxWatch as budget turkeys. Those 87 items had a total value of \$180,877,714. Florida’s Governors have vetoed approximately \$1.32 billion worth of spending items from TaxWatch Turkey Watch lists since 1983.

#### **Florida TaxWatch Center for Educational Performance and Accountability: Public Education Capital Outlay, May 2011**

This Report provides a guide to the Public Education Capital Outlay and Debt Service Trust Fund (PECO), the principal source of funds for the capital needs of Florida’s public schools, community colleges, and universities. The Florida TaxWatch analysis shows that Florida schools would have severely limited access to capital for new projects because of decreased gross receipts tax income due to the economic crisis and the state’s heavy leveraging of PECO funds.

**Impact:** The findings were presented to, and well received among, the members of the Florida Board of Governors and others, and widely credited with bringing to light a critical component of Florida’s education system.

#### **A Billion Dollars and Growing: Why Prison Bonding is Tougher on Florida’s Taxpayers than on Crime, April 2011**

This Special Report by Florida TaxWatch and the Collins Center for Public Policy

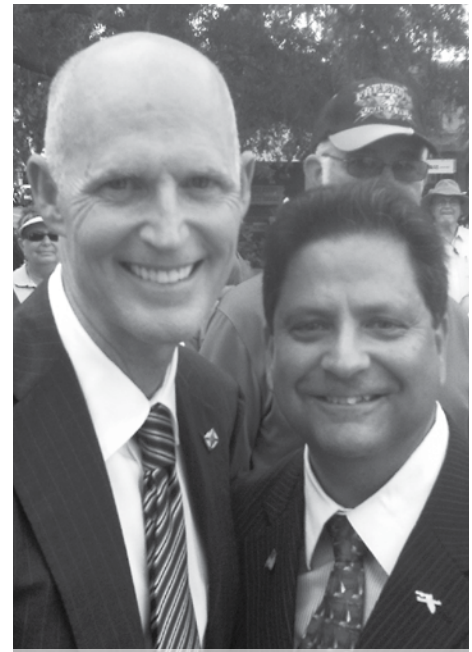
examines the use of bonds to fund the construction of new prisons. This funding approach has saddled future generations of Floridians with over a billion dollars in debt without increasing public safety. The report explores the history of the use of bonding to build prisons, the growth in prison population which triggered the need for these facilities, and efforts Floridians should make to curtail the use of prison construction bonding.

The report recommends that Florida join the ever-growing list of states reforming their current criminal justice systems from practices relying on heavy incarceration, to a stronger focus on education and rehabilitation. The report also recommends a public moratorium on any new bonding to build prisons and a public discussion of whether taxpayers want to pay for policies that do not result in the reduction of prison population or an increase in public safety.

**Impact:** This special report provides citizens with an in-depth look into the long and short term economic effects of bonding Florida’s prisons. The report clearly shows the achievements of states similar to Florida when dealing with this issue. It cited Texas, Mississippi, and South Carolina as prime examples of positive change. Florida TaxWatch continues to explore innovative cost-savings methods to reduce the burden placed on taxpayers by corrections and juvenile justice systems.

#### **Corrections 2.0: A Proposal to Create a Continuum of Care in Corrections through Public-Private Partnerships, January 2011 (Revised April 2011)**

This Briefing written by Florida TaxWatch and the Reason Foundation examines using public private partnerships (PPPs) to coordinate the fragmented corrections system with the aim of reducing recidivism while lowering costs by tens of millions annually. While Florida has utilized



Florida TaxWatch President & CEO Dominic M. Calabro with Governor Rick Scott at budget signing.

PPPs for a variety of correctional services for many years, there has not been a centralized administration of inmate programs and services that follows them as they progress through the system and its different facilities, which would increase efficiency and effectiveness of such programs that can reduce recidivism and therefore save money and enhance public safety.

The Briefing estimates that if Florida were to implement a regional pilot Continuum of Care PPP program, the state could save between \$71 and \$101 million annually while enhancing public safety by reducing recidivism through a continuum of care approach based on performance metrics in the PPP contract. Over a ten-year span, the cost-savings in the region could reach up to \$1 billion.

**Impact:** Florida TaxWatch was asked to present to Senate and House committees in the Florida legislature on the findings of this study. Florida TaxWatch continues to explore innovative cost-savings methods to

1995

**Tax Compliance.** TaxWatch research helped prompt the Department of Revenue to crack down on tax evaders, collecting an extra \$6 million from the intangibles tax alone.

1996

**Tax Exemption for Electricity.** Following two TaxWatch reports on the loss of manufacturing jobs between 1989 and 1995, the Legislature exempted electricity used in manufacturing from the sales and use tax.

reduce the burden placed on taxpayers by corrections and juvenile justice systems.

### Benefits of the Sunshine State's Investment in the Solar Renewable Energy Sector, April 2011

In this *Briefing*, which puts the "Sun" into "Sunshine State", Florida TaxWatch presents a comprehensive analysis of what Florida could gain by more aggressively pursuing an investment in solar energy. According to the independent analysis, investment in 700 MW of solar energy (photovoltaic modules) would send a strong market signal that Florida is serious about being a major player in this nascent, but flourishing market. According to an economic impact model, an investment in Florida of 700 Megawatts of solar energy (photovoltaic modules) over a three year period could generate nearly 45,000 new jobs in the state.

Additionally, the analysis explains that an investment of this scale and magnitude has a high probability of stimulating a new energy economy in Florida with strong growth potential. A new energy economy would localize supply and value chains to meet this new demand, which would generate jobs and stimulate economic growth.

**Impact:** This Florida TaxWatch *Briefing* examined some of the potential economic benefits of the solar renewable energy sector at a time when the discussion of the jobs and the economy, as well as the regulatory structure of energy production, were hot topics of discussion.

### Expansion of Civil Citation Programs Statewide Would Save Money and Improve Public Safety, April 2011

This Florida TaxWatch Center for Smart Justice *report* examines both the public safety and cost-saving benefits of expanding juvenile Civil Citation programs statewide. Civil Citations are a form of pre-arrest diversion for juveniles misdemeanants that



Florida TaxWatch President & CEO Dominic Calabro speaks with Florida TaxWatch co-founder Philip D. Lewis during a regional luncheon briefing

ensure appropriate community resources are utilized to help participating juveniles. Reliance on non-incarceration intervention is both more effective and cost-efficient than the traditional method of incarceration at residential facilities.

According to the analysis, implementation of civil citation programs statewide could yield annual cost-savings between \$44 million and \$139 million for Florida taxpayers; reduce the number of youth in the juvenile justice system; improve outcomes for offenders; and redirect valuable resources used for sentencing non-violent offenders to more vital public safety concerns. The report concludes that models for establishing this program statewide should be based on cost-effective, research-proven Civil Citation programs and should assist first-time, non-violent, offenders with rehabilitation.

**Impact:** The 2011 Legislature passed HB997 expanding the civil citation program statewide. Expanding Civil Citation programs from every region to every county

was a recommendation of the Florida TaxWatch Government Cost Savings Task Force. Florida TaxWatch continues to provide the state legislature with fiscally responsible recommendations to improve public safety.

### Florida Taxpayers Spend Millions Annually on Communications and Legislative Affairs Staff in State Agencies, April 2011

This *report* details how Florida taxpayers are paying slightly more than \$1.1 million a month to fund the salaries of communications and legislative affairs employees in state government. Florida TaxWatch contacted every state agency requesting the names and titles of employees whose primary duties involved communications or legislative affairs. The report found 126 communications department workers earn more than \$7.3 million dollars annually, and 71 legislative affairs employees earn more than \$4.3 million a year.

While totaling the numbers of

1997

**Intangibles Tax.** The Legislature followed a TaxWatch recommendation to extend intangibles tax treatment of home equity lines of credit secured by borrowers' primary residences to their other residences.

1998

**Intangibles Tax.** The Legislature passed a bill containing the majority of TaxWatch Task Force recommendations to begin eliminating Florida's intangible personal property tax, which was unfair, outdated, and harmful to Florida's economic development and competitive position.

communications and legislative affairs employees and their salaries, this publication does not measure the relative importance or necessity of the services they provide, leaving that judgment to the taxpayer. Only by determining the costs of these activities can their value be assessed.

**Impact:** Print and electronic media outlets throughout Florida, including Tampa, Orlando and Jacksonville immediately reacted to the release of this report. In many cases columnists offered their own opinions on the issues raised in the TaxWatch study.

### Florida Taxpayer Independence Day 2011, April 2011

In this annual publication, Florida TaxWatch calculates what has come to be celebrated as Florida Taxpayer Independence Day. After this date, you begin earning money for yourself, not the tax collector. If you're a typical Floridian, every penny you earned from January 1, 2011 to April 14, 2011 went to pay your local, state and federal tax obligations. This is one day later than last year, but 17 days earlier than in 2006.

