

*Florida TaxWatch  
1995 Annual Report*

# 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* 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 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 \$3 billion. That translates to approximately \$525 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.

## Table of Contents

Letter from the Chairman and President . . . . .	1	News Views . . . . .	8
Florida TaxWatch Executive Committee . . . . .	2	News Views . . . . .	9
Florida TaxWatch 1994-95 Board of Trustees . . . . .	3	Florida TaxWatch Research . . . . .	10-13
Letters of Support . . . . .	4	Partners in Productivity . . . . .	14
Treasurer's Report . . . . .	5	Davis Productivity Awards . . . . .	15
Membership Development . . . . .	6	Florida TaxWatch Staff . . . . .	16
Letter from the Chairman-Elect . . . . .	7	Membership Information . . . . .	17



# Letter from the Chairman & President

November 1995

Dear Fellow Taxpayers:

*Our nation's founding fathers created a constitutional government, putting in place necessary checks and balances that limit the size and scope of government to protect our economic, social, religious and political freedoms. In this bold experiment of self governing, they made government subservient and beholden to the people for the public good. Yet, they reminded all who would listen that the only way to make this democratic republic work was through the informed, vigilant and responsible participation of its citizens.*


*At a Tampa meeting in February 1979, some of Florida's most respected and public spirited civic and business leaders recognized the need for such taxpayer vigilance and constructive, common-sense guidance over Florida's burgeoning government. The TaxWatch founders created this statewide, non-partisan, non-profit government watchdog and fiscal research institute "for the sole purpose of improving Florida government performance, accountability and productivity while containing the cost to taxpayers."*


*During the ensuing 16 years, and especially in 1994-95, TaxWatch has helped taxpayers achieve many large and small successes. The state's constitutional spending and revenue limit, which TaxWatch recommended for a decade, finally was enacted this year. It already has changed the nature of the annual taxing and spending debate. Now, except in special cases, state government taxes and revenue cannot grow faster than Floridians' personal income and their ability to support state government.*

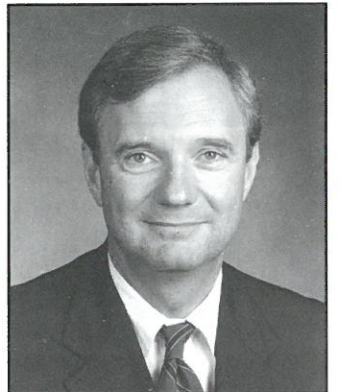
*To date, over \$3 billion worth of TaxWatch's cost-saving recommendations have been implemented, creating some \$525 in added value for every Florida household. Partners in Productivity, a cooperative effort of TaxWatch and the Florida Council of 100, prompted an additional \$715 million in cost savings in four of the state's largest agencies. The Davis Productivity Awards, envisioned and founded by the late J.E. Davis and his brother, the late A.D. Davis, also have added \$1.4 billion in taxpayer value in seven years -- \$312 million in 1995 alone. And with Florida TaxWatch's timely research efforts, the 1995 Florida Legislature started to make good on the many accountability reforms promised in the landmark 1994 Government Performance and Accountability Act, including a provision for a Council on Competitive Government. These measures are initial steps in reforming how Florida government spends, manages and accounts for the use of your tax dollars. Also, with TaxWatch's vigilance, these reforms are introducing greater competition in the delivery of needed state services -- forces that should improve the public safety, health, education and prosperity of Floridians and promote a healthier economy and a more attractive business climate.*

*While we have accomplished much, many more critical challenges and opportunities remain before us. We are committed to serving you in the honest, constructive, fiercely diligent and responsible manner you have come to expect. We thank you for your continued support, confidence and encouragement. We fully realize that without your informed and vigilant participation there cannot be a government of, by and for the people. Let us go forward, reminding all who will listen that government belongs first, last and always to you, the taxpaying citizens of Florida.*

Respectfully,

  
Byron E. Hodnett  
Chairman

  
Dominic M. Calabro  
President and Chief Executive Officer



**Byron E. Hodnett**  
Chairman



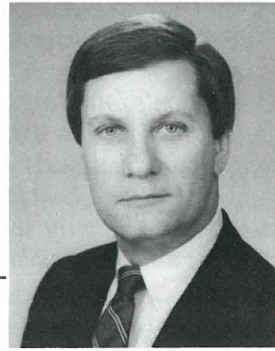
**Dominic M. Calabro**  
President &  
Chief Executive Officer

# Executive Committee

## Officers



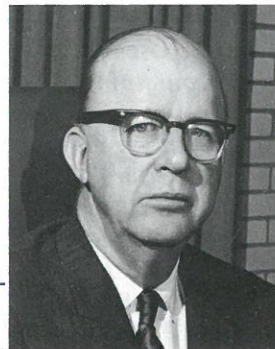
**CHAIRMAN** Byron E. Hodnett  
*CEO, First Union National Bank of Florida*



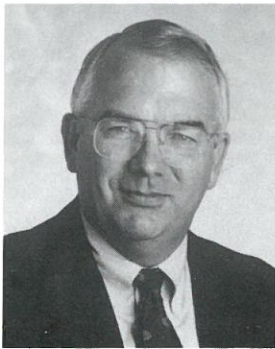
**CHAIRMAN ELECT** David McIntosh  
*CEO, Gunster, Yoakley, Valdes-Fauli & Stewart, PA*



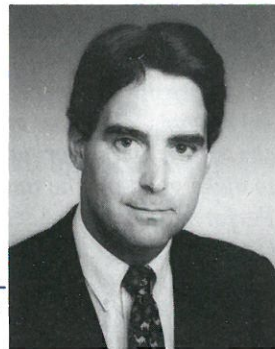
**PRESIDENT AND CEO** Dominic M. Calabro  
*Florida TaxWatch*



