

**Florida Tax Watch
1992 Annual Report**

ABOUT FLORIDA TAXWATCH

Florida TaxWatch is the only statewide organization entirely devoted to state taxing and spending issues in Florida. 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 in 1989 published its 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 taxpayer research institutes in the nation.

During one three-month period in 1991 and 1992, Florida TaxWatch was featured in the *Wall Street Journal*, the *New York Times* and the *Washington Post*. In early 1992, Florida TaxWatch has been featured on the prestigious *MacNeil/Lehrer Newshour* and several times in the *Wall Street Journal*.

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 supporting a credible research effort that promotes positive change. Florida TaxWatch members, through their loyal support, help Florida TaxWatch to bring about an effective, responsive government that is accountable to the citizens it serves.

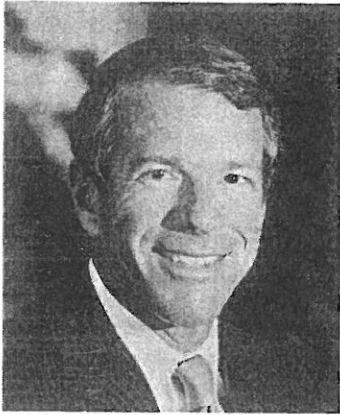
Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, large corporations, professional firms, associations, individuals and philanthropic foundations -- representing a wide spectrum of Florida's citizens.

Florida TaxWatch is well-known and respected for its empirically sound research products which 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: three out of four of TaxWatch's cost saving recommendations have been implemented, saving taxpayers \$1.5 billion. That translates to nearly \$300 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 their use of public funds.



Chairman
Michael Zagorac, Jr.
Jack Eckerd Corporation



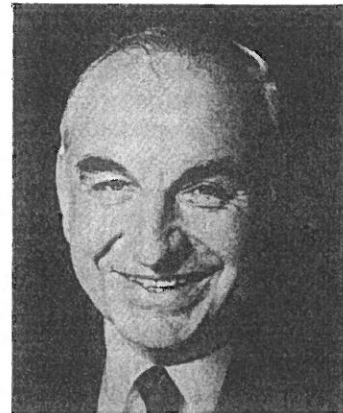
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Florida TaxWatch, Inc.



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L. Charles Hilton
Hilton Enterprises, Inc.



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W. Guy McKenzie, Sr.
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Buell G. Duncan, Jr.

A Letter From the Chairman and the President



Zagorac



Calabro

Dear Fellow Members:

Our thirteenth year of service to Florida's taxpayers promises to be a positive one as we provide ways to cut government costs, increase innovation and productivity and enhance the level and quality of public services. Over the past year, Florida TaxWatch has published 26 research reports and 12 monthly newsletters, each of which provides insight and commentary on government programs supported by taxpayers' dollars. But more importantly, they often include thoughtful, practical recommendations designed to reduce or avoid costs, increase productivity and promote efficiency. TaxWatch had a hand in prompting nearly every budgeting/spending and rightsizing reform enacted by both the executive and the legislative branches of Florida's government.

Fiscal year 1991 also saw Florida government and its leadership grapple with recurring budget shortfalls, one of which forced reductions in needed services, government employee layoffs and interruption of critical programs in order to fill a \$622 million gap in funding. On top of that, the recession that slowed state sales tax collections, wiped out previous tax and fee increase revenues and seriously diminished the state's Working Capital Fund. These budget problems are also being exacerbated by anti-growth policies and practices that are strangling the state's construction and real estate sectors and delaying a viable economic rebound for Floridians.

It is incumbent upon all Floridians to encourage state leaders to reform Florida's antiquated, inefficient and unresponsive system of budgeting. We must see that performance and productivity measures are institutionalized so that state programs receive funding based only on proven need and increased performance and production. We must reiterate the need for annual rightsizing at all levels of government, including universities, community colleges and public schools--reducing the number of bureaucratic levels to better serve our state's students, needy citizens and taxpayers.

These and many more challenges confront us as we struggle to emerge from the negative business cycle and continue our efforts to create a more healthy, prosperous state economy. Meeting and overcoming these challenges will require the support and participation of each and every one of you. Just as you have in the past, you will play a key role in redirecting the state's resources to help construct a modernized, results-oriented system of government to better serve us now and into the next century.

We value your continued support and we look forward to serving you in what many expect to be the most challenging year ahead.

Respectfully,

A handwritten signature in dark ink, appearing to read "Michael Zagorac, Jr." with a stylized flourish at the end.

Michael Zagorac, Jr.
Chairman

A handwritten signature in dark ink, appearing to read "Dominic M. Calabro" with a large, decorative initial "D".

Dominic M. Calabro
President

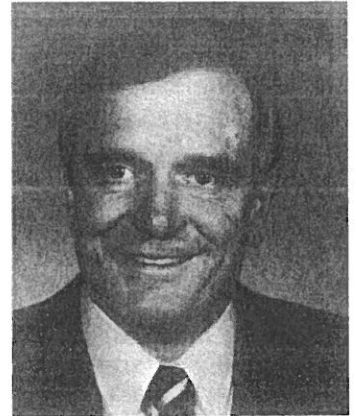


LAWTON CHILES
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001



January 27, 1992

Greetings:

It is a pleasure to extend greetings to all who have gathered for the 13th annual Florida TaxWatch membership meeting.