Taxes are Florida workers' largest single expense and this report vividly demonstrates the chunk of every workday (2 hours and 15 minutes) that is spent paying one's tax obligation. All told, Floridians will contribute \$216 billion in taxes to federal, state and local governments in 2011, \$10 billion more than last year.

**Impact:** One of many ways in which Florida TaxWatch takes an innovative approach to promoting taxpayer understanding and education of the local, state and federal tax burdens.

### 2010 Governor's Transition Decision Handbook, December 2010

The third edition of the *Governor's Transition Decision Handbook* by Florida TaxWatch provides an abundance of invaluable advice and historical knowledge from more than 50 elected officials and top advisors weighing in on their experience during the gubernatorial transition and beyond. The 2010 Governor's Transition Decision Handbook features sage advice from those who have been there, including ten Governors, as well as Lieutenant Governors, Legislative Leadership, Chief Justices, Agency and Department heads, transition officials, chiefs of staff, budget directors, and communication directors. The Handbook also features practical information on the operations of Florida government, such as Public Record and Sunshine Laws, as well as a high-level look at some of the most pressing current and emerging issues facing Governor Rick Scott and his administration, including education, economic development, and criminal and juvenile justice reform.

**Impact:** The Governor's Transition Handbook was well received by the Governor and his transition team, as well as the media, and provided a valuable source of knowledge to an incoming administration.

#### Governor's Transition Decision Handbook Steering Committee Members:

**Chairman Frank T. Brogan**  
Chancellor  
State University System of  
Florida  
Board of Governors

**David A. Smith**  
Chairman  
Florida TaxWatch

**Marshall Criser, III**  
Florida TaxWatch Chair-Elect  
President - Florida  
AT&T

**Dominic M. Calabro**  
President & Chief Executive  
Officer  
Florida TaxWatch

**Audrey Brown**  
Chief of Staff  
Office of Insurance Regulation  
Financial Services Commission

**Dr. Allison DeFoor**  
Managing Partner  
Castille & DeFoor

**Mark Kaplan**  
Vice President  
Public Affairs and Policy  
Mosaic

**Dr. Earle Klay**  
Director and Professor  
Reubin O'D. Askew School of  
Public Administration  
and Policy  
Florida State University

**Lt. General Robert F. Milligan**  
Interim Director  
Department of Veteran's Affairs

**Dean Ridings**  
President and CEO  
Florida Press Association

**Pat Roberts**  
President and CEO  
Florida Association of  
Broadcasters

**Robert W. Stork**  
Chief Executive Officer  
Communications  
International, Inc.

**Susan Story**  
President and Chief Executive  
Officer  
Gulf Power Company

**Dr. Carol Weissert**  
Director  
LeRoy Collins Institute  
LeRoy Collins Eminent Scholar  
and  
Professor of Political Science  
Florida State University

*"Most of what TaxWatch proposes offers ways to generate savings by improving efficiency or eliminating needless expenses, not cutting programs."*

—Tampa Tribune Editorial

1999

**Taxpayer Fairness.** The Legislature enacted long-standing TaxWatch recommendations to increase taxpayer fairness by reducing the statute of limitations on audits from five to three years; tying interest on delinquent taxes to the prime rate, not 12%; and paying interest on late refunds to taxpayers.

2000

**Economic Recovery.** TaxWatch recommendations to stimulate Florida's economy and tourism industry following the September 11 attacks became the cornerstone of the Governor's economic stimulus plan enacted in a special legislative session.



Past Florida TaxWatch Chairmen honor former Chairman Barney Barnett during the 2010 Annual Meeting. (From left to right: President & CEO Dominic Calabro, David McIntosh, Florida TaxWatch Chairman-Elect John Zumwalt, Immediate Past Chairman David Smith, Chairman Marshall Criser III, Barney Barnett and Steve Evans.)

### State Competitiveness Indices & Rankings: What National Rankings Tell Us about Florida's Competitiveness, March 2011

This *Briefing* analyzes national business rankings of state competitiveness to reveal areas where reform may be needed to improve the competitive posture of Florida in the national and international arena. While Florida generally ranks highly for competitiveness, the report identifies regulatory, policy, and situational areas that hinder the national perception of the state's competitiveness.

The *Briefing* concludes that policy makers and all who are interested in Florida should pay attention to enhancing the state's competitiveness factors, strengthening the state's foundation for growth; and addressing the areas that constrain it to help lead Florida to economic recovery and future prosperity.

**Impact:** This *Briefing* was well-received by the Senate Commerce and Tourism committee which was urged to pay attention to enhancing the state's competitiveness factors; strengthening the state's foundation for growth; and addressing the areas that constrain it to help lead Florida to economic recovery and future prosperity.

### Mitigating Unemployment Comp Tax Increases Facing Employers: Using Cost Saving Recommendations to Help Pay Federal Loan Obligations and Enacting Reforms Can Help, March 2011

Florida employers have recently been hit with very large increases in their unemployment compensation (UC) taxes and more increases are on the horizon. In 2010, Florida's unemployment rate reached double digits and, for the first time in recent history, the state paid out more in unemployment benefits than it collected. The trust fund used to provide benefits to jobless Floridians ran out, and the state took out more than \$2 billion in loans from the federal government to make up the shortfall. And we are still borrowing.

This report showed that interest is expected to total \$213.5 million over the life of the loans. Florida's 464,500 employers are now facing additional tax hikes to replenish the trust fund and pay back the federal loans, as well as a special assessment to cover the interest on the money borrowed beginning in June. It showed how Florida employers are facing a total \$4 billion UC tax increase over three years.

To help mitigate these costs, Florida

TaxWatch recommended a number of reforms to the UC system to hold down future costs by helping to ensure that only those who should be receiving benefits are receiving them and helping Florida's system to better focus on re-employment rather than the granting of benefits. These recommendations were developed by a coalition of statewide organizations that included Florida TaxWatch.

In addition, this report recommended that Florida use the billions of dollars that can be saved by improving efficiency in state government to pay the federal obligations and save Floridians the potentially harmful negative economic impact of rising unemployment taxes.

**Impact:** The 2011 Legislature made some of the recommended changes to the unemployment compensation (UC) system and provided limited relief to employers who are facing massive UC tax increases. In addition to reforms designed to focus the system on re-employment and helping to ensure that only those who should be receiving benefits are receiving them, the legislation provided some tax relief by reducing employers' experience rating—used to calculate tax rates—by 10%. It also reduces the number of benefit weeks from 26 to 23 and ties future reductions to the state unemployment rate.

### The Governor's Budget Recommendations for FY 2011-12 First Proposed Budget a Bold Plan for Government Efficiency Spending Cuts, Tax Relief, February 2011

This *Report* features a thorough review of the Governor's budget recommendations. It examines Governor Rick Scott's proposed state budget, which was the starting point for the 2010 Legislature's crafting of the final spending plan.

The Governor's first proposed budget was a very ambitious and far-reaching budget. Recommendations for FY 2011-12 total

2000

**Property Taxpayers' Bill of Rights.** The Legislature enacted the property taxpayers bill of rights recommended and drafted by Florida TaxWatch's Ad Valorem Tax Task Force to codify the rights available to taxpayers in one statutory location and in plain, understandable language.

2000

**Communications Tax.** A TaxWatch report contributed to legislative action that combined and simplified taxation of various communications services.

\$65.9 billion in state appropriations, which is \$4.4 billion (6.2%) less than current state appropriations for FY 2010-11. His recommended budget contained more than \$5 billion in spending cuts, proposed to lay off thousands of state, proposes large tax cuts, eliminated many trust funds, reorganized several state agencies, and reduced education funding by more than \$3 billion.

This Report concluded that the Governor was bold and creative in producing his budget. The Governor's two-year budget approach promoted using the state budget as a strategic tool. Establishing goals and measuring progress towards them is a common-sense, businesslike approach to demonstrate where government creates value and addresses where it does not.

**Impact:** The Governor's budget promoted many reform principles long recommended by Florida TaxWatch. Florida TaxWatch commended the Governor for the zero-based approach to budgeting, maintaining a commitment to reduce spending, his efforts to enhance accountability in the budget, and incorporating a number of Florida TaxWatch recommended cost savings ideas.

During this time, Florida TaxWatch continued working with legislative committees on the recommendations of its Government Cost Saving Task Force. The Legislature implemented many of the Task Force's recommendations.

### Florida Remains a Donor State Even Through the Great Recession

This Report found that in an era that features unprecedented federal spending and money going from Washington, DC to state capitals, only two states receive less in federal grants than Florida. In 2009, Florida received \$22.6 billion in federal grants which breaks down to \$1,224 per Floridian, which is more than \$500 per Floridian less than the \$1,798 per capita nationally. If Florida received the national average in per capita

grants for 2009, it would have received an additional \$10.6 billion in federal grants.