**VICE CHAIRMAN** W. Guy McKenzie, Sr.  
*Consultant, McKenzie Tank Lines, Inc.*



**SECRETARY** Joseph P. Lacher  
*President - Florida Region, Southern Bell*



**TREASURER** Thomas J. Flood  
*President/CEO, Collier Enterprises*

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Philip D. Lewis  
Co-Founder and Past Chairman

L. Charles Hilton, Jr.  
Immediate Past Chairman

Buell G. Duncan  
Past Chairman

Michael Zagorac  
Past Chairman

Tom L Rankin  
Past Chairman

Louis E. Fischer

John Edward Smith

# FY 1995 Officers and Board of Trustees

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Gunster, Yoakley, et al  
West Palm Beach

**PRESIDENT & CEO**  
Dominic M. Calabro\*  
Florida TaxWatch  
Tallahassee

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McKenzie Tank Lines  
Tallahassee

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Macfarlane, Ausley,  
et al  
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Pennington Haben Law  
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Florida League of Cities  
Tallahassee

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AT&T  
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Mixson  
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International Speedway  
Daytona Beach

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Orlando

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MFM Industries  
Ocala

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Stanley Tate Builders  
N. Miami

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et al  
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Gardner, Harris &  
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Tallahassee



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Florida Power and Light  
Juno Beach

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Florida Institute of  
CPAs  
Tallahassee

Bruce A. Davidson  
Blue Cross Blue Shield  
of FL  
Jacksonville

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NT Gargiulo, L.P.  
Naples

Charles F. Pierce, Jr.  
Florida Hospital Assoc.  
Orlando

Richard J. Walsh  
Darden Restaurants  
Orlando

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Winn Dixie Stores, Inc.  
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Ryder Systems, Inc.  
Miami

J. Darrell Kelley  
Sprint/United  
Telephone of Florida  
Altamonte Springs

Marie Powell  
Florida Association of  
Realtors  
St. Petersburg

William B. Wilson  
Maguire, Voorhis &  
Wells, P.A.  
Orlando

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Tine W. Davis Family  
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Sugar Cane Growers  
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Jimmy O. Williams  
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Orlando

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Baptist Health Care  
Pensacola

Jan M. Larson  
Price Waterhouse  
Orlando

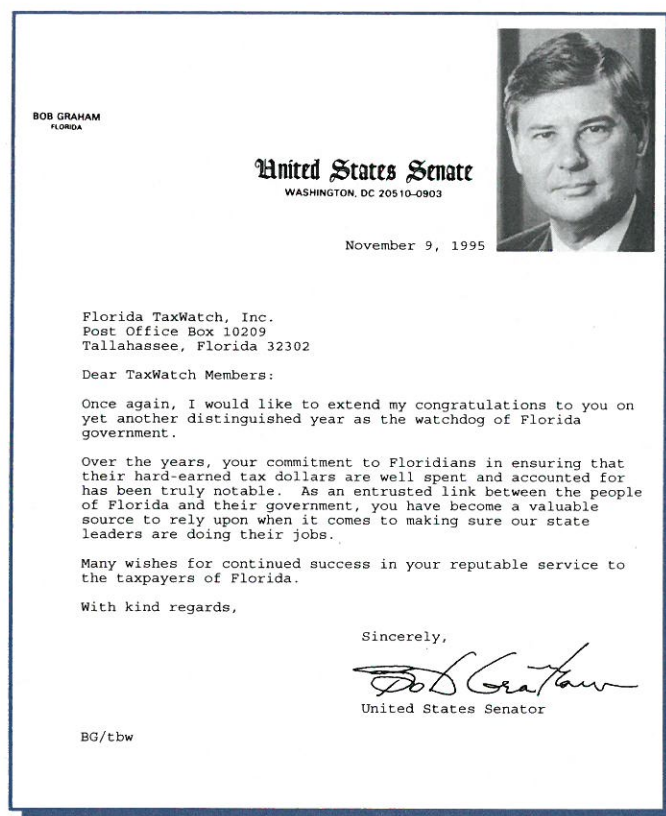
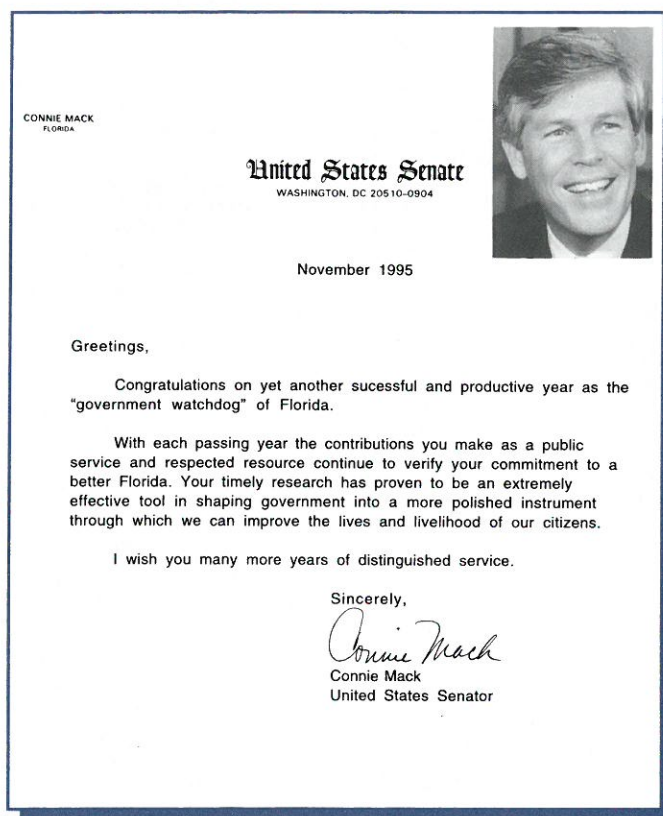
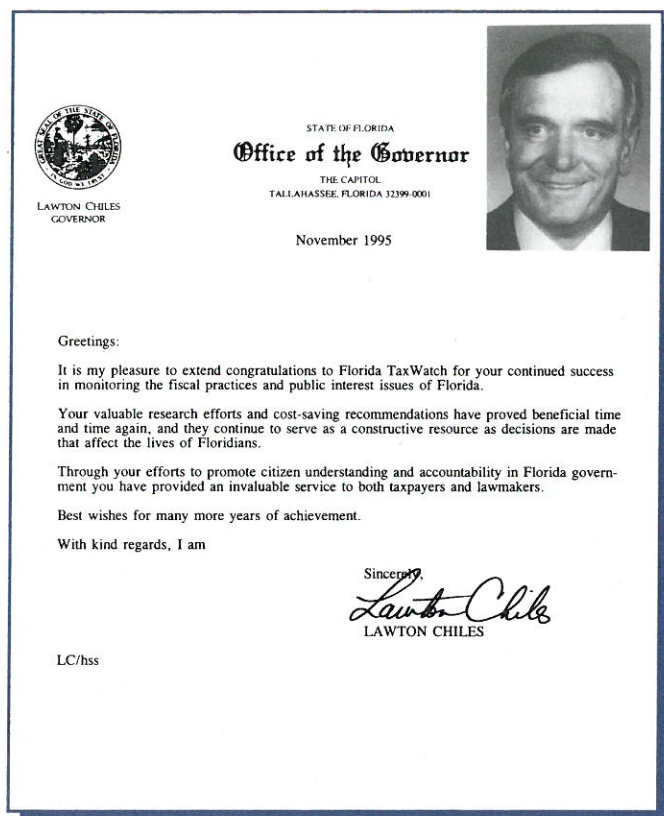
Peter E. Reilly  
I.B.M. Corporation  
Tampa

