

PARTNERS **in** **PRODUCTIVITY**

MAKES
THE \$3 BILLION DIFFERENCE



May 1998

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Partners in Productivity (PIP), sponsored by The Florida Council of 100, Florida TaxWatch and the State of Florida, has achieved impressive results over the past decade, helping to add more than \$3 billion worth of value to the delivery of state services.

Established in 1987, PIP has combined the resources of two prestigious non-partisan organizations with proven track records in the area of government improvement. Numerous Florida Council of 100 and Florida TaxWatch members served on two PIP task forces and -- for the past nine years - as judges for the annual Davis Productivity Awards competition.

This public/private partnership was established and has operated under a Governor's Executive Order, a Cabinet Resolution and continuing support of the legislative leadership, which have helped assure the ongoing commitment and cooperation of our government leaders and state agencies through both Republican and Democratic administrations.

A Different Approach to Government Improvement

PIP has been more than the usual, short-lived advisory program. Putting a new twist on a long tradition of government productivity efforts in Florida and other states, this initiative combined TaxWatch's statewide government watchdog expertise with the state's most influential group of business executives -- The Florida Council of 100 -- to promote lasting, noticeable improvements in the ongoing enhancement of government productivity.

A key goal of PIP has been to help institutionalize productivity enhancement as an ongoing top priority in state government by turning the thinking and consequences of government management upside down to reduce bureaucratic disincentives and help managers better motivate and reward employees. PIP is unique in several ways:

- ✎ The major impetus for performance and productivity improvement initially came from outside the governmental system;
- ✎ Foundation grants (principally from the John D. and Catherine T. MacArthur Foundation), contributions from the private sector and the support of The Florida Council



of 100 and Florida TaxWatch have funded this program -- no government funds have been appropriated;

☞ PIP has combined identification of major cost savings and management improvements, measurement and public reporting of results; and tangible rewards for unsung heroes of state government whose innovation and smart work add value in the delivery of services to our citizens; and

☞ PIP's sponsors, The Florida Council of 100 and Florida TaxWatch, continue to play an active role to assure that today's government improvement efforts get results tomorrow. The ongoing presence of Partners In Productivity assures opinion makers and citizens that improving government productivity is a high priority in Florida.

Independent Verification of Savings

A November 1997 report by Florida State University's Office of Needs Assessment and Planning independently verified savings achieved by Partners in Productivity.

The FSU office examined implementation of a sample of 17 of 272 cost saving suggestions made by Partners in Productivity in its 1988-89 task force reports and estimated cost savings for 15 of these recommendations (see Appendix A). FSU's estimate of \$1.55 billion from implementation of all PIP recommendations using a ten-year rollover is consistent with a 1995 PIP report documenting a previous five-year savings of \$715 million (1990 - 94). This report uses the more conservative five-year savings figure.

Results Bring Recognition

Partners in Productivity's accomplishments during the past decade have attracted national attention, including:

- ✓ A 1989 Certificate of Merit for distinguished research from the Governmental Research Association, an 80-plus-year-old national organization of government research institutions including Florida TaxWatch;
- ✓ A 1991 award for state government innovation from the National Center for Public Productivity at Rutgers University in New Jersey;
- ✓ A 1997 Special Achievement Award from the Governmental Research Association for results obtained through PIP and several Florida TaxWatch reports on government performance and accountability measures; and
- ✓ Scores of inquiries from government officials and managers in other states, including the 1996 Georgia Legislature's enactment of efficiency in government legislation creating a statewide recognition initiative patterned after the Davis Productivity Awards program.

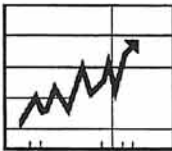
What Remains To Be Done?

In the coming decade, The Florida Council of 100 and Florida TaxWatch can and should continue to contribute to Florida government's productivity and accountability efforts by:

- ☞ Monitoring and evaluating implementation of the 1994 Government Performance and Accountability Act -- particularly regarding the quality of outcome performance measures, their use in justifying annual appropriations and incentives/sanctions for positive results or a lack thereof;
- ☞ Examining/oversighting the state's Revenue Estimating Consensus process -- particularly as it relates to the 1994 constitutional revenue limitation discussed below and the fiscal impact of proposed tax law changes; and
- ☞ Continuing recognition of exemplary performance by state employees via the Davis Productivity Awards program.