Nationally, taxpayers paid \$2.3 trillion in taxes to Washington, DC in 2009, and \$552 billion was returned to the states in the form of grants. Floridians paid about \$110 billion in federal taxes, which represents about 4.7% of total federal taxes paid by the states. Nonetheless, Florida only received 4.1% of federal grants, or about \$22.7 billion. Outdated formulas and the lack of a centralized system for securing federal grants are the primary reasons Florida is not receiving its fair share of grants.

**Impact:** Florida TaxWatch used this Report to call attention to the glaring disparity between taxes paid and grants received and to urge congressional lawmakers to rectify the federal grant inequity.

### Fiscal Responsibility: The Key to a Safer, Smarter, and Stronger Juvenile Justice System, December 2010

This Report by the Florida TaxWatch Center for Smart Justice and the Southern Poverty Law Center finds that a significant number of nonviolent juvenile misdemeanants are committed to residential correctional facilities when sentencing them to community-based rehabilitation programs would likely be cheaper and more effective. The data shows that more than 70 percent of juveniles in residential custody are nonviolent and more than 1,000 have never committed a felony. Alternatively, community-based approaches to juvenile delinquency can be more effective, more efficient, and are ready to be expanded. According to the analysis, shifting from the dependence on residential facilities to more community-based programs will increase public safety, save tax dollars, and achieve better results for Florida's youth.

**Impact:** Juvenile Justice was a major area of concern during the 2011 Legislative Session which yielded many positive outcomes. Several of these outcomes where

directly related to Fiscal Responsibility: The Key to a Safer, Smarter, and Stronger Juvenile Justice System.

### Analysis of the Impact on Retail Sales in NW Florida from the Gulf Oil Spill, December 2010

This research Report confirmed what retailers from Pensacola to Panama City know all too well: The Deepwater Horizon Oil Spill of April 2010 dealt a direct, immediate and crushing blow to their bottom lines. The TaxWatch analysis of retail sales tax collection data demonstrated a strong connection between tourism and the retail sector in the region where shopping consistently ranks right behind beaches as a primary draw for visitors.

Florida TaxWatch analyzed sales figures statewide for 2009 compared to Northwest Florida for the same time, as well as through September 2010. From January 2009 to February 2010 as the economy continued its extended decline, NW Florida's decreases from the same month of the previous year were not as large as the state's in every month. When sales started showing improvement in March 2010, NW Florida's increases were larger than the rest of the state. The oil spill reversed this trend.

The Report showed that a deterioration of sales began with the oil spill despite the fact that the unemployment rate in NW Florida was among the lowest in the state and despite a significant increase in promotional spending by NW Florida retailers.

The Report demonstrated that the oil spill could not have come at a worse time for tourism-dependent retailers in the region. Northwest Florida is the only one of the eight Florida tourism regions where the top season is summer. Retailers in the area depend on the months from May to August to account for a majority of their annual sales. The oil spill hit right at the beginning of the region's prime season. When tourists stopped coming to the area as a result of

2001

**Economic Recovery.** TaxWatch recommendations to stimulate Florida's economy and tourism industry following the September 11 attacks became the cornerstone of the Governor's economic stimulus plan enacted in a special legislative session.

2001

**Modernizing Florida's Civil Service System.** The Legislature approved an act embodying reforms recommended by TaxWatch since 1986. It revises state recruitment, employment, reward and discipline standards and processes; it reduces the number of employee job classifications and pay provisions; and it contains other provisions intended to modernize the state workforce and improve service delivery.

the spill, sales figures correspondingly decreased dramatically.

**Impact:** This Report supported the Florida Retail Federation and a coalition of NW Florida retailers seeking to secure mitigation funding from BP to speed the return of destination shoppers. This helped quantify what many had suspected, that the oil spill was a severe blow to the retail community.

#### Land Use Planning by Referendum: The Economic Consequences of Amendment 4, October, 2010

This econometric analysis forecasts the likely economic impact of the passage of the proposed constitutional Amendment 4 (Referenda Required for Adoption and Amendment of Local Government Comprehensive Land Use Plans," which would require that voters approve changes to their local comprehensive land use plans) using the most up-to-date and trusted economic modeling tools. The analysis, which was conducted by the Florida Council of Economic Advisors at Florida TaxWatch and a team of researchers from the Haas Center for Business Research and Economic Development at the University of West Florida, reveals that Amendment 4 would discourage businesses from investing, beginning or expanding due to greater uncertainty and increased transaction costs. The higher costs would have devastating consequences for Florida's economy, likely causing significant losses in jobs, economic activity, personal income, and state and local tax revenues.

**Impact:** The study estimated that the passage of Amendment 4 could result in a 2.2% decline in Florida's Gross State Product and a 2.4% decline in Florida jobs. Furthermore, counties in Florida could lose a combined \$227 million in property tax revenues annually.



Florida TaxWatch Chairman Marshall Criser III and President & CEO Dominic Calabro thank Florida House Speaker Designate Will Weatherford for his service to the taxpayers of Florida

#### In Addition to Devastating Impacts on the Economy and Jobs, Amendment 4 Will Increase Costs to Taxpayers through Added Elections and Increased Litigation Against Local Governments, October 2010

This Report highlights the fiscal impact of the passage of the proposed constitutional Amendment 4 ("Referenda Required for Adoption and Amendment of

Local Government Comprehensive Land Use Plans," which would require that voters approve changes to their local comprehensive land use plans). While the Florida TaxWatch analysis raises several concerns with Amendment 4, including "hype-democracy," the impracticality of getting complex and voluminous land use provision before the voters, and the chilling impact it could have on jobs and the Florida economy, the



Government Cost Savings Task Force Chair John Alexander presents the 2012-2013 recommendations during a press conference in the Cabinet Room at the Capitol

2002

**Modernizing Florida's Taxes.** The Legislature implemented a TaxWatch recommendation to cap the documentary stamp tax on loans, thereby increasing revenues by removing the incentive for businesses to close large transactions out of state.

2002

**Sales Tax Holiday.** TaxWatch research helped assure the passage of a sales tax holiday by showing it provides a real economic stimulus while benefiting consumers



Florida TaxWatch Board of Trustees Member and Florida REALTORS 2011 President Patricia Fitzgerald and TaxWatch member Phyllis Choy during the Spring Board of Trustees Meeting at The Biltmore

focus of this *Report* is that Amendment 4 would undoubtedly increase costs for taxpayers. The analysis estimates that the direct estimated annual cost to the taxpayers throughout Florida would be \$44.6 million to \$83.4 million, assuming that Amendment 4 will necessitate an average of two special elections for each Florida voter. In addition, based on the experience of two small Florida cities that have adopted an Amendment 4 approach, added litigation costs could reach tens of millions, if not hundreds of millions, of dollars annually. The report concludes that Floridians should vote no on Amendment 4.

**Impact:** On November 2, 2010, Floridians voted not to adopt Amendment 4 into Florida's Constitution.

**Ideas in Action** is a public forum to present discussion on vital issues affecting the economy, public policy, and concerns that touch the lives of many Floridians. The opinions expressed in these publications are those of the author and do not necessarily reflect those held by the staff, members, or the distinguished Board of Florida TaxWatch.

**What if Government Ran Like a Business? The 2007 Solution, October 2010**

United States Senator George LeMieux (FL) authored this *Ideas in Action* detailing the "2007 Solution: which caps federal spending at 2007 levels as a way to balance the federal budget and cut the national debt significantly.

**Roadmap to Sustainable Government Transformation: Why Government Transformation Efforts Often Fail and How to Fix It, September 2011, by Barbara Ray, Esq., and Geir Kjellevoid**

This *Ideas in Action* details consistent, actionable framework for governmental transformation based on proven best practices from the private sector while taking into account the unique public sector environment. The "Strategic Roadmap" for sustainable government transformation requires a consistent focus on defining and achieving the expected value/objectives; addressing the people/culture dynamics; and enforcing a proven process that is based on a synthesis of industry standard models from a number of transformational change disciplines including policy, technology, process, and organizational change.

**Increasing the Quality of VPK, August 2011, by David Lawrence, Jr.**

This *Ideas in Action* highlights a speech given by David Lawrence Jr. before the State Board of Education. The speech covers the initial intentions of the Voluntary Pre-Kindergarten program (VPK) and the subsequent shortcomings following implementation of the program. Lawrence, president of The Early Childhood Initiative Foundation, calls for further investment in VPK and focus on the development of Florida's students.

**Amendments 5 & 6 Deserve Voter Scrutiny, October 2010, by Barney Bishop**

This *Ideas in Action* outlines reasons why Florida voters should carefully consider the ramifications and possible unintended consequences of Amendments 5 & 6 to the November 2010 ballot.