Michael Zagorac, Jr.\*  
Hill and Knowlton, Inc.  
Tampa

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

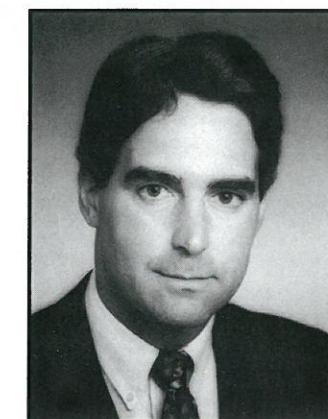
David Roberts  
FL Retail Federation  
Tallahassee

\* Member of  
Executive Committee



Dear Fellow Taxpayers:

Florida TaxWatch further expanded its statewide representation of taxpayer concerns in Florida during the fiscal year ended September 30, 1995. This widening support demonstrates the recognized quality and enhanced public value of the Institute'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 Financial Statements and Independent Auditor's Report, total expenses of \$1,114,055 were kept below total revenue of \$1,131,714 by 1.6% or \$17,659. This practice has continued in each of the Institute's 16 years of operation.



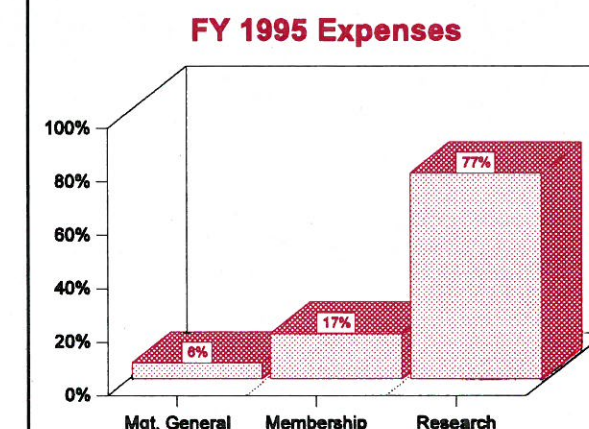
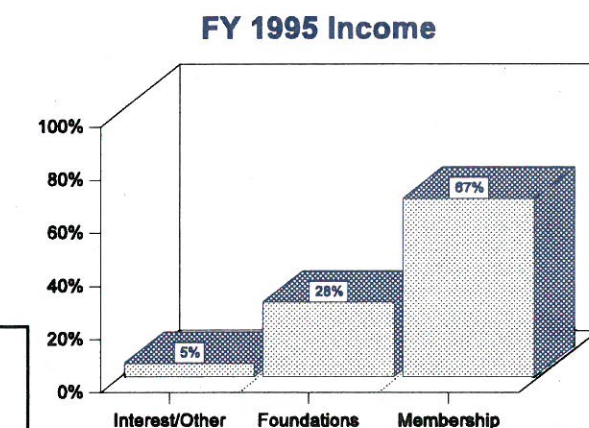
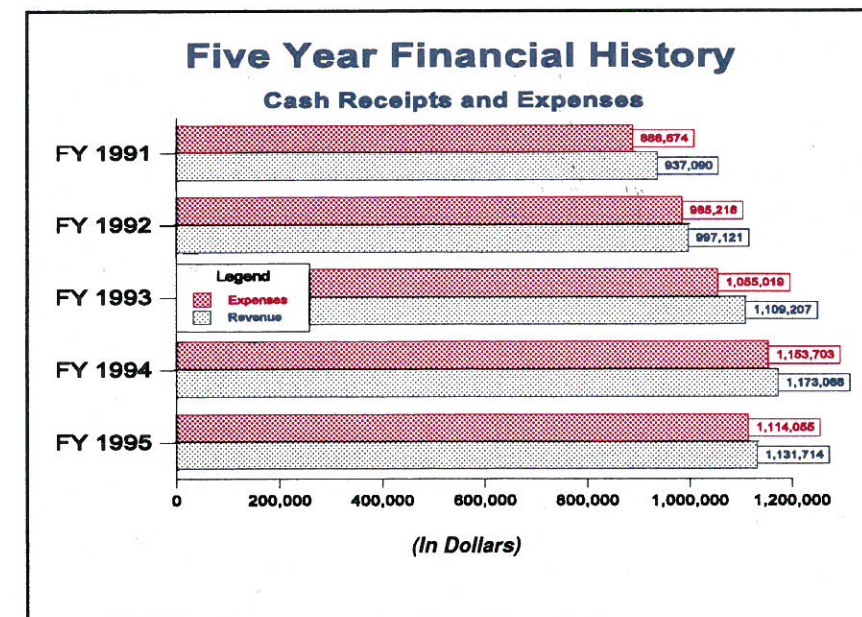
Thomas J. Flood  
Treasurer

