

Florida Tax Watch Florida Tax Watch

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1996 Annual Report

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About Florida Tax Watch

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 several times 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 \$5 billion. That translates to approximately \$875 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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Letter from the Chairman and President

November 1996

Dear Fellow Taxpayers:

More than any other statewide organization, Florida TaxWatch furnishes state decision makers and taxpaying citizens with factual, timely, independent assessments on critical state tax and spend policies. This is the kind of effort that is needed to help shape the public debate that determines the size and scope of government.

The past year has seen a number of successes which are directly attributable to Florida TaxWatch's timely, effective research on issues that matter to Florida's citizens, businesses and lawmakers. One particularly compelling TaxWatch publication helped raise public awareness on the economic development liability of the state's sales tax on electricity used in manufacturing. As a result, the 1996 Legislature exempted the tax, saving state manufacturers \$90 million in the first five years and more than \$31 million annually thereafter.

Last spring, TaxWatch joined an effort to prevent taxpayers from having to pay sales and gross receipts taxes on internet access, e-mail and electronic bulletin board services beginning July 1, 1996. While this issue is not entirely resolved, TaxWatch continues to play a significant role, helping to generate awareness and representing taxpayer interests. TaxWatch is monitoring the progress of the Florida Telecommunications Taxation Task Force which was formed to study these issues and make recommendations.

Many critical areas remain where more diligence and perseverance is needed to prompt necessary changes that are critical to the state's economic development and prosperity. The approaching months will see the creation of a Center for a Competitive Florida at Florida TaxWatch. The activities associated with this Center will compliment the efforts of other state groups, providing valuable experience and taxpayer oversight in reforming Florida's economic development efforts.

Through your membership in Florida TaxWatch, you are helping to shape the way state government taxes, spends and operates. We deeply appreciate your support and know that with your continued enthusiasm and participation, we can and will win the victories that make a value-added difference in Floridians' lives and businesses. It will be our pleasure to continue serving you in the years to come.

Sincerely,


David McIntosh
Chairman


Dominic M. Calabro
President and Chief Executive Officer



David McIntosh
CHAIRMAN



Dominic M. Calabro
PRESIDENT & CHIEF
EXECUTIVE OFFICER

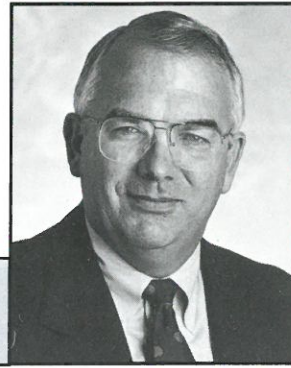
Distinguished Board member and Immediate Past Vice-Chairman, Mr. Guy McKenzie, Sr., 85, founding Board member of Florida TaxWatch and founder of McKenzie Tank Lines in Tallahassee, passed away on Sunday, September 1, 1996. Mr. Guy was both loved and respected, and will be greatly missed.

This publication is dedicated to the memory of Guy McKenzie, Sr.

Executive Committee



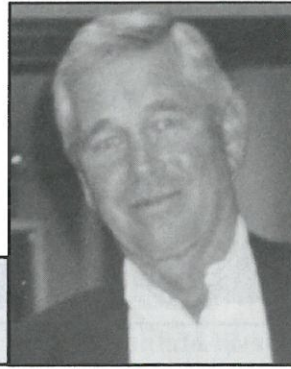
CHAIRMAN
David McIntosh
CEO, Gunster, Yoakley, Valdes-Fauli & Stewart



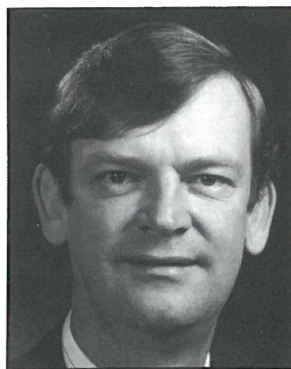
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Joseph P. Lacher
President, Florida Region, BellSouth



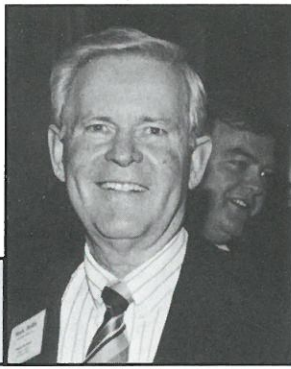
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Dominic M. Calabro
Florida TaxWatch



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President, Fischer Associates, Inc.