2003

**Tax Amnesty.** TaxWatch-suggested tax amnesties in 1987-88, 1992 and 2003 generated more than \$200 million, plus additional money as evaders were added to the tax rolls.

2003

**Revenue Maximization.** A TaxWatch joint Task Force report on cost savings and tax modernization in state government resulted in Florida recovering \$58 million in federal funds rightfully owed to the state.

## Report and Recommendations of the Government Cost Savings Task Force for FY2011-2012, December 2010

The report compiled by the Florida TaxWatch Government Cost Savings Task Force for Fiscal Year 2011-2012 provided 125 extensively researched recommendations aimed at achieving significant cost savings and containment in multiple areas of state government with special emphasis on pensions, Medicaid, health care, criminal and juvenile justice, procurement, and general government operations. The report, designed to help state officials address a \$3.6 billion dollar budget shortfall, as well as ensure efficient spending of taxpayer dollars, contains more than \$4 billion in constructive and pragmatic ideas that build upon the previous successes of Florida TaxWatch.

**Impact:** The Task Force recommendations were widely heralded, and dozens of articles and editorials appeared in local and statewide newspapers. Some form of more than 30 of the 125 recommendations were implemented by the 2011 Legislature, **saving Florida taxpayers \$2 billion in the current budget year and much more long term.** These accomplishments include implementing Medicaid managed care, expanding the use of juvenile civil citations, and significant changes to the Florida Retirement System, that will save the state billions in taxpayer dollars. To date, we've helped save the taxpayers of Florida \$4 billion.

*“Florida TaxWatch is surprisingly good. I never thought we’d get to where we are.”*

— TaxWatch founding member  
Senator Phil Lewis”

### Transition to the Task Force for FY2012-13

While the cost-savings recommendations helped balance the budget without harming core services or raising taxes, and will create a more efficient government that will benefit Floridians for years to come, the continued economic crisis means that the Legislature will once again face difficult decisions in balancing the FY2012-13 Budget, and so **the work continues.**

Special thanks also to the generous philanthropic support of the following sponsors:

- Florida Power and Light
- Neal Communities
- Publix Super Market Charities, Inc.
- State Farm Companies and State Farm Foundation
- Dominic & Debbie Calabro
- Verizon Foundation
- The Community Foundation
- And the Membership of Florida TaxWatch!

### Members of the Government Cost Savings Task Force for FY2011-12

**Chairman David A. Smith**  
Task Force Chair  
Florida TaxWatch Chairman  
PSS World Medical (ret.)

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Task Force Vice-Chair  
AT&T

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Chair of the Senate Policy and Steering Committee on Ways and Means  
Florida Senate

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Barron Collier Companies

**Janegale Boyd**  
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**Dominic M. Calabro**  
Florida TaxWatch

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Castille & DeFoor

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**Fred Seamon**  
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**Eric Silagy**  
Florida Power & Light

**The Honorable Alex Sink**  
Chief Financial Officer  
State of Florida

**Tom Warner**  
Carlton Fields

**The Honorable Will Weatherford**  
The Florida House of Representatives

**Al Zichella**  
KD Merick & Co.

**John Zumwalt, III**  
The PBS&J Corporation

2004

**Constitutional Amendments.** The Florida Supreme Court removed General Election ballot proposals opposed by TaxWatch because they would have imprudently eliminated sales and use tax exemptions and exclusions, and unfairly shifted property taxes onto people who do not own their own homes.

2004

**State Courts Funding.** Florida TaxWatch outlined the need for proper funding, management and accountability of the state courts prior to their transition from county to state budget responsibility.

## Report and Recommendations of the Florida TaxWatch Government Cost Savings Task Force for FY2012-2013, September 2011

This report, compiled in response to the challenges posed by one of the worst economic downturns in American history, embarks on the monumental task of finding innovative solutions to some of the most costly and complex problems facing Florida. Florida TaxWatch joined with a wide array of leaders from across the state to produce a menu of 135 recommendations worth more than \$4 billion worth of immediately actionable ideas to not only improve the operation and delivery of state government, but also to secure a sustainable economy for future generations in Florida. The Task Force, comprised of more than 50 community and business leaders, along with current and former elected officials, applied their expertise to the workings of state government to identify areas for improvement. The Task Force provides a unique forum to thoroughly examine the operation and cost of government in key areas where efficiency enhancements and policy alterations should be implemented to reduce waste, contain

costs, and improve taxpayer value.

The report is broken down into nine core policy areas that span across the policy spectrum. If implemented, these recommendations will generate savings without compromising core services and programs for Florida's most vulnerable populations, while providing much needed capital reserves for state government. All nine chapters feature a comprehensive report that details specific areas of improvement and potential solutions supported by cost savings estimates. The Task Force recognizes that each elected official must serve broad and varied constituents. As government services can be vital to the families, businesses, and communities of Florida, it is even more imperative than ever that smart, discreet, and judicious revisions and reductions are made to the state budget to create a more financially sound and modern government under which each citizen may prosper.

*"We would not have the savings and the success this session if it wasn't for you."*

—Representative Will Weatherford, House Speaker Designate

### Members of the Government Cost Savings Task Force for FY2012-13

**John Alexander**  
Task Force Chair  
Alico, Inc.

**Dominic M. Calabro**  
Florida TaxWatch

**The Honorable Jeff Atwater**  
Chief Financial Officer of Florida

**Joe Audie**  
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**Eric Silagy**  
Florida Power & Light

**David A. Smith**  
PSS World Medical (ret.)

**Stam Stathis**  
Florida Institute of CPAs

**Robert Stork**  
Communications International,  
Inc.

**John Zumwalt, III**  
The Zumwalt Group

2004

**Pre-Kindergarten Legislation.** TaxWatch research showing that legislation creating a universal pre-kindergarten initiative did not meet the intent of voters helped secure the Governor's veto.

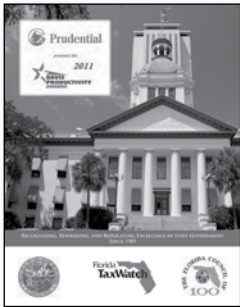
2004

**Workers Compensation.** Florida TaxWatch assessed the economic impact of reducing workers' compensation costs and recommended a course to do so, thereby helping create 13,000 new jobs in 2003.

# The Prudential – Davis Productivity Awards Program



## Recognizing, Rewarding and Replicating Excellence in State Government since 1989



Together with Prudential and several corporate and philanthropic sponsors, Florida TaxWatch continues to publicly recognize and reward state employees and work units whose work significantly and measurably increases productivity and promotes innovation to improve the delivery of state services and save money for Florida taxpayers and businesses.

This nationally unique awards program is a major government improvement initiative chaired by Florida's Lieutenant Governor and supported by The Florida Council of 100 and the State of Florida.

"I am extremely proud of those who make this program possible, from the

sponsors to the agency coordinators to the leaders within each agency, but most importantly, the state employees that it recognizes. They are the "change agents" who are taking personal initiatives to come up with solutions to make our state more efficient. I also want to sincerely thank Florida TaxWatch for developing and maintaining this program for more than 23 years. We must make sure that the program stays in place and keeps providing extra incentive for hard work and innovation." - Lt. Governor Jennifer Carroll

### The Mission

The mission of the program is the same today as it was 23 years ago: to recognize and reward Florida government employees whose enterprising work, fiscal responsibility and personal accountability significantly increase productivity levels above and beyond their job expectations.

### The Competition

The 2011 awards competition attracted 584 nominations for innovations and productivity improvements worth \$473 million in cost savings, cost avoidances and increased revenue for state government. Over the past 23 years, award winners have posted a total of \$7.1 billion in added value for Florida taxpayers and businesses.

### The Winning Combination

Governor Rick Scott, along with Cabinet Members and Lt. Governor Jennifer Carroll, as Chair of the 2011 Prudential - Davis Productivity Awards Program, have made leveraging the value of award winning

achievements a priority for building a more effective and efficient government. Promoting innovations that can be implemented throughout Florida government translates to millions of dollars of budget savings and improved service delivery. Providing these achievements to other states and countries is worth countless millions more.

## IN MEMORIAM



### Florence Novinger "Flo" Davis, 1910-2011

Mrs. Davis and her late husband were co-founders of Florida TaxWatch, and helped improve the lives of countless Floridians through their charitable efforts.

Florida TaxWatch had the distinct honor of working with Mrs. Davis through the Productivity Awards that continue to bear the Davis family's name, and the great privilege of knowing her as a person.



(Left to Right) Mike Jennings, Vice President of Government Relations for Prudential (Anchor Sponsor), Clarissa Dunlap, Executive Director of the Prudential - Davis Productivity Awards program, Lt. Governor Jennifer Carroll and Ed Hannum, President and COO of AvMed Health Plans, and Chairman of the Judges Panel, attend the Kickoff Reception at the Florida Governor's Mansion.