The Treasurer's Report for FY 1995 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 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 spend policies and practices. No funds were expended on lobbying activities, as is specifically restricted by the Institute's Articles of Incorporation and Bylaws.

Respectfully,

Thomas J. Flood  
Treasurer and Chairman of Audit Committee



# Membership Development



Florida TaxWatch Chairman Byron Hodnett greets Board Members Mark Hollis and Charles Hilton at a Board Reception and Dinner in Tallahassee.

During a year when Florida TaxWatch celebrated its fifteenth year of distinguished service to Florida taxpayers, our membership development effort took on an added dimension. Part of this expansion included several well-attended development functions in which our Board of Trustees and many other valued and supportive members participated with enthusiasm and bright ideas for the approaching year. More of these activities are planned for the future as we strategize on ways to enhance our services and build a stronger base that will ensure a secure and productive future.



TaxWatch Board members Jim Lafond, Pat Groner, Lou Fischer, and Wiley Cauthen, along with TaxWatch Chairman-Elect Dave McIntosh, Bruce Davidson, TaxWatch Chairman Byron Hodnett and John Edward Smith listen to Charles Hilton's comments at a Board Planning Retreat.



Upon hearing the idea for Florida TaxWatch 16 years ago, Publix Super Markets President Mark Hollis said it, "rang his bell." Here, he receives a commemorative bell from Florida TaxWatch President Dominic Calabro.



Senate President Jim Scott and Senator Toni Jennings exchange greetings with TaxWatch Chairman Byron Hodnett at a Board Reception and Dinner in Tallahassee.



TaxWatch Chairman Byron Hodnett, Board member John Edward Smith and Secretary Joe Lacher discuss TaxWatch's research agenda at a Board Planning Retreat.

# Letter from the Chairman-Elect

November 1995

Dear Fellow Taxpayers:

It is a true honor and privilege for me to serve as Chairman of Florida TaxWatch for Fiscal '95-'96. I commit to you a great deal of energy in continuing and improving the fine work of our organization.

We begin our new year with a sense of excitement and purpose. Our most important objective and mission will be the continuation and strengthening of our research function, the true core of TaxWatch's existence. In addition to that, there are a number of other initiatives which will be points of emphasis during this year. They include the following:

- The clear demonstration of continued value to the citizens of Florida.
- A broadening of the membership base, with a special focus on minority participation.
- The maintenance of a strong financial base.
- An increased emphasis on the development of leaders for TaxWatch's future.
- The continuation and improvement of the Davis Productivity Awards.

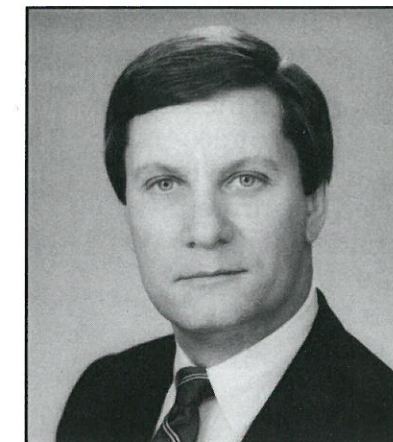
We'll undertake these important objectives through very active Committees. Each Committee will be represented with strong leadership and each will develop its own business plan for the fiscal year. We will employ the latest technology in distributing our message throughout the state and beyond. And we will involve the corporate community of Florida more than ever before.

Most of all, we will remain focused on the work which has provided \$3 billion of added value to the taxpayers of Florida since our inception. Join me in approaching our new year with a commitment toward expanding our horizons, exploring new ideas and welcoming a wider range of individuals and businesses than ever before into the Florida TaxWatch membership base. With the continued loyalty of our existing members and friends, coupled with added participation of new friends from around the state, Florida TaxWatch will continue our fight to bring about sound fiscal policies at the state level and a healthy economy for all Floridians.

I look forward to serving you during next year and will value your support and suggestions.

Sincerely,

David McIntosh  
Chairman-Elect



David McIntosh  
Chairman-Elect

# News Views

Journalist Lester Markel once said, "What you see is news, what you know is background and what you feel is opinion." During its 16-year history, Florida TaxWatch has been privileged to present hundreds of timely research reports

that have provided the media with compelling background information for their print and broadcast stories. Moreover, information and recommendations contained in TaxWatch reports often inspire editorial writers to produce thoughtful commentary that keeps their audiences and government leaders informed on state fiscal issues.

TaxWatch is proud that these journalists, in utilizing our reports for their stories and editorials, have seen fit to recognize our efforts to produce independent, unbiased, accurate research information for dissemination to Florida's taxpayers.

"Florida TaxWatch devotes all its time to looking for ways the taxpayers can get more for their tax dollars. Its sole purpose is prompting cost saving improvements in Florida government and providing careful, objective and well-documented research publications to let you know how our public officials are doing."

*Naples Daily News*

"TaxWatch proposes a superior method for the state to support private institutions. Let private schools that have demonstrated a statewide benefit compete for matching state grants."