I commend you for your efforts resulting in billions of dollars of government cost savings, innovations and management improvements.

Your work between Florida's elected officials, administrators and the private sector has produced business discernment and efficiency into our state government that are invaluable to the citizens of Florida.

Best wishes for a productive meeting and for continued success.

With kind regards, I am

Sincerely,

A handwritten signature in cursive script that reads "Lawton Chiles".

LAWTON CHILES

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TECO Energy, Inc.

*Member of Executive Committee

BOB GRAHAM
FLORIDA



United States Senate

WASHINGTON, DC 20510

February 10, 1992

Florida TaxWatch, Inc.
Post Office Box 10209
Tallahassee, Florida 32302

Dear TaxWatch Members:

Congratulations on your thirteenth year as Florida's
"government watchdog."

The citizens of Florida are fortunate that an organization as highly respected as Taxwatch is on the job to monitor state tax and spend policies. Your reports are an important tool as lawmakers make critical decisions that affect the lifestyles of all Floridians.

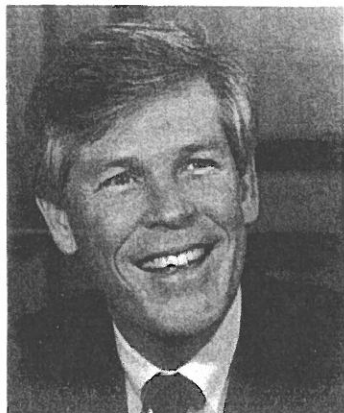
Best wishes for continued valuable service in the years to come.

Sincerely,

A handwritten signature in black ink that reads "Bob Graham". The signature is written in a cursive, flowing style.

United States Senator

CONNIE MACK
FLORIDA



United States Senate

WASHINGTON, DC 20510-0904

February 2, 1992

Greetings:

It gives me great pleasure to congratulate you on thirteen years of distinguished service to Florida's taxpaying citizens.

Your vigilance over state government tax and spend policies is one of Florida's most valuable assets. The research reports you produce are unfailingly timely and addressing the very issues that concern the people of Florida and the nation.

Best wishes for many more years of success and smart work.

Sincerely,

A handwritten signature in cursive script that reads "Connie Mack". The signature is written in dark ink and is positioned above the printed name.

Connie Mack
United States Senator

MEMBERSHIP



Barbara K. Taff, Membership Director

During FY 1991-92, our membership grew appreciably despite a state and national recession. The following are some of the tasks Florida TaxWatch undertook to make this occur.

Meeting Planning

Membership planned and organized the last Board Strategic Planning Session, two very successful Annual Membership Meetings and a reception honoring the Florida TaxWatch Board of Trustees.

Membership Development

- Conducted a direct-mail campaign in January 1991 that generated a substantial membership increase.
- Coordinated and assisted the Chairman of the Membership/Financial Development Task Force in appointing TaxWatch members to become involved in evaluating and redesigning the TaxWatch membership and financial development program.
- Conducted a member survey according to the directive of the Membership/Financial Development Task Force, yielding positive results and valuable direction.
- Worked with a computer programmer to design a membership program for TaxWatch.

Membership Views on TaxWatch

As part of our membership retention program, Florida TaxWatch in April 1991 developed a membership retention program to determine the reasons why individuals and organizations join Florida TaxWatch. The findings collected would be used in designing more meaningful, effective programs which benefit our members and provide Florida's taxpayers with vital information regarding issues that affect their lifestyle.

To initiate this effort, Florida TaxWatch produced a membership survey aimed at determining members' preferences in areas of research topics, objectives and reasons for maintaining their affiliation with Florida TaxWatch. This valuable information has been instrumental in helping us provide better products and services for our members and assists us in encouraging new members to join.

Here are some of the highlights of that survey.

- **93%** of respondents favor our continuing to assist state government in budget reform and ensuring increased government performance, productivity and accountability.
- **91%** of you believe the relevance and usefulness of information contained in Florida TaxWatch's publications is either "good" or "excellent."
- Of the responses received, **49%** believe education is one of the three most critical issues facing the State of Florida; **37%** believe infrastructure and transportation are in the top three; **32%** believe growth management is one of the state's primary concerns.
- Of the responses received, **75%** joined Florida TaxWatch because they believe in TaxWatch's mission and excellent information and they support TaxWatch's recommendations on taxation and budget reform issues.

Treasurer's Report

Florida TaxWatch further expanded its voluntary membership participation by seven percent, thereby broadening its statewide representation of taxpayer concerns in Florida during the fiscal year ended January 31, 1992. This widening support demonstrates the recognized quality and enhanced public value of the Foundation's mission and research program accomplishments.

During its last fiscal year, Florida TaxWatch continued to adhere to the fiscal standards which have been its hallmark. The Foundation's Financial Statements and Auditor's Report for FY 1991-92 indicate expenses were kept below income and were held under the amount budgeted -- a practice which has continued during all of the thirteen years since the Foundation's inception.

Total expenses of \$985,218 were kept below the expense budget by 10.2% or \$111,782. Also, total expenses were held below total income by \$11,903.