2005

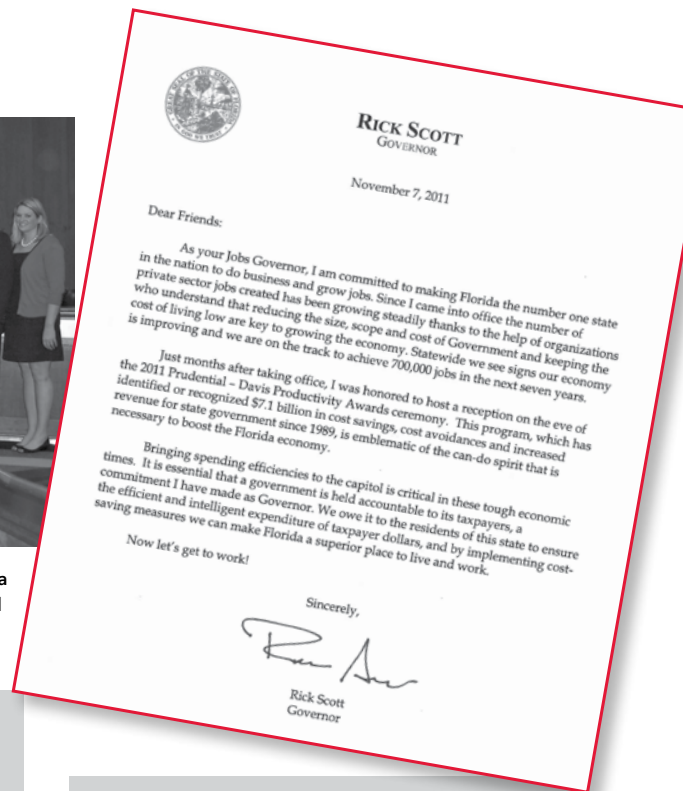
**Substitute Business Communications Tax Repeal.** The legislature repealed this tax following a TaxWatch task force recommendation to do so, outlining the negative effect on the state's economy and competitiveness resulting from this large unintended tax increase.

2005

**Constitutional Revision Reform.** The legislature created a proposed constitutional amendment (which was passed by voters the next year) that would implement a long-standing Florida TaxWatch recommendation to require a 3/5 vote of voters voting on an amendment instead of the current simple majority.



Governor Rick Scott and the Cabinet present a Resolution to Lt. Governor Jennifer Carroll, Florida TaxWatch and program sponsors recognizing the 2011 Prudential - Davis Productivity Awards and declaring June 2011 as "Prudential - Davis Productivity Awards Recognition Month."



### Distinguished Panel of Judges and Florida TaxWatch Senior Fellows

Judges for the Prudential - Davis Productivity Awards are dedicated to the program and the value it brings to the citizens of Florida. These busy men and women serve at high levels in both the public and private sector, but they devote many hours to reading information, reviewing nominations, analyzing evaluation reports, and making careful decisions on the importance and value of those nominations receiving high-level awards.

**Chairman Ed Hannum**  
Senior Vice President and COO  
AvMed Health Plans  
Miami, FL

**Bonnie Basham**  
President  
Capital Ideas  
Tallahassee, FL

**Barney Bishop**  
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**John Hogan**  
Chief Executive Officer  
Capital Health Plan  
Tallahassee, FL

**Susan Pareigis**  
President  
The Florida Council of 100  
Tampa, FL

**Steven Rogers**  
Client Executive  
IBM Corporation  
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**April Salter**  
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Salter>Mitchell  
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**John Thomas**  
Chief Executive Officer  
Brandt Information Services  
Tallahassee, FL

### Special Thanks to Our Corporate Sponsors

In addition to Prudential's generous support, numerous corporate, individual and philanthropic contributors supplement the awards program.

- Accenture
- ACS Government Solutions
- AT&T
- AvMed Health Plans
- Awards4U
- Bank of America Merrill Lynch
- Brandt Information Services
- Capital Health Plan
- CSX Corporation
- Correctional Healthcare Companies
- Dominic and Debbie Calabro
- The Florida Lottery
- Florida Network of Youth & Family Services
- Florida Press Association
- Florida Power & Light
- Florida Transportation Builders' Association
- Florida Trend Magazine
- Infinity Software Development
- MAXIMUS
- North Highland
- Northgate Arinso
- NSI
- Publix Super Markets Charities
- Tallahassee Memorial Healthcare
- Tate Enterprises

#### 2006

**Full Repeal of Tax on Intangibles.** TaxWatch began its push for a phased-in repeal of this unfair, outdated tax in 1988, through the work of its Intangibles Tax Task Force, with effective stepped reductions of the rate beginning in 1998 through full repeal in 2006.

#### 2006

**Repeal of Alcoholic Beverage Surcharge.** The legislature repealed this "by-the-drink tax," following two TaxWatch publications that outlined how costly and complicated it was to administer, audit and enforce, and was unfairly burdensome to merchants.

# Centers of Excellence

## Florida TaxWatch Center for Competitive Florida (CCF)

### Florida TaxWatch-CCF Advisory Board

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#### Ms. Michelle Robinson

President – SE Region/  
Public Affairs, Policy,  
and Communications  
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#### Mr. Marshall Criser, III

President-Florida  
AT&T

#### Mr. Robert Skrob

FL Association of CVBs

#### Mr. Doug Davidson

Market Executive  
Bank of America Merrill  
Lynch

#### Mr. David Smith

President & CEO (Retired)  
PSS World Medical

#### Ms. Nicki Grossman

Executive Director  
Greater Ft. Lauderdale  
CVB

#### Mr. Eric Silagy

Senior Vice President  
Florida Power & Light

#### Mr. Ed Hannum

President & Chief  
Operating Officer  
AdMed Health Plans

#### Mr. Bill Talbert

President & CEO  
Greater Miami CVB

The Florida TaxWatch Center for a Competitive Florida evaluates state government fiscal policies; researches economic, demographic and other trends that affect economic competitiveness; and makes policy recommendations that enhance Florida's ability to compete successfully to assure Florida's continued economic growth, security, and sustainability.

John Zumwalt Chairs the Center and Dr. Jerry D. Parrish serves as the CCF Director. The Center's Advisory Board, comprised of a distinguished and accomplished group of Floridians representing the private and nonprofit sectors, guides the direction of the Center. CCF relies primarily on the Council of Economic Advisors at Florida TaxWatch (FCEA) as well as TaxWatch staff to oversee and conduct research.

CCF publishes the monthly *Economic Commentary*, which provides reports on current issues affecting the Florida economy. Recent topics include: a comparison of the Florida business cycle to the U.S. business cycle; the outlook for Florida's international trade; effects of the volatility of the Euro on Florida's economy; the state's bond rating situation; and most recently the economic development topic of Florida's university technology transfer and its potential for job creation in Florida.

Working collaboratively with the FCEA, a new Florida Council of Economic Advisors' (FCEA) publication, *Economic Perspective*, has been created. This year saw the first of a series of occasional papers on topics relevant to all Floridians: August 2011's *Estimated Job Growth in Florida*, which is a review of Florida's recovery from previous recessions, along with a forecast of job growth for each of the ten sectors of Florida's economy for the 2011-12 state fiscal year.

In addition to periodicals on timely topics and reports on critical issues facing Florida, Dr. Parrish presented *Manufacturing: An Economic Driver for Jobs and Florida's Future* in front of the Board of Directors of Enterprise Florida, including Governor Rick Scott, Lieutenant Governor Jennifer Carroll, and CFO Jeff Atwater in August 2011 in conjunction with the release of the report.

2006

**Joint and Several Liability.** TaxWatch provided key research and testimony quantifying the limited impact repeal would have on the state's Medicaid budget. The legislature passed a bill abolishing the legal doctrine of joint and several liability, ensuring that parties to a lawsuit will not be liable for damages in excess of their percentage of responsibility.

2007

**Championed True Property Tax Reform.** TaxWatch brought relative, data-driven research and recommendations to urge true property tax reform – not just relief – to the legislature and the incoming constitutional Taxation and Budget Reform Commission. The Florida TaxWatch Center for Local Government Studies helped local citizens evaluate the operations of their local government.

## The Florida Council of Economic Advisors at Florida TaxWatch (FCEA)

The mission of the Florida Council of Economic Advisors at Florida TaxWatch (FCEA) is to provide professional, non-partisan public policy advice and recommendations to Florida state government, in order to promote the maximum, long-term sustainable growth and development of the Florida economy. The FCEA will fulfill its mission by:

- Evaluating and appraising the effects of existing and proposed programs and operations on the Florida economy;
- Studying, analyzing, and interpreting current economic conditions;
- Identifying, analyzing, and interpreting factors and forces shaping and influencing long-term economic growth;
- Developing and formulating policies and programs which will promote long-term economic growth;
- Contributing to the public's understanding of economic issues; and
- Interacting and collaborating with economic research, public policy and economic development organizations to share research findings, data, information and the like.