The Partners in Productivity Initiative in Brief

Partners in Productivity has consisted of three phases:



Phase One: Cost Savings and Management Improvements

PIP's three member team, The Florida Council of 100, Florida TaxWatch and the State of Florida, first undertook the job of identifying major cost saving and performance improvement opportunities in the four largest spending areas of state government: Corrections, Health and Rehabilitative Services, Education and Transportation, which together spend about three-quarters of the state budget.

In 1988-89, a gubernatorily appointed task force of 39 of the state's corporate chief executives chaired by Dr. Joe Boyd, former Chairman and CEO of Harris Corporation, and H.L. Culbreath, former Chairman of TECO Energy, issued four reports containing 272 service delivery improvement recommendations in 24 major issue areas with potential added value of \$727 million.

In December 1990, Partners released Report Cards on these four agencies' initial action showing that more than 60 percent of the recommendations had been implemented fully or substantially, and another 19 percent had been implemented partially for savings of \$99 million. A final accounting of all cost savings and management improvements issued in 1995 documented \$715 million of added value for a cost/benefit ratio of \$1 to \$2,383 (\$300,000 expended by the PIP task force versus \$715 million added value).

Phase One Task Force (1988-89)*

*Company Affiliations in 1988-89

Chairman

Dr. J.A. Boyd
Harris Corporation
Melbourne

Vice Chairman

H.L. Culbreth
Teco Energy, Inc.
Tampa

Executive Director

David M. Davis
Florida TaxWatch
Tallahassee

Corrections Subcommittee

Chairman

Preston H. Haskell
The Haskell Company
Jacksonville

J. Hyatt Brown
Brown and Brown, Inc.
Daytona Beach

Ander M. Crenshaw
Drexel Burnham Lambert
Jacksonville

Senator Philip D. Lewis
Philip D. Lewis, Inc.
Riviera Beach

Charles P. Lykes
(Deceased)
Lykes Bros., Inc.
Tampa

Louis E. Fischer
Fischer Associates, Inc.