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Chief Executive Officer
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President, Sprint/United Telephone-Florida

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Co-Founder and Past Chairman
Florida TaxWatch
President, Philip D. Lewis Real Estate

Tom L. Rankin
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President and Chief Executive Officer
Lykes Brothers, Inc.

Adelaide A. Sink
President, NationsBank Florida

Michael Zagorac, Jr.
Past Chairman, Florida TaxWatch
Vice President/Public Affairs, Hill & Knowlton, Inc.

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Philip D. Lewis Real Estate
Riviera Beach

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The Martin Companies
of Daytona Beach
Daytona Beach

Jim Maxwell
Coopers & Lybrand
Tampa

J. Elliott Messer
Messer Caparello Madsen
Goldman & Metz, P.A.
Tallahassee

Mike Sittig
Florida League of Cities
Tallahassee

Mike Sittig
Florida League of Cities
Tallahassee

Randy Miller
Pennington Culpepper Moore
Law Firm
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Company
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Jacksonville

Jimmy O. Williams
SunTrust Banks of Florida
Orlando

William B. Wilson
Maguire, Voorhis & Wells
Orlando


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

* Member
Executive Committee



Letters of Support

STATE OF FLORIDA
Office of the Governor
 THE CAPITOL
 TALLAHASSEE, FLORIDA 32399-0001



November 1996

Greetings:


Congratulations on your 17th anniversary as Florida's state government "watchdog."

Through the years, Florida TaxWatch has been a most beneficial source to call upon for independent analysis and recommendations on issues that affect the taxpayers of our state. Your efforts to ensure government accountability while promoting citizen responsibility have been invaluable. May the people of Florida continue to benefit from your hard work and dedication.

I look forward to maintaining a productive relationship with Florida TaxWatch, working together to make Florida government efficient, effective and accountable to the people it serves.

Thank you for your commitment to a better Florida. Best wishes for many more years of distinguished service.

With kind regards, I am

Sincerely,

 LAWTON CHILES

LC/hss

CONNIE MACK
 FLORIDA

United States Senate
 WASHINGTON, DC 20510-0904

November 1996

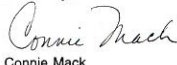
Greetings,

It is my pleasure to commend and congratulate Florida TaxWatch for another year of outstanding service to the people of Florida.

You have scrutinized state tax and spending policies for many years, and Florida taxpayers have benefitted greatly. Your dedication to Floridians has helped our collective efforts to make state government more responsive, more accountable, and more efficient.

Florida TaxWatch will continue to influence both citizens and lawmakers with your insightful views on how to enhance the democratic process in Florida. We appreciate your views, and encourage you in your mission to help Florida government work for all Floridians.

I wish you many more years of distinguished service.

Sincerely,

 Connie Mack
 United States Senator

BOB GRAHAM
 FLORIDA

United States Senate
 WASHINGTON, DC 20510-0903

October 17, 1996

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

Dear TaxWatch Members:


Greetings and congratulations on your continued success as the watchdog of Florida government.

TaxWatch's outstanding achievements over the last 17 years speak for themselves. Your diligent research and thoughtful analyses have been crucial in helping lawmakers improve the quality of Florida's government. TaxWatch's independent assessments have often aided in finding the solutions to many of our state's problems, and you have saved the taxpayers of Florida billions in the process.

Through your tireless efforts you have worked to bridge the gap between government and the people it serves. The taxpayers of Florida are fortunate to have a friend in Florida TaxWatch.

Again, congratulations, and best wishes for continued success in your endeavors.