After a quarter century or more of generally robust economic growth, Florida now confronts a growing list of questions, uncertainties and challenges about its economic future. Roughly three decades of strong economic performance have brought Florida's per capita income and per person GDP to parity with the national averages, but further progress is far from assured. Profound demographic shifts, evolving industry mixes, changing workforce requirements, a wage structure that stubbornly lags the national norms, a severe and likely protracted housing market slump, substantially higher costs for housing, insurance and transportation, state and local government fiscal conflicts, escalating environmental concerns, and increasingly fierce regional, national and international competition are only a few of the notable forces buffeting – and potentially constraining – Florida's economy.

The Florida Council of Economic Advisors at Florida TaxWatch can be an important resource in these regards. Professional economists and public policy experts, owing to their knowledge, expertise, and interest, can provide valuable research, advice, and recommendations on a wide range of public policy issues, and, as a result, contribute to better policy choices.

### Florida Council of Economic Advisors at Florida TaxWatch

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Andreas School of Business  
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Miami Shores, Florida

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Associate Professor of Economics  
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#### Stefan C. Norrbin, Ph.D.

Professor of Economics, and  
Director of M.S. Program in Applied Economics  
Department of Economics  
College of Social Sciences  
Florida State University  
Tallahassee, Florida

#### Jerry D. Parrish, Ph.D.

Chief Economist  
Director, Center for Competitive Florida  
Florida TaxWatch  
Tallahassee, Florida

#### John E. Silvia, Ph.D.

Managing Director & Chief Economist  
Wells Fargo Economics Group  
Wells Fargo Securities, LLC  
Charlotte, NC

2007

**Streamlining Government.** Florida TaxWatch provided the House Speaker specific suggestions to eliminate duplication and to streamline government operations. One outcome was the legislature passing a bill eliminating the use of DOR form 219 (collection of property sales information), estimated to save more than \$12 million annually.

2008

**Amendment Five Defeated.** Florida TaxWatch filed an amicus curiae brief with the Florida Supreme Court, arguing that the amendment's proposed property tax-sales tax swap ballot title and summary may mislead voters. Research revealed that the replacement money required would result in a nearly \$3 billion net tax increase. The court agreed and struck the amendment from the November 2008 ballot.

## Florida TaxWatch Center for Educational Performance and Accountability (CEPA)

Florida TaxWatch-CEPA promotes exemplary PreK-20 student achievement within a cost effective environment. It does this by providing information and conducting independent, relevant research on educational issues that affect the efficiency, effectiveness, and accountability of state government, local school districts, and postsecondary institutions. CEPA's work is guided by a talented group of advisors and affiliates who establish top priorities that evolve with changing conditions, such as the economic crisis that has gripped the state and the nation.

Economic development and education are inherently intertwined. Thus, it is vital that Floridians have a keen understanding of the profound importance of education to the state's national and international competitiveness. This relationship is highlighted by CEPA via efforts associated with policy influence, applied research, collaborative outreach, and citizen education. All taxpayers benefit from these activities since today's students are tomorrow's workforce.

The Innovation Age in which we are living requires solid schooling at all levels.

**CEPA research is made possible through the outstanding contributions of the following sponsors, all of whom share a keen interest in improving the educational outcomes in our state toward enhancing the lives and livelihoods of all of Florida's taxpayers.**

**Brandt Information Services  
IBM  
Publix Super Markets Charities  
State Farm Companies  
SunTrust Banks of Florida Foundation  
Verizon Foundation**

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Schools

**Bill Montford**  
Florida Association  
of District School  
Superintendents

**Jon Moyle, Jr.**  
Keefe Anchors  
Gordon & Moyle

**Sandra Murman**  
Barr, Murman,  
Tornelli, PA  
Former Member,  
Florida House of  
Representatives

**Chris Neal**  
State Farm Insurance  
Companies

**Sherry Plymale**  
Florida Atlantic  
University  
Board of Trustees

**Van Poole**  
Dutko Worldwide

**Mary Lou Rajchel**  
Florida Trucking  
Association

**Crisha Scolaro**  
The Academies  
for Educational  
Excellence, Inc.

**Dr. Fred Seamon**  
MGT of America

**Harry Shorstein**  
Former State  
Attorney  
Shorstein & Lasnetski

**Dr. Eric Smith**  
Florida  
Commissioner of  
Education

**Lyn Stanfield**  
Apple

**Steve Uhfelder**  
Uhfelder &  
Associates, P.A.

**President Ken  
Walker**  
Edison State College

**Jim Warford**  
Florida Association  
of School  
Administrators

**Julie Young**  
Florida Virtual  
School, Orlando

**Dr. Dhyana Ziegler**  
Florida A & M  
University

### CEPA AFFILIATES

**Carol Butera**  
Children First

**Mary Chance**  
Consortium of  
Florida Education  
Foundations

**Gary Chartrand**  
Acosta Sales &  
Marketing Company

**The Reverend  
Allison DeFoor**  
Castille & DeFoor

**Donald Griesheimer**  
Florida Association  
of District School  
Superintendents

**Dr. Art Keiser**  
Keiser University

**Rosemary Lucia**  
MAXIMUS

**Scott Luongo**  
Broward County  
Parent

**Natalie Mealey**  
Pepin Distributing  
Company

**Cindy O'Connell**  
O'Connell  
Consulting

**Tom Pepin**  
Pepin Distributing  
Company

**Dr. Nanette Rodgers**  
Polk Community  
College

2008

**Unitary Taxation Defeated.** A bill to create a unitary corporate tax system was voted down, following TaxWatch testimony before a House committee that unitary taxation through combined reporting of corporate income would be complicated and costly to administer for taxpayers and the state.

2008

**Value Adjustment Board Reforms Passed.** The legislature passed a TaxWatch-recommended bill to make local Value Adjustment Boards more uniform and accountable in their makeup and policies, together with loosening the "highest and best use requirement", a long-standing TaxWatch recommendation.

## About the Florida TaxWatch Center for Smart Justice (CSJ)

The Florida TaxWatch Center for Smart Justice, led by a distinguished board of civic and business leaders from across Florida, was formed in 2010 to ensure statewide justice reform that will enhance public safety through proven, cost-effective measures. Under the auspices of Florida TaxWatch, with more than three decades of improving taxpayer value, citizen understanding, and government accountability, the Center for Smart Justice is a targeted effort to address the unacceptable societal and economic outcomes of state and local public expenditures in criminal justice.

Research is increasing rapidly in the area of budgeting for justice reform simply because public expenditure on corrections is second only behind Medicaid as the largest growing budget area of state government. Spending taxpayer resources for vital public safety is a government imperative, but tough on crime and tough on spending for crime are not mutually exclusive—both concepts can be leveraged to the benefit of taxpayers through smart justice reform. It is not enough to rely on anecdotal evidence, simply too much is at risk. **The Florida TaxWatch Center for Smart Justice will drive decision making in the public interest through concrete evidence found in data and research to heighten Smart Justice in Florida.**