David McIntosh
Gunster, Yoakley,
Criser and Stewart, PA
West Palm Beach

David H. Hughes
Hughes Supply, Inc.
Orlando

Fred Donovan
Baskerville-Donovan
Engineers, Inc.
Pensacola

Education Subcommittee

Chairman

Robert A. Morris, Jr.
Ramar Group Companies
Sarasota

Willard Dover
Attorney At Law
Ft. Lauderdale

H.C. Henry, Jr.
Southern Bell
Miami

D. Burke Kibler, III
Holland and Knight
Lakeland

A. Gordon Oliver
Citizens and Southern
Florida Corporation
Ft. Lauderdale

Robert M. Taylor
Mariner Group, Inc.
Ft. Myers

DuBose Ausley
Capital City Bank Group
Inc.
Tallahassee

Pat L. Tornillo, Jr.
Florida Education
Association
Miami

Dr. Barbara W. Gothard
Burger King Corporation
Miami

HRS Subcommittee

Chairman

William E. Flaherty
Blue Cross and Blue
Shield
of Florida, Inc.
Jacksonville

Fred W. Baggett
Roberts, Baggett, LaFace
Tallahassee

T. Wayne Davis
Tine W. Davis Family
Foundation, Inc.
Jacksonville

Robert P. Ewing
MacArthur Foundation
Chicago, Illinois

John J. Silver, Jr.
American Medical
International, Inc.
Tampa

Henry H. Beckwith
Summit Corporation
Jacksonville

John D. Uible
Florida National Banks of
Florida, Inc.
Jacksonville

John W. Boyle
Jack Eckerd Corporation
Clearwater

Transportation Subcommittee

Chairman

W.M. Palmer, Jr.
MFM Industries, Inc.
Ocala

James W. Aphorpe
Gulfstream Land and
Development
Tampa

Edward L. Baker
Florida Rock Industries,
Inc.
Jacksonville

Fredrick E. Fisher
The Center Foundation,
Inc.
Clearwater

L. Charles Hilton, Jr.
Hilton Enterprises, Inc.
Panama City

P. Scott Linder (Deceased)
Linder Industrial
Machinery Company
Lakeland

A.W. Lopez
Occidental Chemical Co.
Tampa

W. Guy McKenzie, Sr.
(Deceased)
McKenzie Tank Lines,
Inc.
Tallahassee

Peter H. Monroe
Rutenberg Commercial
Developers
Clearwater

Selby W. Sullivan
Hubbard Construction
Company
Orlando

Stanley G. Tate
Stanley Tate Enterprises
North Miami



Phase Two: Government Performance Measurement and Spending Reform

In 1992, a second Partners in Productivity Task Force of 46 business executives and community leaders -- chaired by FPL Group Chairman James Broadhead and former Florida Council of 100 Chairman Bill Dover -- worked with each state agency to review their operations, performance targets and improvement strategies. Task force members also worked to develop preliminary performance and productivity measures that were a precursor to measures required by the 1994 Performance and Accountability Act. And the Task Force advocated implementation of Total Quality Management programs which subsequently was initiated in a number of state agencies.

The Task Force's July 1992 report entitled *Improving Florida Government's Performance* recommended limiting the rate of growth of Florida government, helping to promote -- in concert with the Commission for Government by the People (Fredrick Commission) and the Taxation and Budget Reform Commission -- passage of constitutional amendments on government performance and government spending.

- In November 1992, eighty-three percent of the Florida electorate approved an amendment requiring performance measurement and productivity programs in state government.

- In November 1994, the Florida electorate approved a provision that state revenue cannot increase each year greater than the growth in Florida's personal income so that state spending cannot grow faster than peoples' ability to pay in any one year.

The Task Force's 96 page report also recommended creation of the Government Accountability to the People (GAP) Commission whose founding chairman was Council of 100 and TaxWatch member Preston Haskell. TaxWatch member Bill Frederick and TaxWatch executive committee member Adelaide Sink served as Chairmen in 1995-96 and 1996-97, respectively. Council of 100 and TaxWatch member Jim Apthorp was Vice Chairman in 1996-97; and Council of 100 and TaxWatch members Joe Chapman and Jack Critchfield plus TaxWatch member Tom Staed served as members in 1992-96. TaxWatch President and Chief Executive Officer Dominic Calabro currently serves as a GAP Commissioner and Chairman of GAP's Assessment Committee, which promotes outcome-based performance measures.