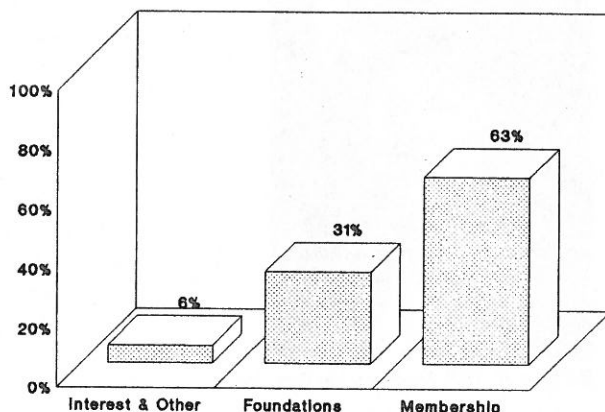
The Auditor's report for FY 1991-92 demonstrates the sound management practices and proper financial controls applied by the Foundation which ensure effective and productive operations with direct accountability.

According to the audited 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 spend policies and practices. No funds were expended on lobbying activities, as is specifically restricted by the Foundation's Articles of Incorporation and Bylaws.

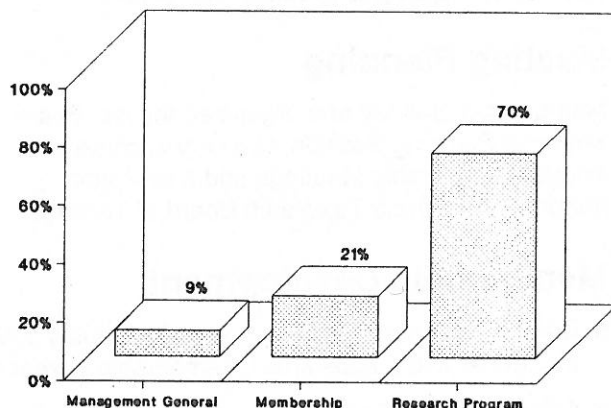
Respectfully,

Charles J. Zwick
Treasurer

FY 1991-92 Income



FY 1991-92 Expenses



Winners in the Spotlight:

DAVIS PRODUCTIVITY AWARDS



Governor Lawton Chiles

"I congratulate TaxWatch and certainly the Davises for promoting this savings of \$375 million and for seeing what we've been able to do under the most adverse of circumstances."

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 for innovative or exemplary work, incentive diminished and morale continued on a downward cycle.

Thanks to the Davis Productivity Awards, these problems are finally being addressed. Since 1989, the Davis Awards program has rewarded state government employees with cash, commemorative plaques and certificates for making measurable improvements in the way they perform their duties and deliver services to Florida citizens.

The program was established due to the vision and generosity of two Jacksonville businessmen who 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. The program they launched three years ago has exceeded all expectations.

The 1991 program provided up to a total of \$75,000 in cash, plaques, certificates and other recognition to state employees throughout Florida. Award recipients' achievements

helped save or avoid \$83 million and brought in an additional \$105 million worth of revenue for total added value of \$188 million. In fact, since the program's inception in 1989, award winners' achievements have saved or avoided a whopping \$375 million for Florida taxpayers.

At the November 20, 1991 Davis Productivity Awards Kickoff Luncheon in Tallahassee, Winn-Dixie Chairman Dan Davis recognized 124 state government employees and work units from the North Florida area. Regional awards were made during subsequent luncheons held in eleven cities during November and December.

The theme of the 1991 program, "Winners in the Spotlight," is symbolic of exactly what the Davis Productivity Awards program represents: focusing deserved attention on the unsung heroes in the trenches who go above and beyond the call of duty for the benefit of taxpayers.



J.E. Davis



A.D. Davis



The Davis Productivity Awards program is made possible through the vision and generosity of J.E. Davis and his brother A.D. Davis, both co-founders of the Jacksonville-based Winn-Dixie Stores, Inc. and founding members of Florida TaxWatch. The program is staffed and administered by Florida TaxWatch and is part of the Partners in Productivity program, a cooperative effort of The Florida Council of 100, Florida TaxWatch and the State of Florida.

Making a Lasting Difference:

PARTNERS IN PRODUCTIVITY

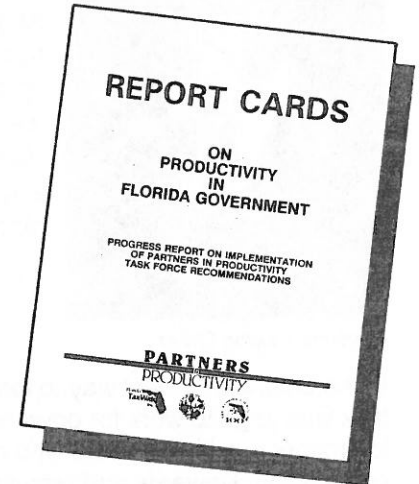
In the five years since its inception, Partners in Productivity has proven to be more than the usual, short-lived advisory program. Initially an experiment in public/private cooperation, Partners has established itself as a major force in prompting lasting, noticeable improvements in the ongoing enhancement of government productivity.