### Center for Smart Justice Advisory Board

**CHAIR**

Robert Stork

**VICE CHAIR**

Allison DeFoor

Dr. Nate Adams

Barney Bishop

Robert Blount

General Bob Butterworth

Joseph Clark

Lori Costantino-Brown

Sandy D'Alemberte

John Delaney

General Richard Doran

Sheriff Don Eslinger

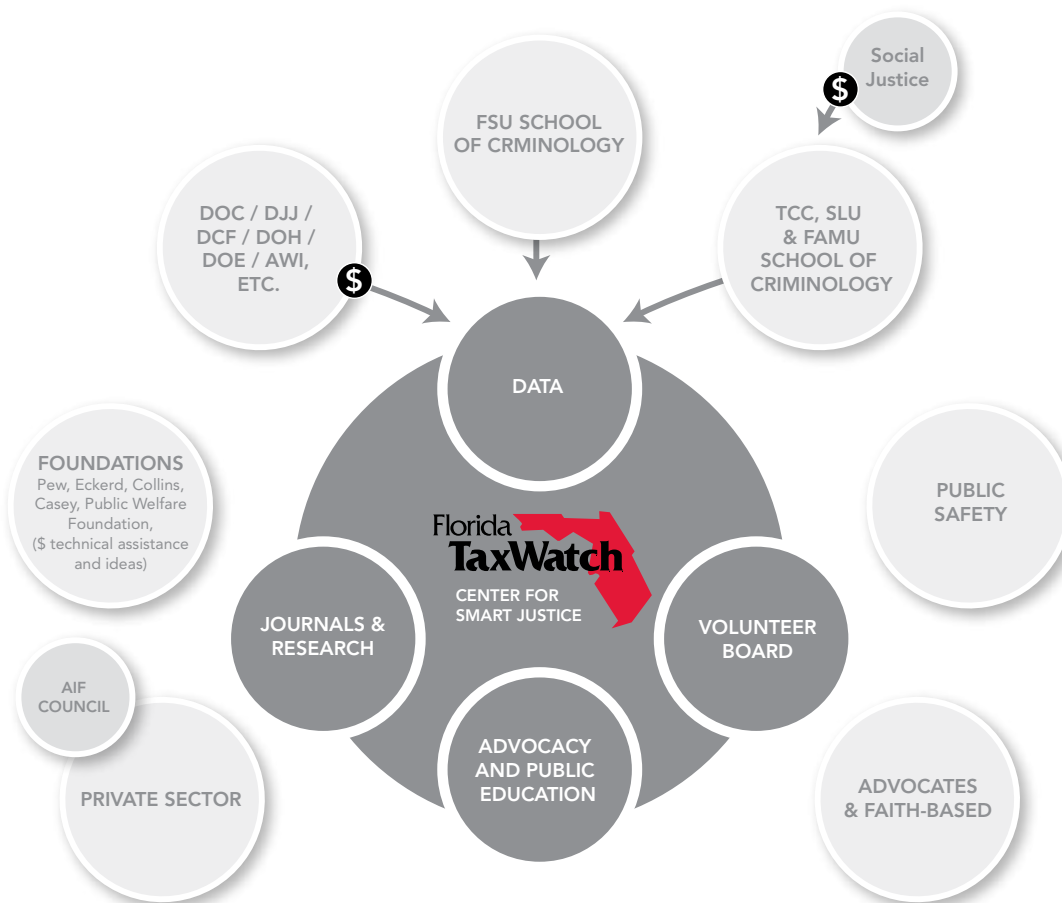
Hon. Janet Ferris

Richard Hersch

Vicki Lukis

Dale Recinella

Hon. Irene Sullivan



**KEY PARTNERS**

- > Florida TaxWatch
- > AIF
- > Chamber of Commerce
- > The Florida Council of 100
- > James Madison Institute
- > Collins Center for Public Policy
- > Southern Poverty Law Center
- > Right on Crime

2009

**Cost Savings.** TaxWatch released 42 cost savings, cost avoidance, and revenue maximization ideas worth \$6.2 billion dollars to help the legislature meet its budget during recession. The legislature passed bills implementing 11 of the ideas, worth \$800 million in long-term savings.

2009

**Burden of Proof in Property Tax Challenges.** The legislature approved long-standing TaxWatch recommendations to change the burden of proof in property assessment challenges to level the playing field for taxpayers.

# Florida TaxWatch Members Make the Difference

## Regional Board Leaders

### Tallahassee

John Thomas, Brandt Information Systems

### Fort Lauderdale

Alan Levy and Kareen Boutros, The Broward Workshop

### Miami

TaxWatch Chairman Marshall Criser III, AT&T

### Fort Myers

John Alexander, Alico

### Pensacola

Scott Teel, Gulf Power

### West Palm Beach

Eric Silagy, FP&L

### Lakeland/Winter Haven

Chris Neal, State Farm Insurance

### Tampa

Bill Carlson, Tucker Hall

### Sarasota

Pat Neal, Neal Communities

### Orlando

Rich Morrison, Florida Hospital/Adventist Health System

### Melbourne

Tom Hobson and Eric Stern, Rockwell Collins

### Jacksonville

David Mann, SunTrust Bank

Florida TaxWatch members represent some of the most creative business and civic leaders in our great state. Your membership in Florida TaxWatch empowers you and Florida's taxpayers to take your ideas and, at times, your frustrations about government and channel them into constructive action.



Florida TaxWatch President & CEO Dominic Calabro updates members during the Jacksonville Regional Luncheon Briefing

At Florida TaxWatch, the Board leadership and staff work directly with the membership to encourage their input on emerging issues, build critical partnerships, and collaborate on promoting positive policy recommendations.

**Regional Membership Meetings**, held in 12 major areas of Florida each year, brief members on key tax and public policy issues facing them, their families and businesses. They also provide a forum for members to voice their concerns about local and state issues and explore how Florida TaxWatch can help. These regional meetings have been enthusiastically received by the membership and the locally elected officials and community leaders whom we invite to take part as our guests.

**TaxWatch Task Forces**, made up of interested membership and key research associates, have played an important role in upholding our motto of "research that gets results"! From the past elimination of the Intangibles Tax to the successful implementation this year of \$2 billion in government cost savings ideas, where there is an important taxing and spending concern in Florida, there is a Florida TaxWatch task force posing the right questions and expanding the reach of the state's taxpayer research institute.

Likewise, our **Centers of Excellence** (focusing on education, competitiveness, criminal justice, and coming soon, health & aging) have advisory boards where TaxWatch members discuss critical issues and develop questions that future TaxWatch research can tackle to help state government shape responsible fiscal and public policy.

We hope that you have enjoyed these sessions as much as we have. We have appreciated every opportunity to come into your communities, to tap into the wealth of talent of our supporters and volunteers, and to brainstorm together on the opportunities and challenges ahead.

This year we welcomed 65 new members to the nearly 1,000 statewide Florida TaxWatch members and subscribers.

We extend our deepest thanks to the outstanding volunteers listed on this page who have led and participated in the regional meetings. We look forward to seeing you in the year ahead in your region, and to working together to ensure the health and prosperity of our state to the benefit of all of Florida's taxpaying citizens and businesses.



President & CEO Dominic Calabro thanks Florida TaxWatch member Alan Levy for hosting the Ft. Lauderdale Regional Luncheon Briefing

## 2009

**Indigent Court Filing Fees.** The Legislature waived court filing fees for the indigent as TaxWatch recommended in 2008.

## 2010

**Amendment Four Defeated.** TaxWatch provided key research that helped defeat this proposed constitutional amendment. The econometric analysis revealed that requiring voter approval of all local comprehensive plan changes would cost Floridians 250,000 jobs, \$227 million in lost property taxes, upwards of \$83 million annually in special election costs, and add more than \$1 billion in extra legal costs to local governments.

# Why Join Florida TaxWatch?

## WHAT MAKES FLORIDA TAXWATCH UNIQUE

### Independence:

By advocating in the public taxpayer interest, not for a particular individual, group, or economic sector, Florida TaxWatch research brings credibility and thus influence to issues other groups or individuals cannot.

### Public Service:

As a public servant, Florida TaxWatch helps the public by taking positions based on its independent research findings, regardless of popularity or expediency.

### Historical Context:

Florida TaxWatch has a historical understanding of government, public policy issues, and the battles fought in the past necessary to structure effective solutions for the future. We frame the public debate going forward.

### Empowerment:

Florida TaxWatch empowers you by your membership, taking your suggestions and frustration over government and channeling it into constructive action.

**We're helping state and local governments reduce spending** by finding sensible ways to streamline and trim costs, as your family and business have had to do, and channeling those savings to preserve true, legitimate core services and avoid tax and fee increases.

**Help Us Help You.** You can sit on the sidelines, watching others decide the future of how your tax dollars are spent and what your Florida becomes. Or you can join Florida TaxWatch. Call the 24-Hour Membership Line at 850-510-7185 or email [hbennett@FloridaTaxWatch.org](mailto:hbennett@FloridaTaxWatch.org)

### Credible Reputation

Florida TaxWatch is **your eyes and ears** for fiscal accountability throughout Florida. Since 1979, Florida TaxWatch has been watching how your tax dollars are raised and spent. Florida TaxWatch consistently finds new ways to promote and encourage government efficiency and reduce waste.

Florida TaxWatch is a statewide, **non-profit, non-partisan research institute** supported by voluntary, tax-deductible membership contributions and philanthropic grants. All types of taxpayers – homeowners, small businesses, corporations, professional firms, associations, individuals, and philanthropic foundations – benefit

from membership in Florida TaxWatch.

Florida TaxWatch is an independent, credible and relevant **watchdog that contributes to your household or business bottom line by stopping unnecessary taxes and ensuring existing taxes we have are fair and equitable.**

### Research that Gets Results

During its 32 year history, Florida TaxWatch **has saved taxpayers billions of dollars** through its documented cost savings recommendations. The legislature has implemented **an additional \$4+ billion** in savings recommended by our Government Cost Savings Task Forces in just

the past three years.

Your fully **tax-deductible membership** contribution to Florida TaxWatch supports its independent research efforts that directly impact state laws, constitutional amendments, budgets, and government programs.