*Tampa Tribune*

"Floridians should be heartened that a group of TaxWatch's stature is continually monitoring state government. Without such an ally, taxpayers would surely be getting much less bang for their buck."

*Tampa Tribune*

"You can believe TaxWatch."  
*St. Petersburg Times*

"Florida TaxWatch, which has consistently suggested things that improve government efficiency, proposed two-thirds as the supermajority for amendments."

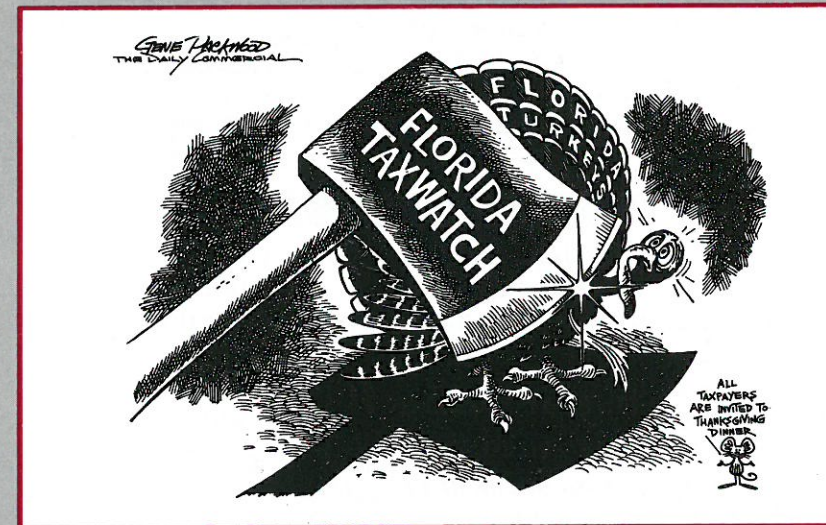
*Palm Beach Post*

"TaxWatch's findings deserve close attention, since it has earned national honors as one of America's most effective independent taxpayer watchdog agencies. State officials should make full use of TaxWatch reports as they prepare to adopt spending priorities and write a budget. TaxWatch President Dominic Calabro is right: the Governor, Cabinet and Legislature must do the state's business in a more accountable, limited and cost-effective manner."

*Ft. Lauderdale Sun-Sentinel*

"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*



"Florida TaxWatch has once again done an admirable job as Florida's legislative watchdog. Lawmakers could save taxpayers millions by following a few of TaxWatch's suggestions."

*Tallahassee Democrat*

"Heed TaxWatch"  
*Miami Herald*

"Improving taxpayer value, citizen understanding and government accountability"

## TaxWatch Research Prompts Value-Added Results

Like no other time since TaxWatch's inception, the past year has seen several of the fiscal changes TaxWatch has long recommended come to fruition. In many cases, issues which TaxWatch pursued for a decade on behalf of Florida taxpayers netted results. These results translate to laws that make government more accountable and fiscal policies that promise to slow government's growth while boosting productivity.

### RESEARCH leads to RESULTS

#### RESEARCH REPORT May 1995

##### Taxpayers Win At the Wire TaxWatch Recommendations Prompt First Year Implementation of Performance-Based Budgeting

The House on January 19, 1995, passed a bill to implement the recommendations of the 1994 TaxWatch Report. The bill, H.R. 1000, was signed into law by Governor Jeb Bush on February 1, 1995. This legislation is a landmark achievement for Florida taxpayers, as it marks the first time that the Legislature has implemented a performance-based budgeting system. The bill requires the Department of Finance to develop a performance-based budgeting system for the fiscal year 1995-1996. The system will require the Department of Finance to evaluate the performance of each state agency and to allocate funds accordingly. This will ensure that state agencies are held accountable for their actions and that taxpayers receive the best possible value for their money.

#### Taxpayers Win At the Wire May 1995

This report drove home a point worth noting: no matter how well intentioned, legislative staff should not attempt to determine where and how every penny should be spent and instead focus on outcomes achieved by state agencies.

### RESULTS

The Senate ultimately voted to include lump-sum appropriations in the budget process—a move many of their staff had long resisted.

#### RESEARCH REPORT December 1994

##### 1994's Government Performance and Accountability Act: A Beginning Framework for Taxpayer-Driven Reform

The 1994 Government Performance and Accountability Act (GPA) is a landmark piece of legislation that marks the beginning of a new era of taxpayer-driven reform in Florida. The act requires the Department of Finance to develop a performance-based budgeting system for the fiscal year 1995-1996. This system will require the Department of Finance to evaluate the performance of each state agency and to allocate funds accordingly. This will ensure that state agencies are held accountable for their actions and that taxpayers receive the best possible value for their money.

#### 1994's Government Performance and Accountability Act: A Beginning Framework December 1994

This report provided needed information that illustrated the need for performance-based budgets, including measures and standards to assess results. Holding unit managers and employees accountable for setting priorities and delivering results is an ultimate goal of program budgeting.

### RESULTS

For the first time in Florida's history, the basic mechanisms are in place in the law to ensure increased government accountability through measured performance. It could spell the eventual end of process-driven budgeting and the beginning of prioritized spending.

#### Equal Application of Intangibles Taxes on Home Equity Lines of Credit April 1995

Over the last year, TaxWatch conducted extensive research with commercial lenders and the Florida Department of Revenue to change a rule that would treat home equity lines of credit on second homes, homes of foreign nationals and homes in living trusts the same in terms of intangibles taxes as are lines on primary residences.

### RESULTS

When fully implemented, this change could expand Florida's home equity market by hundreds of millions of dollars and add up to \$15 million in greater intangibles tax revenue to the state. Such an expanded market also could increase the home equity revenues and profits of financial institutions.

#### Productivity Improvement in Florida Government May 1995

This document reported that nearly three fourths of Partners in Productivity's original 272 recommendations were fully or substantially implemented. An additional 22% have been partially implemented.