The program's three member team, Florida TaxWatch, The Florida Council of 100 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.

A 39-member task force made 274 recommendations worth a total of \$727 million. In December 1990, Partners released Report Cards on the agencies' initial success which showed that more than 60 percent of the recommendations had been implemented fully or substantially and another 19 percent were implemented partially for savings of \$99 million. A final accounting of all cost savings and management improvements will be issued in the fall of 1992.

This year, under a new task force headed by FPL Chairman Jim Broadhead and Bill Dover, immediate past Chairman of The Florida Council of 100, Partners in Productivity is working to complete a first-in-the-nation performance and productivity measurement system for all state agencies. An annual "scorecard" will inform

taxpayers on the success of government in achieving its goals and satisfying its customers. This new system should be incorporated into Florida law and used as a yardstick to help determine future funding for state agencies.



Another of Partners' objectives has been to change state government's incentive structure so that hard working, dedicated employees would be recognized and rewarded. This objective, made possible through the vision and civic-minded generosity of J.E. Davis and his brother A.D. Davis and diligent work by the Partners in Productivity staff, led to the introduction in 1989 of the highly successful Davis Productivity Awards program.

These landmark accomplishments, combined with advocating implementation of Total Quality Management initiatives in each agency, make Partners in Productivity a success story that is attracting national attention and promises to serve as a model for other states.

Partners in Productivity — Moving Forward for Florida's Future!

Research that Gets:

RESULTS ...



L to R Standing: Research Analyst Ken Marshall, Research Analyst Doug Wager, Director of Research and Operations Dr. Neil Crispo, Partners in Productivity Executive Director Dave Davis. Seated, L to R: Communications Director Catherine Haagenson, Senior Research Analyst Mike Walsh, Senior Research Analyst John Hall and Senior Research Analyst Kurt Wenner.

The past year was a highly productive one for Florida TaxWatch. During that time, we increased our production of research reports by nearly 50 percent, generated nearly 1500 newspaper articles and editorials in both national and statewide print and electronic media. Here are the reports that continue to make a noticeable difference for Florida's taxpaying citizens.

1991 Turkey Watch

This was the year of, "Gone With the Gobblers." When TaxWatch released the 1991 "Turkey Watch" report on May 22, we knew that on the orders of the Governor, Senate President and House Speaker, turkeys had become fowl non grata. The report we issued was for the first time since 1984, virtually turkey free. But alas, the budget is not free of fat, as



we went on to report in numerous Budget Watch reports. Read on.

Are the Rules Different Here or Should Legislators Account for District Office Expenses? February 27, 1991.

This report called for legislators to account for their district office expenses and/or report their yearly expense allocation to the IRS as income. The report caused a stir, receiving substantial attention from the news media and many legislators. Editorial boards throughout the state adopted its recommendations, urging lawmakers to heed the TaxWatch call. Many individual legislators actually supported the fundamental reforms which TaxWatch recommended. While legislation did not pass, the Internal Revenue Service and Florida TaxWatch prompted the Joint Legislative Management Committee (spearheaded by its chairman, Rep. Edward J. Healey) to enact a more detailed and accountable plan.



TaxWatch Offers Mixed Review of Pride Bill, March 1991.

Florida TaxWatch's recommendations, including a call to delete some disturbing provisions from the legislation, appeared to mirror the final PRIDE law passed during the 1991 Legislative Session.

Florida TaxWatch is to be commended for the fine services you provide to state government. One of these, the Davis Productivity Awards program, is an excellent way not only to save tax dollars, but to encourage increased productivity by and reward the efforts of state employees.

— Education Commissioner Betty Castor

Taxpayers frequently read and hear about their government when things go wrong. But all too often government's mistakes are more publicized than are its triumphs.

The program's purpose "... is to identify, implement, measure and reward major cost savings and management improvements, and to increase accountability and performance in Florida's state government."

We're all for that. The awards go to individuals and groups. But the benefits accrue to the people they serve and the taxpayers who pay the bills. The results are welcomed and should be appreciated.

— Sarasota Herald Tribune (6-1-91)

Through its Davis Productivity Awards program, Florida TaxWatch recognized state employees with \$75,000 in cash, plaques and certificates presented during ceremonies in Tallahassee and eleven other cities.

There's a lesson in this for the Legislature as it takes up career service reforms: If this modest, privately funded program could do this much this fast to reward and encourage productivity, imagine what career service reform could do. Giving state workers real incentives could bring out the best in most of them.

— Miami Herald (1-9-92)



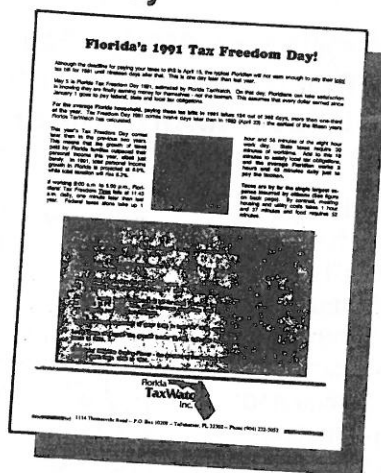
L to R: Florida TaxWatch President Dominic M. Calabro; Dave Davis, Executive Director, Partners in Productivity; Leslie Jones, Research Assistant, Partners in Productivity; Kim Birkman, Research Assistant, Partners in Productivity

1.5%, 3% in 1992-93, and 5% in 1993-94 and thereafter. The statutory cap would remain at 10%.