Your Florida TaxWatch membership also gives you **direct access to relevant statewide issues** through a subscription to all Florida TaxWatch publications, including our influential yearly reports, exclusive Economic Commentaries, and electronic alerts on developments we track at the Capitol.

2010



**Cost Savings.** TaxWatch released 42 cost savings, cost avoidance, and revenue maximization ideas worth \$6.2 billion dollars to help the legislature meet its budget during recession. The legislature passed bills implementing 11 of the ideas, worth \$800 million in long-term savings.

2011

**Modernizing Corporate Income Tax.** The Legislature approved a Florida TaxWatch initiative to make the state's tax code more competitive and attract corporate investment and job creation. Corporations that invest at least \$250 million in Florida may elect to use a single sales factor tax apportionment formula for corporate income taxes. This removes a tax disincentive for a corporation to locate jobs in Florida.

# Florida TaxWatch Professional Staff and Consultants



**Dominic M. Calabro**  
President & Chief Executive  
Officer



**Steve Evans**  
Senior Advisor



**Harvey Bennett**  
Senior Vice President of  
Membership & Marketing



**Kurt Wenner**  
Vice President for Tax  
Research



**Robert Weissert, Esq.**  
Vice President for Research  
and Development and  
General Counsel



**Clarissa Dunlap**  
Prudential – Davis Productivity  
Awards Executive Director



**Deborah Brodsky**  
Director for the Center for  
Educational Performance and  
Accountability and Center for  
Smart Justice



**Jerry Parrish, Ph.D.**  
Chief Economist and  
Director of the Center for  
Competitive Florida



**Dr. Stephen Morrell**  
Florida Council of Economic  
Advisors Chairman



**Erin Choy**  
Director of Membership and  
External Relations



**Chris Barry**  
Communications  
Coordinator



**Sonya Sowards**  
Executive Assistant to the  
President & CEO



**Christina Calabro**  
Prudential – Davis Productivity  
Awards Assistant



**Dave Davis**  
Florida TaxWatch Consultant  
Prudential Davis Productivity  
Awards Researcher Emeritus



**Barbara Nichols**  
Accountant



**Mike Brand**  
Research Analyst



**Dustin Fusillo**  
Research Analyst



**Katie Furtick**  
Research Analyst



**Pete Murray**  
Research Analyst



**Blaine Cherry**  
Junior Research Analyst

2011

**More Cost Savings.** A second Florida TaxWatch Task Force developed a number of additional recommendations worth more than \$4 billion to help the legislature address an unprecedented third straight year of reduced revenues. The legislature implemented \$2.1 billion worth of those ideas in the current budget year, mostly in the areas of pension, Medicaid, and corrections reform.

2011

**Unemployment Compensation.** The Legislature made some TaxWatch-recommended reforms to the unemployment compensation system to ensure that only those who should be receiving benefits are receiving them and helping Florida's system to place the focus on re-employment. It also provided limited relief to employers who are facing massive Unemployment Compensation.



**STATE OF FLORIDA**

**PAM BONDI  
ATTORNEY GENERAL**

November 4, 2011

Florida TaxWatch  
106 N. Bronough Street  
Tallahassee, FL 32301

Dear Friends:

Thank you, Florida TaxWatch, for your contributions to state government over the past 32 years. Floridians deserve efficient and cost-effective government services, and Florida TaxWatch is an organization that helps increase government accountability and provides research that shapes sound public policy. I am grateful to have such an excellent organization to collaborate with as we serve Floridians.

Sincerely,

Pam Bondi  
Attorney General



Letter from Mike Haridopolos

Dear Friends,

I want to applaud your organization's ongoing efforts to keep Florida's tax climate fair and stable as state lawmakers work to help create jobs, foster a business-friendly environment, and improve the quality of life for our state's citizens. Floridians deserve a government that uses their tax dollars wisely and efficiently – principles to which Florida TaxWatch is committed to promoting.

Your organization has garnered an excellent track record and continues to play an important role in developing research that offers valuable insight that is of considerable benefit to both the business community and taxpayers. I look forward to hearing from your organization in the future as we all work for a better Florida!

Sincerely,  
Mike Haridopolos



CHIEF FINANCIAL OFFICER  
JEFF ATWATER  
STATE OF FLORIDA

October 27, 2011

Florida TaxWatch  
106 North Bronough Street  
Tallahassee, FL 32301

Dear Florida TaxWatch:

Congratulations to Florida TaxWatch for 32 successful years of taking a lead role in offering creative, commonsense solutions to help shape responsible fiscal and public policy to address the growing economic challenges facing Florida government. Florida taxpayers are fortunate to have an unbiased organization with a keen understanding of state's issues to recommend possible solutions.

As your Chief Financial Officer, my primary goal is to help you keep and protect your hard-earned dollars. I welcome the thought-provoking scrutiny and analytical approach TaxWatch offers businesses and individuals regarding actions being taken with their precious tax dollars in the capitol. I commend the excellent research that is the end product of some of our state's most renowned economists, business leaders and other experts.

As your 32nd year of service begins, Florida is dealing with its most challenging economic climate in decades. Such circumstances enhance the importance of your leadership in developing and disseminating new and creative ways of recognizing additional cost savings and making tax dollars go even further.

Thank you for all you have done so far, and I look forward to working with you in the future.

Sincerely,



Jeff Atwater  
Chief Financial Officer



FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
COMMISSIONER ADAM H. PUTNAM  
THE CAPITOL

November 7, 2011

Dear Friends,

It is my pleasure to congratulate Florida TaxWatch as you mark 32 years of service to the state of Florida. During these challenging economic times, we are forced to do more with less. It is important now, more than ever, that we make smart decisions about the use of our resources.

As a member of Florida's Cabinet, I am committed to using technology and innovation to streamline programs and create efficiencies so that we can continue to provide the same great service Floridians have come to expect. The future growth of our state relies on our ability to keep taxes low and make Florida not only affordable for those already living here, but those looking to relocate to our state.

I look forward to working with Florida TaxWatch in the year ahead to put our state and its residents at the forefront of every opportunity. Working together, we can create a better and brighter future for all those who call Florida home.

Sincerely,



Adam H. Putnam  
Commissioner of Agriculture

# Words of Appreciation and Encouragement

Since 1979, Florida TaxWatch advocated on behalf of the people and I congratulate you on your efforts to educate both state leaders and taxpayers. Your recommendations are invaluable to the legislative process.

— Governor Charlie Crist



Now more than ever, government needs a responsible partner to offer sound policy recommendations and productivity enhancements. Florida TaxWatch is that entrusted friend of taxpayers, carefully watching that our citizens' hard-earned dollars are put to good use.

— Fomer U.S. Senator and Governor Bob Graham



You are heroes to me for what you do in the state - we could use your pencils, minds, and courage up in Washington.

— Former U.S. Senator George LeMieux

Government must be held accountable to taxpayers, and the work of Florida TaxWatch helps achieve this goal.

— Senator Bill Nelson



It's always important to have a level of conscience out there in asking 'Are we doing this right?' and 'Are we spending wisely here?'. We congratulate Florida TaxWatch for your efforts.

— Lt. Governor Jennifer Carroll



I'm grateful to Florida TaxWatch for their tireless work in providing first-rate research and education on policies that affect our economic vitality in the state.

— Senate President Mike Haridopolos



I do respect the work Florida TaxWatch does in being stewards of the taxpayers' money.

— Representative Carlos Lopez-Cantera

What is valuable about TaxWatch's approach is that it focuses not solely on saving money but also on improving government.

—Tampa Tribune Editorial



...a premier tax watchdog group, respected for its conservatism and fiscal frugality."

— Lakeland Ledger Editorial



Fortunately for the legislators, TaxWatch already has done much of their work for them.

— Orlando Sentinel Editorial



TaxWatch is Florida's most important advocate for taxpayers. I am proud to be associated with you over all these years.

— Florida TaxWatch Board Member and former State Senator Pat Neal, President of Neal Communities



# *We Believe*

You cannot bring about prosperity  
by discouraging thrift

You cannot strengthen the weak  
by weakening the strong

You cannot help small men  
by tearing down big men

You cannot help the poor  
by destroying the rich

You cannot lift the wage earner  
by pulling down the wage payer

You cannot keep out of trouble  
by spending more than your income

You cannot further the brotherhood of men  
by inciting class hatreds

You cannot establish security  
on borrowed money

You cannot establish character and courage  
by taking away a man's initiative and independence

You cannot help men permanently  
by doing for them what they could and should do for themselves

*—From the pen of Reverence William John Henry Boetcker (1873-1962),  
& often attributed to Abraham Lincoln*



**Improving Taxpayer Value, Citizen Understanding, and Government Accountability**

160 N Bronough St. (32301)

P.O. Box 10209 (32302)

Tallahassee, Florida

[www.FloridaTaxWatch.org](http://www.FloridaTaxWatch.org)

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