Phase Two Task Force (1992)*

*Company affiliations in 1992

Chairman

James L. Broadhead
FPL Group, Inc.
Juno Beach

Vice Chairman

Willard D. Dover
Fleming, O'Bryan and Fleming, PA
Ft. Lauderdale

Executive Director

David M. Davis
Florida TaxWatch
Tallahassee

Payton F. Adams
GTE (Retired)
St. Petersburg

David H. Hughes
Hughes Supply
Orlando

Thomas P. Pledger
Dycom Industries, Inc.
West Palm Beach

Bob D. Allen
Tomoka Land Corporation
Daytona Beach

Thomas E. Hunt
Southern Bell
Orlando

Charles E. Rice
Barnett Banks
Jacksonville

Andrew Barnes
St. Petersburg Times
St. Petersburg

Steven Knopick
Beall's Department Stores
Bradenton

Clay Robertson
Blue Cross/Blue Shield
Jacksonville

T.E. Bronson
Independent Aggregates
Brooksville

D. Burke Kibler, III
Holland and Knight
Lakeland

Gene Rutherford
Blue Cross/Blue Shield
Jacksonville

J. Hyatt Brown
Brown and Brown, Inc.
Daytona Beach

Joseph P. Lacher
Southern Bell
Miami

Steven Settles
Barnett Banks
Jacksonville

Jack B. Critchfield
Florida Progress Corporation
St. Petersburg

Dean Robert Lanzillotti
University of Florida
Gainesville

William E. Starkey
GTE Information Services
Tampa

Pamela Davis
PRIDE
Clearwater

Senator Philip D. Lewis
Philip D. Lewis Real Estate
Riviera Beach

Gus A. Stavros
Pelam Investments
St. Petersburg

Edward D. Duda
A. Duda and Sons
Oviedo

David McIntosh
Gunster, Yoakley & Stewart, PA
West Palm Beach

R. Travis Storey
Arthur Andersen and Co.
Jacksonville

William E. Flaherty
Blue Cross/Blue Shield
Jacksonville

James H. Maxwell
Coopers and Lybrand
Tampa

Robert E. Sullivan
Harris Corporation
Melbourne

Michael T. Fraga
Florida Power and Light
Miami

Robert A. Monroe
House of Seagram
Tampa

Stanley G. Tate
Tate Enterprises
North Miami

Reeder Glass
Holland and Knight
Miami

Robert A. Morris, Jr.
Ramar Group Companies
Sarasota

A. Bronson Thayer
First Florida Banks, Inc.
Tampa

Timothy L. Guzzle (*Deceased*)
TECO Energy
Tampa

Paul T. Nolan
GTE Operations
Tampa

Cass Vickers
Vickers, Caparello Law Firm
Tampa

John T. Hartley
Harris Corporation
Melbourne

Thomas P. O'Donnell
Ft. Lauderdale Sun-Sentinel
Ft. Lauderdale

Jack Wilson
The Wilson Companies
Tampa

Dr. Arnold Heggstad
University of Florida
Gainesville

Kenneth C. Otis, II
Blue Cross/Blue Shield
Jacksonville

Michael Zagorac, Jr.
Jack Eckerd Corporation
Clearwater

William Howden
United Technologies
West Palm Beach

Whitfield M. Palmer, Jr.
MFM Industries
Ocala



Phase Three: Rewards and Recognition

In the past, the easiest way to take on a thankless task was to go to work for government. Doing a good job meant outshining peers who often resented the competition. Rewards and recognition were practically non-existent, except those encumbered by political favoritism. With hardly anyone encouraging and congratulating government employees and managers for innovative or exemplary work, incentive diminished and morale continued on a downward cycle.

One of Partners in Productivity's long term objectives has been to help change state government's corporate culture and incentive structure so that hard working, properly dedicated and competent employees could be recognized and rewarded.

This objective has been actualized through the vision and civic-minded generosity of the late J.E. Davis and his brother, the late A.D. Davis, co-founders of Winn-Dixie Stores, Inc., and co-founders of Florida TaxWatch. They believed the best way to build productivity and encourage innovation was through a system of recognition and rewards for those who go above and beyond the call of duty.

Since 1989, the Davis Productivity Awards program has publicly recognized and rewarded more than 2,000 state employees and work units with cash, commemorative plaques and certificates for making measurable improvements in the way they perform their duties and deliver services to Florida citizens. The winners' smart ideas and hard work have created added value (cost savings, cost avoidances and increased revenue under Florida law) of \$2.4 billion, or nearly \$2,500 for each dollar contributed to the program. The Davis family's generosity has been supplemented by numerous corporate, individual and philanthropic foundation contributors.

Each year, a prestigious judges panel consisting of members of The Florida Council of 100 and Florida TaxWatch review hundreds of nominations submitted on behalf of deserving state employees. The panel was chaired one year by Senator Phil Lewis, seven years by Governor Wayne Mixson and last year by Bill O'Toole, Sr. Vice President, Walt Disney World Services.

An annual awards booklet is published to promote wide dissemination and application of the state employees' innovations, smart ideas and performance improvements in order to help maximize their productive value. Names and phone numbers of award winners and nominators are provided so that fellow state employees can contact them for detailed information about how these productivity achievements can be successfully adapted to their work environments.