### RESULTS

This means cumulative cost savings, cost avoidances and increased revenue through June 94 totaled \$715 million. Also, many non-quantifiable management and operational improvements have been achieved.

#### RESEARCH REPORT April 1995

##### Equal Application of Intangibles Taxes on Home Equity Lines of Credit Should Benefit Borrowers, Lenders and the State of Florida

A change in the state's intangibles tax treatment of home equity lines of credit would have a positive impact on borrowers, lenders and the state of Florida. This report outlines the benefits of such a change and provides a detailed analysis of the current law. The report also includes a list of recommendations for legislative action to address these issues.

#### RESEARCH REPORT June 1995

##### The Potential Economic Impact of Tax Preferences for FL's Manufacturing Sector Increasing Employment, Earnings and Economic Prosperity

The manufacturing sector of Florida's economy has experienced a significant decline in employment over the last eight years. Being 21.6% of the state's total population, the manufacturing sector is a vital part of Florida's economy. This report examines the impact of tax preferences on the manufacturing sector and provides recommendations for legislative action to address these issues.

Industry	1986	1987	1988	1989	1990	% Change
Automotive	112	108	104	100	96	-14.3%
Electronics	100	98	96	94	92	-8.0%
Food Processing	80	78	76	74	72	-9.0%
Chemicals	60	58	56	54	52	-13.3%
Textiles	40	38	36	34	32	-17.5%
Other	100	98	96	94	92	-8.0%
<b>Total</b>	<b>400</b>	<b>392</b>	<b>388</b>	<b>382</b>	<b>376</b>	<b>-6.0%</b>

#### The Potential Economic Impact of Tax Preferences for FL's Manufacturing Sector June 1995

This study paints a dismal picture regarding the decline in Florida manufacturing employment over the last eight years and recommends changes which should be undertaken to reverse this alarming and damaging trend.

### RESULTS

This report illuminated the urgent need for strategically positioned tax incentives which can enable Florida manufacturers to expand and remain competitive, thus paving the way for corrective action.

#### 1995 Turkey Watch 1995 State Budget Stuffed with 42 Turkeys Worth \$36.5 Million



July 1995  
Updated to include June 1995 Governor's Vetoes  
(This is the TaxWatch logo)

#### 1995 Turkey Watch Report May 1995

While the number of 1995 "budget turkeys" decreased from last year, not enough has been done to eliminate them from the state budget. In this report, TaxWatch flags budget items dubbed "turkeys," or items placed in the budget without proper public review. In 1995 TaxWatch tagged 43 budget turkeys totalling \$36,508,062. Not much, out of a \$39 billion budget—but bothersome nevertheless in the face of pressing state needs. This year's budget turkeys cost \$6.31 for each Florida household, with budget turkeys costing every man, woman and child in Florida \$2.54.

### RESULTS

Of the 41 items vetoed by the Governor, 14 were Florida TaxWatch budget turkeys. The Governor vetoed a total of 41 items worth \$103.4 million. Of those items, 14 (34%) had been designated by TaxWatch as "budget turkeys" and carry a dollar value of \$7.2 million. Last year, only 5 items out of a total of 60 TaxWatch budget turkeys were vetoed and were worth \$1.4 million.

#### 1995 Tax Freedom Day May 1995

The average Floridian did not earn enough to pay his or her total tax bill for 1995 until May 2—Florida's official Tax Freedom Day. That's the day when Floridians begin working for themselves instead of tax collectors. This assumes that every dollar earned since January 1 goes to pay local, state and federal tax obligations. It takes about one-third (2 hours and 40 minutes) of each eight hour work day to pay taxes, which represent workers' single largest expense. In 1995 it took Floridians 121 out of 365 days to pay their federal, state and local tax bills.

#### How Florida Compares May 1995

Florida's per capita state and local tax ranking rose to 25th in Fiscal Year 1993, the state's highest ranking ever. Florida's per capita state ranking now is 37th, up from 41st the previous year. This reverses a trend that saw Florida's ranking drop for four consecutive years. Each Floridian's state tax bill rose \$125 (11.6%) in 1993, reaching \$1,199. This is below the national average, which rose \$86 (6.7%) to \$1,374.

#### A Widely Respected Social Commentary

##### Crime in Florida and the Nation: A Symptom of Cultural Decay March 1995

This report pointed to certain variables which are linked to high crime rates. Two primary factors have a strong predictive relationship to the differences in crime rates in Florida and the rest of the nation. Single parent families and metro lifestyles account for nearly 50% of the variance in crime rates among the states. States with higher proportions of high school graduates have lower crime levels.

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- Oct. 94: *Workers' Compensation Reform Helps Cut Cases Requiring Litigation by 54%*
- Nov./Dec. 94: *Davis Productivity Awards Kicks Off Sixth Year*
- Jan. 95: *Supreme Court Calls It Like It Is: A Tax Is A Tax*
- Mar. 95: *Department of Revenue's Cost of Collecting State Taxes*
- April 95: *Department of Revenue Steps Up Intangibles Collections*
- May 95: *Florida Should Fight for \$2 Billion in Federal Funding*
- June 95: *Spending on Prisons Grows Almost Three Times Faster Than Education*
- July 95: *New Law Changes at Department of Revenue*
- Aug. 95: *Buckley to Address 16th Annual Meeting*
- Sep. 95: *TaxWatch Holds Press Conference on Amendment 10*
- Oct. 95: *Join Us in November for Two Special Events*

### FLORIDA TAXWATCH FOCUS

This monthly TaxWatch publication keeps readers apprised of current issues in Florida as well as news around the nation. Member news and upcoming events also are outlined on a regular basis.

### IDEAS IN ACTION

Since 1992, this publication has offered TaxWatch members, government officials or concerned individuals a forum to express their opinions on issues of public interest to Floridians. In the past fiscal years, authors have covered topics ranging from Amendment 10 to Project Healthy Start.