With kind regards,

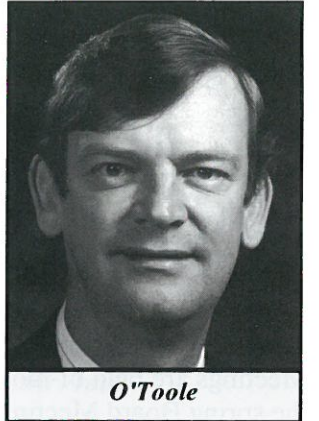
Sincerely,

 United States Senator

BG/HT

Treasurer's Report

Dear Fellow Taxpayers:

Florida TaxWatch further expanded its statewide representation of taxpayer concerns in Florida during the fiscal year ended September 30, 1996. 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 \$1,212,966 were kept below total revenue of \$1,214,112 by \$1,146. This practice has continued in each of the Institute's 17 years of operation.



The Treasurer's Report for FY 1996 demonstrates the sound management practices and proper financial controls applied by the Institute which ensure effective and productive operations with direct accountability.

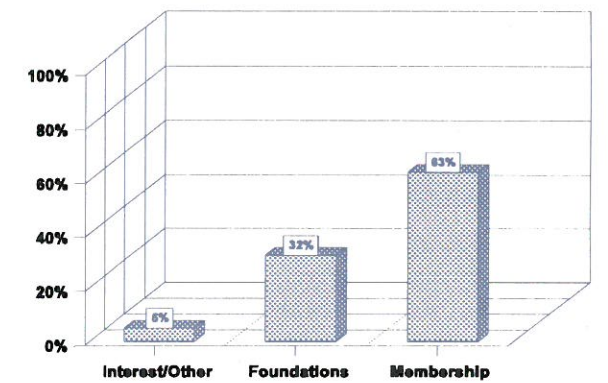
According to the year-end record of expenses, all expenditures went to prepare, conduct, publish, disseminate and properly communicate the research program's findings, conclusions and recommendations about Florida government tax and spend policies and practices. No funds were expended on lobbying activities,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

Respectfully,

William A. O'Toole

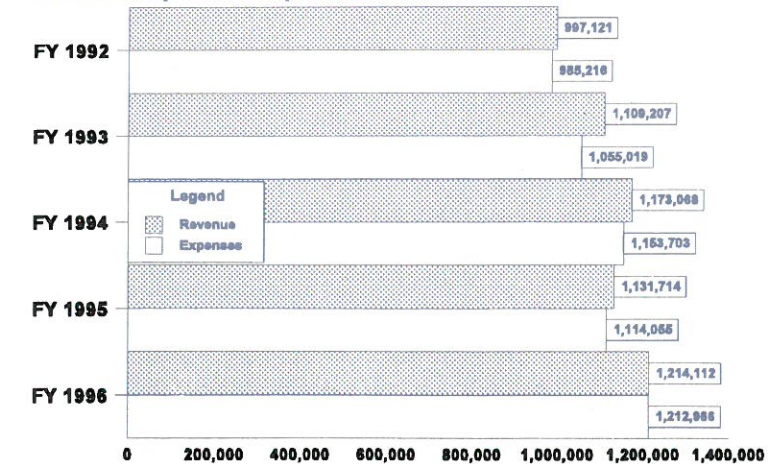
William A. O'Toole
 Treasurer and Chairman of the Audit Committee

FY 1996 Income

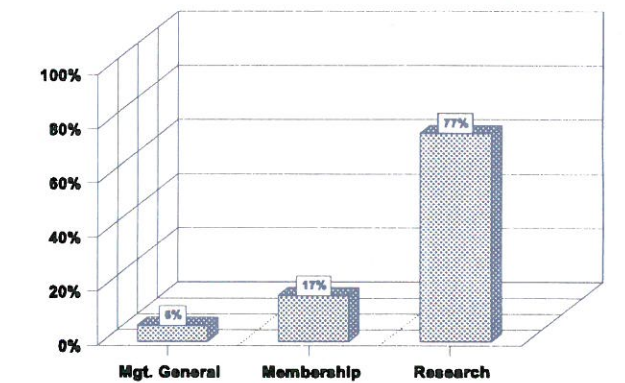


Five Year Financial History

Cash Receipts and Expenses



FY 1996 Expenses



Throughout the past year, particularly during the 1996 Legislative Session, Florida TaxWatch's research activities brought attention to many issues that affect Florida's taxpayers and businesses. In many cases, it was Florida TaxWatch's timely, accurate research that enlightened the public and properly educated decision makers, helping them to make more informed choices on behalf of Florida taxpayers. Some of these hard-won victories were the culmination of a process that began the previous year. Others are examples of TaxWatch's effective work on more recent issues that caused concern for all Floridians.