Davis Productivity Awards Judges 1989 - 97

Senator Philip D. Lewis
Chairman, 1989
Philip D. Lewis Real Estate, Inc.
Riviera Beach

Governor Wayne Mixson
Chairman, 1990 - 96
Tallahassee

William A. O'Toole
Chairman, 1997
Sr. Vice President of Finance
Walt Disney World
Lake Buena Vista

Marshall McDonald, (*Deceased*)
Chairman
Florida Power and Light Group
Juno Beach

Martha Barnett
Partner
Holland and Knight
Tallahassee

Jack P. Jones
Former Vice President
Winn-Dixie Stores, Inc.
Jacksonville

D. Craig Collins
Former Executive Director
The Florida Council of 100, Inc.
Tampa

Larry May
Vice President
Winn-Dixie Stores, Inc.
Jacksonville

Courtney George
Associate Tax Counsel
and Director
CSX Corporation
Jacksonville

Travis Storey
Managing Partner
Arthur Anderson & Co.
Jacksonville

Barbara Henderson Cawley, AICP
Government Liaison
Wilson, Miller, Barton and Teek
Naples

Elias N. Chotas, Attorney
Dean, Mead, Egerton
Orlando

J. Carrol Dadisman
Former Publisher
The Tallahassee Democrat
Tallahassee

Louis E. Fischer
Chairman and Chief Executive
Officer
Fischer Associates, Inc.
Kissimmee

Randy Miller
Senior Governmental Consultant
Carlton Fields Law Firm
Tallahassee

Michael T. Fraga
Former Vice President
Florida Power and Light Company
Miami

Dianna Morgan
Sr. Vice President, Governmental
Relations
Walt Disney World Company
Lake Buena Vista

Glenn W. Robertson
President
Glenn W. Robertson and Associates
Tallahassee

Richard W. McEwen
Retired Chairman
Burdines Department Stores
Tallahassee

Teala Milton
Vice President
Legislative and Consumer Affairs
AT&T Universal Card Services
Jacksonville

Lee Hinkle
Former Director of Government
Relations
Florida Group
Columbia/ HCA, Healthcare
Corporation
Tallahassee

J.T. Petillo
Former Sr. Vice President
Florida Power and Light
Juno Beach

Stanley G. Tate
President
Stanley Tate Builders
Miami

Robert E. Sullivan
Former Sr. Vice President of
Administration
Harris Corporation
Melbourne

Steve Evans
Vice President
IBM Higher Education
Tallahassee

John Puerner
President/ Publisher
The Orlando Sentinel
Orlando

Joe Lacher
President
Florida Region, BellSouth

Raul Valdes-Fauli
Mayor, Coral Gables
Shareholder
Gunster, Yoakley, Valdes-Fauli
Miami

Mario Neal
Former Area President
First Union National Bank of
Florida
Tallahassee

APPENDIX A
FLORIDA STATE UNIVERSITY'S INDEPENDENT
VERIFICATION OF SELECTED ISSUES FROM THE
PARTNERS IN PRODUCTIVITY INITIATIVE
1989-1997

A November 1997 report by Florida State University's Office of Needs Assessment and Planning independently verified savings achieved by Partners in Productivity (PIP).

The FSU office examined implementation of a sample of 17 of 272 cost savings suggestions made by PIP in its task force 1988-89 reports, it estimated cost savings of \$1.25 billion for the 15 recommendations listed below. FSU's estimate of \$1.55 billion from implementation of all PIP recommendations using a ten-year rollover is consistent with a 1995 PIP report documenting a previous five-year savings of \$715 million (1990 - 94).

1. Prison redesign

PIP'S 1990 estimate of cost savings: \$114.5 million

FSU's 1997 estimate of cost savings: \$183.2 million

Savings in this area resulted from building prisons for \$25 million that combine open bay dormitories and single cell units versus single cell facilities for \$33 million. PIP estimated that this recommendation would yield savings of \$114.5 million for FY 1990-94, the same as reported by the Department of Corrections. Rolling the average savings for the five-year period to FY 1997 yields savings of \$183.2 million.

2. Cost avoidance from using pre-fabricated prison cells and avoiding re-use fees

PIP'S 1990 estimate of cost savings: \$56.1 million

FSU's 1997 estimate of cost savings: \$89.8 million

PIP's projected savings in this area were \$56.1 million and according to the Department of Corrections that figure was achieved in 1990-94. Applying the annual average savings from that period as rollover of 1997 produces \$89.8 million in savings.