*Aldeas in Action* Florida TaxWatch

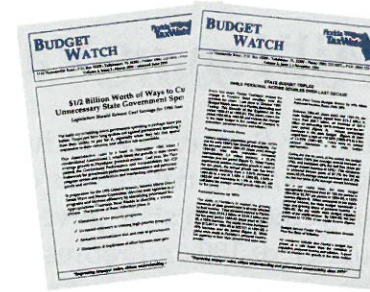
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*The Save Our Homes Amendment Could Cause Some Problems, by Dean H. Gatzlaff*  
October 1994

*Greater Local Control Requires Enhanced Citizenship and Accountability, by Dr. Neil S. Crispo*  
February 1995

*A Condensation of Governor Chiles' Inaugural Address, by Governor Lawton Chiles*  
March 1995

*The Healthy Start Evaluation Framework, by Dr. Roger Kaufman and Tony James, MS, PA-C*  
June 1995

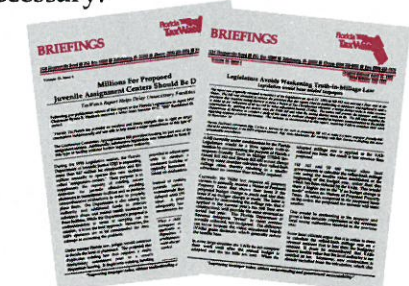


### BUDGET WATCH

This series of reports is designed to keep readers apprised on state budgetary issues. TaxWatch pointed out that the state budget has almost tripled in 10 years, and also recommended \$1/2 billion worth of ways to cut spending.

### BRIEFINGS

These condensed reports cover a variety of topics of concern to our citizens. Among the many important issues covered this year were Truth-in-Millage and Juvenile Assignment Centers



*The Legislature Should Not Weaken the Truth-in-Millage Law*  
April 1995

This report recommended against two bills which would have changed the way some counties calculated their rolled-back millage rates, thereby resulting in a smaller advertised tax increase than what was actually required. TaxWatch recommended the Legislature uphold the Truth-in-Millage law as it was written.

"Without your *Briefings*, I could not have threatened the sponsor with credible debate on the issue of hidden taxes. Thank you for your swift support. I look forward to working with Florida TaxWatch on future issues." - Representative Carlos Lacasa, (R117)

■ *Amendment 4: Will it Help or Hurt Florida's Taxpayers?*  
November 1994

■ *International Faculties Rate Educational Environments*  
February 1995

■ *Subsidized Child Care Vouchers: High Potential for Abuse and Fraud*  
March 1995

*Ten-Year Budget Growth: 1984-85, 1994-95*  
Nov. 1994  
Despite a dramatic slowdown in population growth and the doubling of total personal income over the last ten years, Florida's state budget has nearly tripled from \$13.3 billion in 1984-85 to more than \$38.7 billion, an increase of a \$25.4 billion--an astounding 191% increase over the decade. During the last four years, 1990-91 through 1994-95, the budget increased 40%, an average annual increase of 10%. In the six-year period between 1984-85 and 1990-91, the budget increased 108%, an average annual rate of 18%. This compares to average annual personal income gains of 6.9% and 10.3%, respectively.

*TaxWatch Recommends \$1/2 Billion in Short and Long Term Cost Savings and Reallocations*  
March 1995

This report recommends 62 specific ways to constructively save over \$1/2 billion and increase efficiency and effectiveness throughout state government. For the first time in more than a decade, an effort was made in the House and Senate to redirect over \$1 billion of the base budget to taxpayer priorities. TaxWatch also recommended more than \$1/2 billion additional short- and long-term budget reductions and reallocations. Although some may have been controversial and politically difficult, they were necessary.

*Millions Proposed for Juvenile Assignment Centers Should Be Delayed*  
June 1995

This Briefings reported TaxWatch's warning to legislators that one of the issues considered during a June special session could have cost \$200 million or more instead of the \$30 million predicted.

"Florida TaxWatch has provided an excellent and timely analysis that is right on target . . . I came to the same conclusions independently and was able to help avoid a major commitment to this type of facility."  
-- Senator W. G. "Bill" Bankhead, (R8)

■ *A Supermajority Vote on all Taxes Can Stop the Trend of Governing by Referendum*  
March 1995

■ *The State Should Limit Taxpayers' Exposure to Derivative Investments*  
April 1995

■ *State Employees Health Insurance: Two Excellent Options Made Better By Competition*  
June 1995

■ *Amendment 10: Not a Tax Limit But a Multi-Million Dollar Tax Shift*  
September 1995

# Partners in Productivity

## Florida's Leading Citizens Add \$715 Million in Value

When it comes to impressive achievements, 1994-95 has been a stellar year for Partners in Productivity. Created in 1987 under a resolution from the Governor and Cabinet, this public/private initiative was charged with identifying, measuring and rewarding cost saving and management improvements in state government. The initiative is jointly sponsored by Florida TaxWatch and The Florida Council of 100 and represents one of the nation's most successful examples of business and civic leaders working with government to cut red tape and boost productivity.



Following the group's inception came six years of monitoring and reporting on the state's four largest spending areas: corrections, transportation, health and rehabilitative services and K-12 education. This ambitious undertaking was tackled by a task force of 39 business and civic leaders who worked with agency heads and staffs to develop 272 recommendations in 24 major areas. This process included a series of reports citing cost savings and management improvement opportunities in the agencies involved and was followed by progress reports. The initial "report cards," issued in 1991, found that nearly 60% of the recommendations had been fully or substantially implemented.

In May 1995, another report card was issued containing some gratifying information. Seventy-four percent of the original 272 recommendations have been fully or

substantially implemented and an additional 22 percent have been partially implemented. Translated to dollars, cumulative cost savings and added taxpayer value through June 1994 totaled \$715 million. Also, many non-quantifiable management and operational improvements also have been achieved that help serve taxpayers better.