Research Advisory Committee

**Value-Added
Results**

TaxWatch's research program was guided this year by a Research Advisory Committee co-chaired by T. O'Neal Douglas (American Heritage Life Insurance Company) and Randy Miller (Pennington Culpepper Moore Law Firm).

Established in 1993, the committee is comprised of TaxWatch members and distinguished academic and government leaders. Its purpose is to assist TaxWatch in defining research topics to be considered and recommended to the Executive Committee. It also assists in

finding ways and means of accomplishing the research process through networking for information and resources. Meetings are held bi-monthly, primarily via teleconference, as well as in conjunction with TaxWatch gatherings such as the spring Board Meeting and fall Annual Meeting.

Members of the 1996 committee are Marsha Cantrell (Barnett Banks, Inc.), Pat Groner (Baptist Health Care), Governor Wayne Mixson, Charles Pierce (Florida Hospital Association), Dr. Bernard Sliger (Gus A. Stavros Center, Florida State University), John Edward Smith (Steel, Hector & Davis), Dr. Lance deHaven-Smith (Askew School of Public Administration and Policy, Florida State University), Stanley Tate (Stanley Tate Builders) and Mike Zagorac (Hill and Knowlton).

Senior Research Fellows

Last January, seven prominent statewide scholars and professionals were named Florida TaxWatch Senior Research Fellows. Each was chosen for his public policy analysis and evaluation expertise and to help facilitate the expansion of Florida TaxWatch's role in analyzing and evaluating issues of state and local government accountability and taxation in Florida. Senior Fellows participate in Florida TaxWatch's activities through the development and/or conduct of research studies relevant to state and local government services, regulation and taxation. Sadly, one of the seven distinguished scholars, Judge Harold Bryan Crosby, passed away shortly after the program was initiated. His name is included on the following list as a respectful memorial to a fine and generous man.

Florida TaxWatch Senior Research Fellows are:

- Dr. Keith G. Baker, President, Growth Management Services Institute, Inc., Ft. Lauderdale
- Judge Harold Bryan Crosby, Founding President and President Emeritus, University of West Florida; Past President, Florida International University
- Dr. Lance deHaven-Smith, Director, Askew School of Public Administration and Policy, Florida State University; and Associate Director, Florida Institute of Government, Tallahassee
- Dr. Roger Kaufman, Director, Center for Needs Assessment and Planning, Florida State University; Associated with the faculty in Industrial Engineering, University of Central Florida; Research Professor, New Jersey Institute of Technology/Newark College of Engineering
- Dr. John Lombardi, President, University of Florida
- Dr. Craig E. Reese, Professor, St. Thomas University
- Dr. Bernard Sliger, the Gus A. Stavros Center, Florida State University; and Past President, Florida State University

Briefings

These condensed reports cover a variety of issues which are of concern to Floridians. Here are some examples of the issues examined in these informative publications.



Unfunded Mandates Would Cost Cities Millions

Two bills were proposed during the 1996 Session which would have imposed unfunded mandates upon some municipal governments for excessive police & fire pensions, costing local property taxpayers and needy residents millions of dollars each year. TaxWatch research helped the League of Cities inform citizens on the bill's fiscal liabilities. The Legislature took no action.

Taxing Magazines and Newspaper Subscriptions: Don't Be Penny Wise and Pound Foolish

Prior to 1987, newspapers and magazines were exempt from Florida sales tax. When the ill-fated sales tax on services was passed, one of the many tax changes that occurred was the removal of the exemption for magazines. Florida began collecting sales tax on retail sales of magazines while newspapers were exempt. The Florida Supreme Court ruled that the different tax treatment violated the First Amendment. But instead of restoring the exemption for magazines, the Court ruled that newspapers should be taxed also. This report recommended the Legislature exempt newspaper and magazine subscriptions from taxation.