3. Value of inmate labor

PIP'S 1990 estimate of cost savings: \$165.1 million

FSU's 1997 estimate of cost savings: \$263.5 million

There is high value in using inmate labor to provide services to cities, counties and other state agencies, and inmate labor to construct new prisons and renovate existing facilities. PIP estimated savings of \$165.1 million for FY 1990-94; the Department of Corrections reported savings of \$164.7 million. Rolling over the average annual savings for the five-year period yields savings of \$263.5 million through FY 1997.

4. Donation of sites for new prisons

PIP'S 1990 estimate of cost savings: \$ 3.3 million

FSU's 1997 estimate of cost savings: \$4 million

Donations included 3,400 acres in 10 counties. PIP estimated \$3.3 million in savings for FY 1990-94. The Department of Corrections reported \$4 million in savings for the same years. FSU concurred with the Department's savings.

5. Prison medical care savings

PIP'S 1990 estimate of cost savings: \$21.7 million

FSU's 1997 estimate of cost savings: \$34.7 million

Since 1990, there has been documented progress toward improving the cost-effective management of prison medical care. Savings of \$21.7 million estimated by PIP for FY 1990-94 were confirmed by the Department of Corrections. Rolling over the average annual amount yields savings of \$34.7 million through FY 1997.

6. Offenders' payment of supervision fees and restitution

PIP'S 1990 estimate of increased revenue: \$ 47 million

FSU's 1997 estimate of increased revenue: \$360 million

PIP estimated increased revenue for FY 1990-94 to be \$47 million. However, actual revenue for 1990-94 was \$225 million and 1994-95 was an additional \$54.6 million. Applying the average annual amount produces increased revenue of \$360 million.

7. Selected operations savings

PIP'S 1990 estimate of cost savings: \$ 8.7 million

FSU's 1997 estimate of cost savings: \$13.9 million

Measures to reduce prison operations costs include retrofitting facilities with more energy efficient windows; using alternate energy sources for heating facilities and water; contracting for services such as electronic security systems, food service, sprinkler and fire alarm systems; and purchasing less costly shoes for inmates. PIP estimated savings for FY 1990-94 to be \$8.7 million and Department of Corrections reported the same number. Applying average annual savings produces nearly \$14 million in savings.

8. Reduction of time required to build roads from nine to seven years

PIP'S 1990 estimate of cost savings: \$30.3 million

FSU's 1997 estimate of cost savings: \$48.5 million

Reduction of the average time to build roads from nine to seven years resulted from decentralization of decision making, performing right-of-way and road design steps concurrently, reducing time between contract lettings and contract executions, and quicker processing of supplemental agreements. Cost savings of \$30.3 million estimated by PIP for FY 1990-94 and the Department of Transportation's estimate of results are the same. Rolling over the average annual savings through 1997 yields savings of \$48.5 million.

9. Right-of-Way reforms

PIP'S 1990 estimate of cost savings: \$29.4 million

FSU's 1997 estimate of cost savings: \$65 million

Right-of-way acquisition is a complex, time-consuming and costly process, partly because of state constitutional and statutory requirements. The process begins with a right-of-way appraiser estimating land inflation. Then an economist compares the cost increase of the right-of-way to the cost of capital to issue bonds. PIP estimated that its recommendations would save \$29.4 million in FY 1990-94. However, according to the Right of Way Acquisition and Bridge Construction Trust Fund Finance Plan, DOT saved \$40.6 million in FY 1990-94 and projected savings for FY 1995-2000 are \$66.9 million. FSU projected savings of \$65 million through FY 1997.

10. Engineering Automation

PIP'S 1990 estimate of cost savings: \$ 3.2 million

FSU's 1997 estimate of cost savings: \$76 million

Technological advancements have created many new opportunities for improving productivity and efficiency through automation. Several elements of technology improvement fall under the category of Engineering Automation, i.e. the use of interactive graphics technology known as Computer Aided Design and Drafting (CADD); software packages specifically for engineering; improved training on the use of engineering programs; and vendors submitting bids on floppy disks in lieu of hard copy.

According to Florida International University (FIU), which is the primary non-Department trainer for CADD, the state saved approximately 183 man-years during 1989, which translates into \$8 million in added value. This number is a minimum savings inasmuch as the FSU evaluators could not obtain fiscal data for the other above-mentioned elements of engineering automation. Rollover was applied by indexing the original savings for inflation due to the rising costs of labor.