Bravo to the men and women at the Florida Council of 100 and TaxWatch and kudos to state agency management and staff for their willingness to accept and implement newer, more efficient and productive ways of serving Florida's taxpayers.

"Since 1987 a major effort has been under way to develop such yardsticks for Florida government. It's called 'Partners in Productivity,' uniting state government with the Florida Council of 100 and Florida TaxWatch. In 1988 and 1989 the partnership recommended 272 ways to improve state government's four largest areas of spending. A new report by Partners in Productivity claims noteworthy progress. The report card's credibility is enhanced by including a thorough summary of what was left undone to boost productivity. Productivity and performance enhancements should spread from the Capitol to every city hall, county courthouse, school board office and special taxing district office around Florida."

*Ft. Lauderdale Sun-Sentinel  
Editorial*

# The Davis Productivity Awards

## State Government Winners With the

*Spirit of*  
**EXCELLENCE**

One of TaxWatch's successful programs, which is co-sponsored by The Florida Council of 100, is the Davis Productivity Awards. Now in its seventh year, this program annually recognizes and rewards Florida state government's productive and enterprising workers who measurably increase productivity and promote innovation. The statewide total for cost savings and value added since the program's 1989 inception is a whopping \$1.4 billion, including \$312 million contributed by the 1995 winners. That means \$1.4 billion of your hard-earned tax dollars now are being put to better use.

The program is made possible through the generosity of the late J.E. Davis and his brother, the late A.D. Davis, both founding members of Florida TaxWatch. Each year, a total of \$75,000 in cash, plaques, certificates and other recognition is provided to state employees throughout Florida. More than 2,000 nominations have been submitted and more than 1,400 awards have been provided to state employees.



*Judges panelists Senator Phil Lewis, Glenn Robertson and Panel Chairman Governor Wayne Mixson congratulate Winn-Dixie Chairman A. Dano Davis on another successful kickoff.*

Following this year's November 7 Kickoff Luncheon in Tallahassee, a total of 14 regional presentations were held throughout the state in: Marianna, Pensacola, Jacksonville, Gainesville, Lake City, Arcadia, Lake Worth, Miami Lakes, Plantation, St. Petersburg, Tampa, Orlando and Ocala.

*On April 25, 1995, a resolution commending the Davis Productivity Awards and naming November and December 1995 "Official Davis Productivity Awards Months" was adopted by Florida's Governor and Cabinet. The Governor and Cabinet resolution also includes two key improvements:*

- 1. Winning a Davis Productivity Award will be considered an important achievement by supervisors when they prepare employees' evaluations to determine additional raises, bonuses and career promotions; and*
- 2. It encouraged each state agency to provide appropriate in-kind services and support for the program, including payment of registration fees for winners and other selected state employees to attend awards presentations when they are held in Tallahassee and around the state.*

# Florida TaxWatch Staff



## President & Vice Presidents

(left to right)

**Barbara K. "Babs" Taff**  
*Vice President for Membership*

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

**Dr. Neil S. Crispo**  
*Senior Vice President, Research and Operations*



## Staff

*Seated, left to right: Catherine M. Haagenson, Communications Director and Executive Assistant to the President; Dave Davis, Executive Director, Partners in Productivity; John Hall, Senior Research Analyst; Phyllis Burkhardt, Office Administrator.*

*Standing, left to right: Shawn Stampfli, Administrator, Davis Productivity Awards; Taylor Pollock, Research Analyst; Dan Sprague, Research Analyst; Gable Abblett, Publications Assistant; Kurt Wenner, Senior Research Analyst; Mike Walsh, Senior Research Analyst.*

# Membership

*Help Shape Florida's Future . . . Join Florida TaxWatch Today!*

As a member of Florida TaxWatch, you will receive a variety of benefits for your voluntary, tax-deductible contribution. In addition to the knowledge that you are part of an organization which is pursuing prudent, responsible government management and spending policies, you will regularly receive timely, enlightening material to help you make informed decisions as you conduct business for your firm or your family. Some of the many benefits a Florida TaxWatch membership brings you include:

- ✓ A vigilant organization which can and does effect change which you and your fellow citizens want and need.
- ✓ Empirically sound, concise research reports resulting from our ongoing monitoring of public tax and spend policies and practices.
- ✓ Resource materials prepared at your request for your own presentations and events.
- ✓ A subscription to all of Florida TaxWatch's publications, including:
  - ⇒ Florida TaxWatch Focus - an informative monthly newsletter
  - ⇒ Research Reports - thorough review and appraisal of the most important issues facing taxpayers today
  - ⇒ Budget Watch - a series keeping you apprised of what is going on with state budgetary matters
  - ⇒ Briefings - concise research reports on timely concerns for Floridians
  - ⇒ Ideas in Action - opinion pieces written by Florida TaxWatch members or concerned citizens
  - ⇒ All of TaxWatch's yearly reports, including *Tax Freedom Day*, *How Florida Compares* and *Turkey Watch*

Don't let other decide how your tax dollars are spent. You have a right to take part in our state's future. You can play an active role in deciding how our citizens' tax dollars are invested. So get involved! It's your state -- and your Florida TaxWatch membership can make a difference! Please detach and return the reply card at left for more information on becoming a member of Florida TaxWatch.

*That's why a Florida TaxWatch Membership Makes Good Sense!*



This report was written and compiled by Catherine M. Haagenson, Communications Director.  
Page layout and design by Gable Abblett, Publications Assistant.

Byron E. Hodnett, Chairman; Dominic M. Calabro, President and Publisher.  
Dr. Neil S. Crispo, Senior Vice President, Research and Operations.

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*"Improving taxpayer value, citizen understanding and government accountability"*