The Taxation and Budget Reform Commission accepted Florida TaxWatch's recommendation and placed this item on the November 1992 ballot for voter approval as a constitutional requirement.

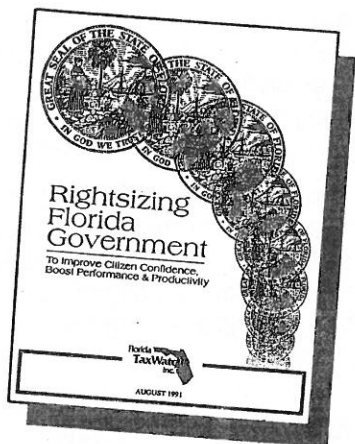
Florida Tax Freedom Day — May 1991

Although not designed to prompt any specific government action, this report always generates considerable press. It is designed to provide information to taxpayers, promote publicity and serve as a membership tool.



Rightsizing Florida Government, August 1991

Rightsizing, the state's initiative to make government smarter, more productive and its bureaucracy smaller, should be expanded in 1992 to encompass all public agencies receiving state funding. TaxWatch's long-standing research recommendations and active leadership role helped shape the rightsizing proposals made by the Governor and Legislature.



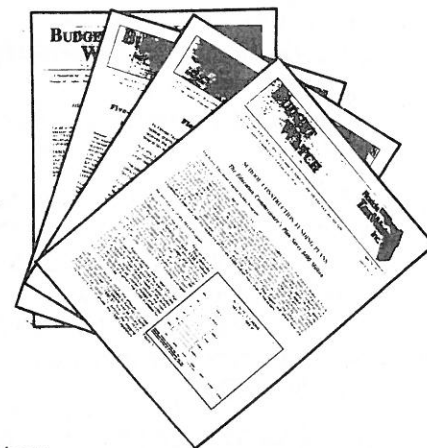
Calling rightsizing a good idea that is long overdue, the report stated that all agencies which receive state funds should be required to rightsize annually to cut bureaucracy, promote efficiency and save dollars that can then be "plowed back" into the agency to improve delivery and reduce the cost of service delivery. The effort would help move state budgeting more in the direction of planned program budgeting instead of the currently used method of cutting agency budgets across-the-board when times get tough.

Lease, Build or Buy? An Analysis of FDOT's Options, Briefings, Sept. 1991

Florida TaxWatch examined a Florida Department of Transportation (DOT) proposal to construct a building to house its Tampa offices. TaxWatch reviewed the project's cost effectiveness in light of the area's depressed real estate market, the cost of purchasing an existing building and the possibility of negotiating a lease instead of constructing a new building.

Budget Watch Series — BW 6 through 16

In mid-1990, Florida TaxWatch introduced a new series to its roster of continuing research reports. Entitled Budget Watch, this regular publication tracks current state tax and spend developments to provide an independent assessment of decisions made in the budget process. Budget Watch is designed to promote smarter spending as a viable alternative to raising revenues. Hopefully, this new series will be a force for more rational allocation of state resources.



#6 — 1991-92 Recommended Cost Savings, Reallocations and Efficiency Issues (2/21/91 — issued 4/91) — Makes 41 cost saving recommendations totalling more than \$700 million.

#7 — The new state budget could be the first in ten years to grow slower than Floridians' ability to pay (4/15/91) — Review of Governor, House and Senate 1991-92 budget proposals.

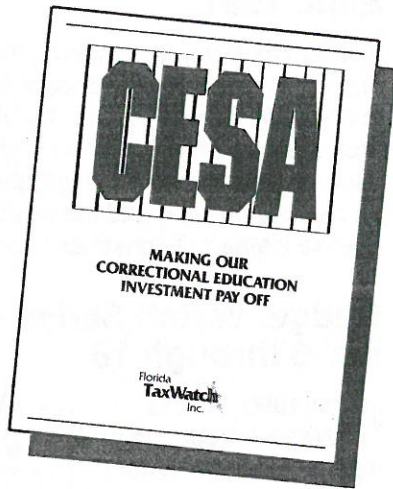
#8 — School Construction Building Plans — The Education Commissioner's Plan Saves \$400 Million (4/18/91) — Reviews PECO funding plans and recommends that the 1991 Legislature adopt the DOE level funding plan that saves \$400 million.

#9 — 1991 General Revenue Estimate Cut by Another \$164.7 Million; Growth from Previous Year is Only 3.4%, Despite Tax Hikes of 1990 Legislature (4/19/91) — Final 1990-91 GR shortfall set at \$907.3 million. Reviews final 1991-92 Estimating Conference results.

CESA: Making Our Correctional Education Investment Pay Off, April 1991.

The results of this project have been very positive. Several recommendations made in this report were adopted by the Legislature during the 1991 Legislative Session:

- restoration of funding,
- creation of gain time incentives to spur enrollment and restructuring sentences to include education.