11. Community-based care for medically complex children

PIP'S 1990 estimate of cost savings: \$8 million

FSU's 1997 estimate of cost savings: more than \$8 million

Children with complex medical problems are those born with severe handicaps or who incurred them as a result of accident or illness. Due to the need for full-time medical/nursing supervision, hospitalization formerly was the only viable option for many of these children.

Four of the Department of Children and Families' 15 districts participated in a pilot project offering community-based services through medical foster care for medically complex children. The Department's Children's Medical Services office (CMS) estimated that for every day hospitalization is avoided, the state saves from \$900 to \$1,400 per child. As a result of the success of the pilot project, foster care for medically complex children has been implemented statewide. CMS staff estimate that savings have far exceeded the \$8 million estimated by PIP but did not provide a definite number.

12. General revenue cost avoidance from not adding public assistance staff

PIP'S 1990 estimate of cost savings: \$57.8 million

FSU's 1997 estimate of cost savings: (Minus \$9.2 million)

Providing effective training that increases the self-sufficiency of public-assistance clients can save millions of dollars and avoid higher costs in the future. Redirection, education and alternative service delivery can be more effective and less costly than conventional methods of delivering public assistance.

PIP estimated cumulative savings for FY 1990-94 of \$57.8 million. However, the Department of Children and Families did not experience savings because \$47 million was lost in a lawsuit plus another \$20 million in unexpected cost overruns because of computer programming problems. Moreover, caseloads and the demand for workers decreased. For these reasons, the \$57.8 million in projected savings has more than been offset by \$67 million in unanticipated costs.

13. Teaching classes in facilities made available by the private sector

PIP'S 1990 estimate of cost savings: \$ 4.9 million

FSU's 1997 estimate of cost savings: \$64 million

Following a 1989 Partners in Productivity recommendation, some public school students are now instructed in facilities provided by the private sector. PIP estimated cumulative savings for FY 1990-94 at \$4.9 million. However, a 1994 study by the Florida Department of Education indicated that partnerships between school systems and private entities saved the state approximately \$40 million. Rolling the average annual savings over to 1997 yields savings of \$64 million.

14. Consolidated bulk purchasing of school computers

PIP'S 1990 estimate of cost savings: \$14 million

FSU's 1997 estimate of cost savings: \$33 million

A state client server systems contract was implemented in July 1995. It typically provides a 10% discount on computer purchases to schools through vendors. All counties can use the state contract. There is no list of the clients who use the discount; however, a verbal estimate of \$11 million in savings was provided by the Florida Department of Management Services. Rolling over this figure to 1997 yields estimated savings of \$33 million.

15. Re-use of Architectural Plans by School Districts

PIP'S 1990 estimate of cost savings: \$12 million

FSU's 1997 estimate of cost savings: \$17.8 million

A general estimate of savings for re-use of plans for school projects is 2% of the construction cost plus time saved on planning activities with educational program committees. The avoidable cost of a project is architectural plan fees. Floor plans are approximately 6% of a project's estimated construction cost. The only available estimate was \$17.8 million just for 1995-96, so PIP's estimate was quite conservative.

This report was compiled by
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Joseph P. Lacher, Chairman; Dominic M. Calabro, President and Publisher
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About The Florida Council of 100

Formed in 1961, The Florida Council of 100 exists to promote the economic growth of Florida and the quality of life of its citizenry. Members invited into the Council represent a cross-section of key business leadership in Florida. The Council was the first of its kind in the United States, and serves as a "fourth dimension" in government. It works in close harmony with the Governor, the Chief Justice, the Legislature, as well as with private organizations to achieve quality of life improvements.

A nonprofit, bipartisan organization, the Council derives its revenue entirely from membership dues. Membership is divided into resident, non-resident, sustaining, honorary, and ex-officio categories. Resident members are the senior executives in their companies. Nonresident members are prominent business executives from all over the country who have holdings or a particular interest in Florida. Sustaining members are former resident members who no longer are involved in the day to day operation of their companies, but who continue to support the Council. Ex Officio member status is offered to key government officials including the Chief Justice of the State Supreme Court and several heads of state agencies, and to prominent educational leaders including the Chairman of the Board of Regents, Chancellor of the State University System, Executive Director of the Community College System, and thirteen public and private college and university presidents. Honorary members include former Governors and chairmen of the Council.