Legislation Would Help Add Much Needed Certainty to Sales Taxation of Groceries

This report alerted the public to problems associated with the taxable status of items sold by food and drug retailers. Although groceries and prescription drugs are generally exempt from the sales tax, many products are not exempt. When new products are introduced each month, the taxable status must be determined within ten days after retailers order them. The report recommended ways to achieve sales tax consistency on grocery items. Although legislation was passed clarifying the statutes, it was included in a "tax train" bill that contained items the Governor opposed, resulting in a veto.

Proposed Change in Battery Tax Law is Proper

Proposed legislation directed that the tax on lead-acid batteries be levied only on the retail sale of new batteries and may only be assessed once each battery is both fiscally and environmentally sound. TaxWatch found no legitimate justification for levying the fee more than once on the same battery. In fact, reusing batteries delays the need for their disposal. Legislation was introduced in the House and Senate directing that the tax be levied only on the retail sale of new batteries and may only be assessed once on each battery, but the issue died in committee.

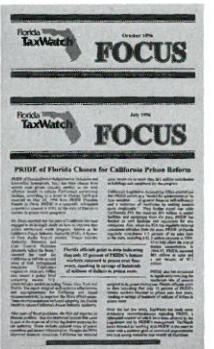
The Florida Lottery -- A Fiscal Retrospective

This report summarized the Florida Department of Lottery's revenues and expenditures over the past eight years. It also pointed out that Florida TaxWatch's recommendations have been instrumental in reducing administrative costs, resulting in an estimated additional \$175 million for Education.

Florida TaxWatch FOCUS

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

- ☞ Join Us for Two Special Events
- ☞ TaxWatch Holds Successful 16th Annual Meeting
- ☞ Chiles Administration Promotes Job Opportunities
- ☞ New Federal Study: Curb Federal Spending to Boost Economic Growth
- ☞ HRS District 11 Getting Tough on Food Stamp Fraud
- ☞ TaxWatch Report Helps Reinstate Cost Saving EBT Program
- ☞ Streamlining State Rules & Regulations
- ☞ PRIDE of Florida Chosen for California Prison Reform
- ☞ Bed Taxes Flying Up -- One State's Policies Make Visitors Say "Aloha"



Ideas in Action

- ☞ Flat Tax, by Rep. Dick Armye
- ☞ Performance and Accountability in Florida's Budget, by Dominic M. Calabro and Rep. Allen Boyd
- ☞ School Vouchers, by John Ryor and Pat Tornillo
- ☞ Charter Schools, by Dr. Stanley Marshall
- ☞ Privatization, by Dr. Roger Kaufman and Dr. Keith Baker
- ☞ A Possible End to School Vouchers by Dr. Stanley Marshall
- ☞ Burden of Proof

Florida TaxWatch released two Ideas in Action on this issue, giving each side a forum to voice their positions. A new law would even the playing field, treating ad valorem taxpayers the same way as taxpayers challenging other taxes in Florida.



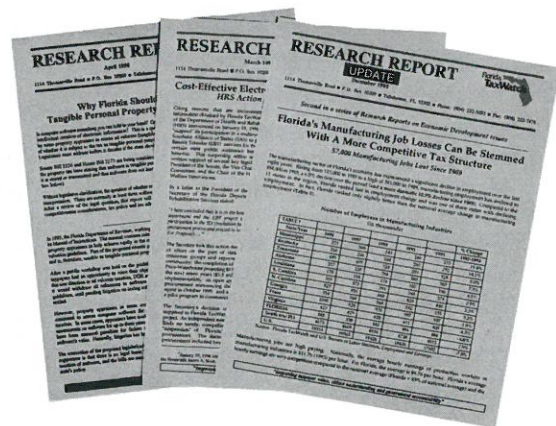
The Potential Economic Impact of Tax Preferences for Florida's Manufacturing Sector

An updated version of TaxWatch's report entitled, "The Potential Economic Impact of Tax Preferences for Florida's Manufacturing Sector," pointed to an alarming decline in Florida manufacturing employment over the last eight years. The report recommended changes to reverse this alarming and damaging trend. The report called attention to the urgent need for strategically eliminating or reducing competitive tax disincentives. This change can enable Florida manufacturers to expand and remain competitive, thus paving the way for corrective action. With TaxWatch's information on this important issue in hand, lawmakers were able to understand the overwhelming evidence that the state's sales tax on electricity used in manufacturing should be exempted. The Legislature acted to exempt the 7% sales tax which will allow Florida's manufacturers to expand, increase competitiveness, keep and create more jobs. Manufacturers should save \$90 million in the first 5 years; \$31 million annually thereafter.