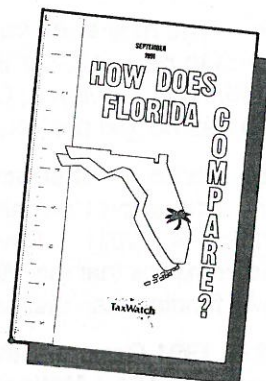


CESA concurs with all of our recommendations and is willing to implement those which are within its control. One of the report's more significant recommendations advised against a proposed plan to transfer correctional education from the Department of Corrections (DOC) to the Department of Education (DOE).

The report revealed that the proposed reorganization, which promised to be comparatively costly, was not adequately justified in DOE's transfer plan. The plan, said the report, recommended more funding despite the fact that fewer inmates would be served. Although press coverage on this report was limited, it was all favorable to TaxWatch. Both the Gainesville Sun and the Tallahassee Democrat wrote strong endorsements on TaxWatch's recommendations.

1991 How Does Florida Compare? September 1991.

This is another report which, like Tax Freedom Day, is generally well covered by the media. In fact, the Tax and Budget Reform Commission even used it in a presentation to its members. The purpose of this report is not to prompt government action. Instead, it is designed to better inform taxpayers about the increasing role and cost of government at all levels — federal, state and local, and their impact on our standard of living.

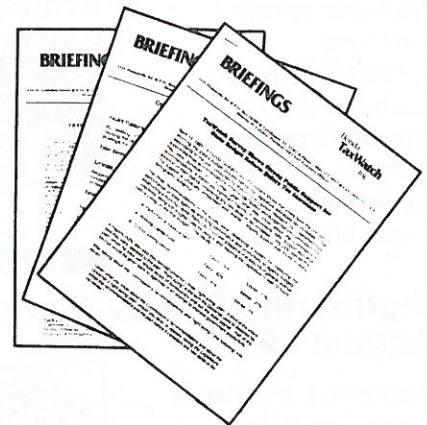


Pros and Cons of Florida's Sports Franchise Bill, Briefings, May 1991

A Senate Bill passed during the 1991 Legislative Session created a new program to provide state funds for "new professional sports franchise facilities." Florida TaxWatch developed three key standards designed to ascertain the merits of such a proposal in terms of costs and benefits.

Florida TaxWatch Survey Shows Strong Public Support for State Budget Reform Before Tax Increases, Briefings, April 1991.

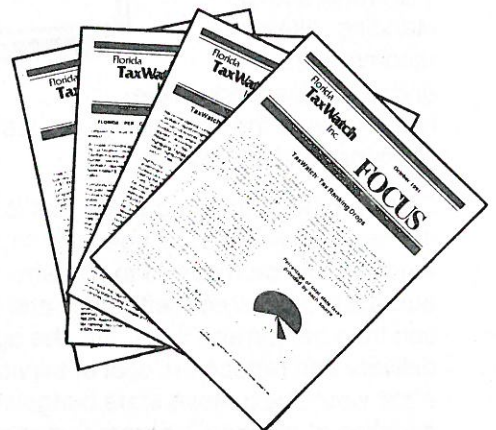
This report, highlighting the Tax and Budget Reform Commission's recommendations and promoting rightsizing, received excellent statewide press. Support for budget reform before new or increased taxes was deep and wide spread.



The report succeeded in spurring the Legislature to enact some meaningful budget reform measures. In addition, the Taxation and Budget Reform Commission has approved several constitutional budget and spending reforms recommended by TaxWatch.

Building an Adequate Working Capital Fund, April 3, 1991.

An adequately funded Working Capital Fund has first claim on General Revenue receipts. This "rainy day fund" should be funded at a minimum level equal to 5% of the prior year recurring General Revenue receipts, phased in over a three-year period. The minimum required reserve for 1991-92 should be



Early Intervention Study — Ongoing

In a joint effort with the Florida State University College of Law, Florida TaxWatch is helping design cost estimates and funding strategies for a statewide system of early intervention and prevention of handicapped, developmentally delayed and at-risk infants and toddlers.

Early intervention and prevention services are intended to reduce poor health and adverse social and developmental outcomes among disadvantaged children. These cost effective services will go a long way toward promoting family cohesion and fostering a healthier generation of citizens.

Current government intervention expenditures focus on the negative outcomes. Welfare dependency, crime and school dropouts continue to rise at an alarming rate. This study will help determine the cost of early intervention services relative to the benefits resulting from curbing the rising trend in expenditures for special education, public assistance, corrections and Medicaid.



And the Media Says ...

Florida TaxWatch is an effective and highly regarded watchdog of state government spending. It has saved the state millions of dollars. No one appointed it.

— John Lunsford,
Naples Daily News 11-17-91

TaxWatch's advice is on the money, because Florida government never will be truly rightsized as long as some agencies and institutions continue to escape the process.

— Tampa Tribune August 29, 1991

During the past year, Florida TaxWatch has been featured in such national publications as the Wall Street Journal, the New York Times, the Washington Post and City and State magazine.

TaxWatch has also been recognized by the international publication, London Financial Times, was recently featured on the prestigious MacNeil/Lehrer Newshour. This national and international media coverage compliments the many fine comments made by the statewide media, such as:

Florida TaxWatch has earned a reputation over the past 12 years as a smart government watchdog.