The Council has the function of bringing many of Florida's needs into focus and serving as a catalyst for action and fulfillment of such needs and concerns. The Council is totally autonomous and is ready to listen, and participate in new projects that make sense to the Board of Directors. In recent years, the Council of 100 responded to the Chief Justice of the Supreme Court who requested assistance, from a business perspective on methods to improve the Justice System. It provided the final push that resulted in dissolution of the Florida Department of Commerce and establishment of Enterprise Florida, a public/private partnership for economic development. Working with the leaders of Florida's higher education systems and institutions, the Council established the Business/Higher Education Partnership which has already seen many of its proposals adopted. And most recently, the Council has been hard at work on the Governor's Commission on Education, a public/private endeavor aimed at education reform.

The Florida Council of 100 is continually encouraged about Florida's potential and totally sold on our great and wonderful State. In 1950, Florida's population was less than 3 million. By 1980, it was almost 10 million. Today, Florida has over 14 million residents with no end to growth in sight. In addition to the resident population, there are tens of millions of visitors to the state every year from all over the United States and the world.

While this growth continues to bring prosperity to member companies, it also brings an abundance of challenges to the quality of life standards that The Council would like to see for all Floridians. As business leaders, the members of The Council have the responsibility and determination to work to improve the quality of life for all Floridians. The Council of 100 motto from the 1960s is as current today as it was then, "A higher standard of living for every Floridian."

About Florida TaxWatch

Florida TaxWatch is the only statewide organization entirely devoted to protecting and promoting the political and economic freedoms of Floridians as well as the economic prosperity of our state. Since its inception in 1979, Florida TaxWatch has become widely recognized as the watchdog of citizens' hard-earned tax dollars. The nationally distributed *City and State* magazine (purchased by *Governing* magazine) in 1989 published a poll of the nation's statewide taxpayer research centers. Based on this poll, the publication cited Florida TaxWatch as one of the six most influential and respected government watchdogs and taxpayer research institutes in the nation.

In recent years, news stories about Florida TaxWatch have run in all Florida newspapers, *The Wall Street Journal*, *The New York Times* and *The Washington Post*. In addition, Florida TaxWatch has been featured on the prestigious *MacNeil/Lehrer Newshour*.

Florida TaxWatch is a private, non-profit, non-partisan research institute supported entirely by voluntary, tax-deductible membership contributions and philanthropic foundation grants. Membership is open to any organization or individual interested in helping to make Florida competitive, healthy and economically prosperous by supporting a credible research effort that promotes constructive taxpayer improvements. Members, through their loyal support, help Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, corporations, professional firms, labor unions, associations, individuals and philanthropic foundations -- representing a wide spectrum of Florida's citizens.

Florida TaxWatch's empirically sound research products recommend productivity enhancements and explain statewide impact of economic and tax and spend policies and practices. Without lobbying, Florida TaxWatch has worked diligently and effectively to build government efficiency and promote responsible, cost-effective improvements that add value and benefit taxpayers. This diligence has yielded impressive results: through the years, three-fourths of TaxWatch's cost-saving recommendations have been implemented, saving taxpayers over \$6.2 billion (according to an independent assessment by Florida State University). That translates to approximately \$1,067 in added value for every Florida family.

With your help, we will continue our diligence to make certain your tax investments are fair and beneficial to you, the taxpaying customer who supports Florida's government. Florida TaxWatch is ever present to ensure that taxes are equitable, not excessive, that their public benefits and costs are weighed, and that government agencies are more responsive and productive in the use of your hard-earned tax dollars.

The Florida TaxWatch Board of Trustees is responsible for the general direction and oversight of the research institute and safeguarding the independence of the organization's work. In his capacity as chief executive officer, the president is responsible for formulating and coordinating policies, projects, publications and selecting the professional staff. As an independent research institute and taxpayer watchdog, the research findings, conclusions and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff or distinguished Board of Trustees.



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