— Tallahassee Democrat editorial, Sat. April 20, 1991

Florida TaxWatch — a statewide group that has never met a tax it liked. Nonetheless, TaxWatch offers state government a wealth of ideas on how to save money and has already saved Florida's taxpayers millions, if not billions, of dollars.

TaxWatch is a bipartisan group that understands government can do some things well, when shown the way. Moreover, the group has not become a political vehicle for any individual or group of politicians.

— Leesburg Daily Commercial 6-5-91

Florida TaxWatch, the innovative research institute and government watchdog.

— Joe Guidry, Tampa Tribune 4-8-91

#10 — Laying the Tracks for New Initiatives and Accountability in HRS (April 23, 1991) — Commends a Senate bill which reforms HRS' budgetary practices and managerial procedures.

#11 — Decline in GR (July 1991) — Faced with the fourth General Revenue shortfall in fiscal year 1990–91, the Legislature reconvened on June 6, 1991 to balance the budget by raising \$151.3 million in trust fund transfers and interest earnings. They managed to wipe out the deficit, but they could not wipe out the state's fiscal vulnerability during a national economic decline.

#12 — Cost Saving and Redirects Worth \$650 Million (October 1991) — On October 7, 1991 Florida TaxWatch released a list of recommendations designed to cut administrative expenses first and help offset the potentially devastating effects of the state's \$622 million shortfall. These fifteen guidelines would have, if fully implemented, delete nearly \$621 million and help offset the threatened reduction of services to Florida's school children and most needy citizens.

The suggested redirects were not necessarily "cost savers," but were ways of stemming the harmful effects of Florida's budget deficit on the very constituents who government is supposed to serve.

One of these recommendations called for a ten percent reduction in indirect (non-instructional) costs in Public Schools, Community Colleges and the University System — a move that would delete \$280 million.

These indirect expenses, currently costing taxpayers \$2.2 billion, encompassed many of the same kinds of administrative and middle management positions which private enterprise corporations are finding it necessary to discontinue. These positions are not being cut because of their lack of value, but because of a need to reduce spending. The spirit behind this recommendation was our hope to preclude teacher layoffs, classroom crowding and a further decay of educational service delivery to Florida's children.

#13 — Agencies Request \$8.5 Billion More for 1992–93 (November 1991) — Despite a stalled economy, state agencies have requested \$8.5 billion more money in their 1992–93 budget requests, with \$6.1 billion more in General Revenue — a 53% increase over the previous year. Of the \$6.1 billion general revenue increase requested, \$5.1 billion or 84% is in three agencies: the Departments of Corrections, Education and Health and Rehabilitative Services.

#14 — Florida Still Shortchanged on Grants (January 1992) — Inconsistent federal funding formulas and insufficient information on grants programs are two primary reasons why Florida's share of federal grants are still dead last.

Despite its 16th highest per capita federal tax burden, Florida continues to receive the smallest per capita allocation in federal grants to state and local governments. Florida is 50th out of 50 states in per capita federal aid, but is also 56th out of 56 when the District of Columbia and five territories are included.

Many factors contribute to Florida's grants deficit.

- Because Florida spends less in matching fund programs it receives less;
- Past fears of over reliance on federal funds have prevented aggressive pursuit of grants;
- Lack of timely information;
- Inconsistent federal funding formulas using old, inaccurate census data.

#15 — Administrative Positions and Salary Increases in Florida's Public School System (February 1992) — The number of district administrators in Florida's public schools increased at more than twice the rate of teachers during the latest period for which comparable information is available, the five-year period between 1984–85 to 1989–90.

During that five-year period, the number of central office administrators increased 54.2% while the number of teachers increased by 23%. The report indicates that while the increase in teacher positions is consistent with student growth, central district administrative staff increased at more than twice the rate. In observing that Florida's K–12 system is moving toward school based management, Florida TaxWatch president Dominic M. Calabro observed, "Increases in central office administration are not in keeping with this objective or the overall goal of providing Floridians with the most responsive and productive schools in the future."

“Government productivity will not come about by standing on the sidelines. It must be a joint effort by leaders in government and business.”

**Mark C. Hollis
President, Publix Super Markets, Inc.
Co-Founder, Florida TaxWatch**

Meet the Florida TaxWatch Staff



Back row, L to R, Standing: Elly Neupert, Secretary, Senior Research Analyst Kurt Wenner, Research Analyst Ken Marshall, Partners in Productivity Executive Director Dave Davis, Senior Research Analyst John Hall, Research Analyst Doug Wager, Senior Research Analyst Mike Walsh, Communications Director Catherine Haagenson, Secretary Naomi Stott.

Front, L to R: Director of Research and Operations Neil S. Crispo, Office Administrator Phyllis Burkhart, President and Chief Executive Officer Dominic M. Calabro, Membership Director Barbara K. "Babs" Taff.



L to R: Research Assistants: Jennifer Cuba, Cinnamin O'Shell, Leslie Jones and Kimberly Birkman

“Someone must be prepared to challenge the assumptions, conclusions and rewards that drive government spending.

A representative democracy is only good as long as people like you and me work at it to make it better. Florida TaxWatch has been a good steward of the people and businesses of this state. Its objective is credible and it gets substantial results.

We’re not standing still — we are moving ahead. I hope you will join me in getting more of your friends and colleagues to support this very important effort.”

**J.E. Davis
Florida TaxWatch Chairman
Emeritus and Co-Founder**

Watchdog Group: Meet Transportation Needs Or Lose Jobs, Revenue

TALLAHASSEE (AP) - Florida will lose 172,100 jobs by 1998, as well as \$66.6 billion in money earned by workers, if the state fails to meet transportation needs.

EDITORIAL

TaxWatch has made its mark

If you were asked to name the organization in...

Consumer watchdogs monitor public purse

If you pay taxes in Florida, you might want to drop by the Sheraton of Boca Raton Hotel and Towers...

OUR VIEW

have little or no merit. The governor vetoed \$150 million worth of the projects on last year's list.

TaxWatch: Five counties got most 'turkeys'; 14 got none

Associated Press

When lawmakers funded special local projects this year, they were less than even-handed, a government-watchdog group charged, saying 14 counties got none and five counties got thirds of the projects.

Florida TaxWatch Inc. calls projects, which it targets for "turkeys." The business-backed nonprofit organization has issued...

Dade County, the state's most populous county, got 112 projects — 112.

events, trade fairs and livestock pavilions to abuse shelters, facilities for cocaine babies and dropout-prevention programs. TaxWatch targeted the items if they were not requested...

Florida's state taxes rank 36th nationally

TALLAHASSEE — Floridians paid about \$50 more apiece in state taxes last year, but the overall tax burden dropped several spots to 36th in the nation, a watchdog group reported Tuesday.

FLORIDA NEWS

makes up \$693 every taxpayer. Sure was the pita in the it above the corporate 40 percent erage, and six states e tax. The is such a ranked

TaxWatch: Floridian's best friend

By Michael E. Burke
Editorial page editor



Dominic Calabro for a projected \$610

Florida TaxWatch Inc has become a little flea of the woolly

They are designed to increase compliance with state tax laws, encourage business relocation and increase tax collections. Included in the list of items is a guarantee of interest if a tax refund is not paid within 90 days. The measure also would shield taxpayers from any penalty if they rely on state tax officials to help...

TaxWatch wants to slash school days, pensions

TALLAHASSEE (AP) — A business-backed state budget watchdog group Friday proposed shortening school days, cutting state contributions to a pension fund for police, and making...

asked Rep. Ron Saunders, D-Key West, vice chairman of the House Appropriations Committee. "We're still flexible, but for any major initiatives, it's...

Group pushes for taxpayers' rights

Florida TaxWatch, a citizens' watchdog group, urged state legislators Monday to approve a so-called "Taxpayers Bill of Rights" similar to the ones approved by the federal government and 12 other states.

"Taxpayers have a right to know what they are required to do, the consequences of not paying and how to obtain review of...

Taxes take one-third: TaxWatch

Florida rated 36th in nation for taxes paid

Continued from 1A
da was \$983 per person. The national average was \$1,147, with Alaska the average of \$2,675 and New Hampshire...

Caution traffic jam ahead

TaxWatch, a citizens' watchdog group, says Florida's Growth Management Act will cause an economic recession that will never end.

At issue is the concurrency requirement that mandates roads, utilities and other services needed to support new development be planned or in place before a shovelful of dirt...

When tax watchdogs bark, governments take notice

By TODD SLOANE

Florida TaxWatch Has Made A Billion-Dollar Difference

Here's a birthday that all Floridians have reason to celebrate - the 10th anniversary of the founding of Florida TaxWatch.

Since 1980, this nonprofit, watchdog group has diplomatically but persistently been hounding state government to streamline its operation. "Hounding" as in providing nearly \$500 million...

those that benefit lawmaker's desire to please some hometown folks at the expense of taxpayers as whole. This "turkey shoot" identified \$350 million in questionable projects over the past three years; Governor Bob Martinez vetoed \$15.7 million of them. Presumably, state government...

Good And Faithful Watchdog

Florida's tax structure is not adequately meeting the needs caused by rapid growth. It's not just that we don't collect enough revenue. Almost as important is the fact that the state does only a fair to poor job of spending the tax money we do collect. The situation would probably be a lot worse in the absence of a statewide, non-partisan, non-...

Stuffed turkeys

A TURKEY shoots go, Gov. Bob Martinez's pot shots at unjustified legislative appropriations are a measured assault by veto. Florida TaxWatch, a non-profit watchdog had identified some...

GOOD VEToes, GOVERNOR

by individual legislators. Turkeys do not have statewide application and should not be funded by the state's general revenue. Particularly suspect are appropriations such as the Royal Trust Tower — that aren't even requested by the state agency through which they are funneled. It is bad enough that such items gobble up scarce state funds that could otherwise be spent on child welfare, education, and preventive health. Even worse is that some turkeys give individual lawmakers something to gobble about back home in their single-member districts.

TaxWatch criticizes area water managers

Florida TaxWatch wishes the South Florida Water Management District were as thrifty with money as it is with water. The Independent Tallahassee watchdog has issued a scathing report saying the agency is a "scourge of money-wasting bureaucracy."