Cost Effective Electronic Benefits Plan Could Be Derailed

On January 19, 1996, the Secretary of the Department of Health and Rehabilitative Services (HRS) announced that Florida will "suspend" its participation in a multi-year effort with the Southern Alliance of States (SAS) to procure Electronic Benefit Transfer (EBT) services for the dissemination of certain state public assistance benefits and federal benefits. This decision threatened to unravel a productive public/private partnership that would save the state and its taxpayers \$11 million in cost savings and millions more in undetected welfare fraud and abuse.

On March 28, 1996 the decision was made to renew participation with the SAS plan, which, if it is allowed to continue, could generate cost savings of \$33 million annually (gross), or \$15 million to \$25 million net, after expenses.



Last September, DOR announced it would enforce sales and gross receipts taxes on internet access, e-mail and electronic bulletin board services beginning July 1, 1996. During the 1996 Legislative Session TaxWatch worked with the Florida Internet Coalition (led by the Florida Chamber) to generate awareness of problem legislation that had passed mandating that no tax is due on these services prior to July 1, 1997. This legislation also created the Florida Telecommunications Taxation Task Force to study issues and form tax policy recommendations.

Why Florida Should Not Begin To Apply Tangible Personal Property Taxes to Computer Software

During the past few months, some property appraisers had begun to assess computer software owned by businesses as tangible personal property that was taxable. Near the end of the 1996 Legislative Session, TaxWatch worked on a law clarifying that software would not be taxed as tangible personal property during 1997. The legislation looked promising for passage but ultimately was defeated. Next Session, it will be important for TaxWatch to provide necessary and vital research information to the press, public and lawmakers alike so that the true facts regarding this issue are aired.

Property Tax Burden of Proof Reform Adds Fairness and Accountability

TaxWatch research concerning the burden of proof required for a taxpayer to successfully challenge a property appraiser's ad valorem (property tax) assessment stated that the current Florida law is an unreasonable obstacle for taxpayers to overcome. TaxWatch worked on the reform legislation which passed during the 1996 Session. It provided that in both judicial and administrative actions, when challenging an assessment or a denial of an exemption or classified status, a taxpayer could overcome the property appraiser's presumption of correctness by presenting a "preponderance of the evidence." No longer would the taxpayer have to present proof which excludes every reasonable hypothesis of a legal assessment. Governor Chiles vetoed this legislative reform. But he also established a study commission with several Florida TaxWatch Board members participating. Florida TaxWatch will continue to track this issue vigilantly.

Florida's Tourism Promotion Effort Could "Eat the State's Seedcorn" that Attracts Visitors

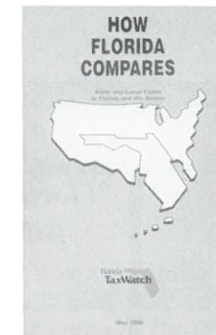
Laws dictating the use of local option tourism taxes should be clarified so that more money is directed toward bringing in tourists. TaxWatch concluded that the statutes which prescribe the uses of local option tourism taxes lack the necessary specificity to ensure the revenue will be used for that purpose. TaxWatch recommends that the Florida Legislature establish guidelines on how local option tourism taxes should be spent. Once the spending framework is in place, the Legislature should authorize a periodic review of tourism spending priorities, perhaps through sunset review.

State Government Information Resource Management: Taxpayer Resources Could Be Better Used

The Information Resource Commission (IRC), created in 1983, operates with an appropriation of \$1.8 million under the authority of the Governor and Cabinet to lead and coordinate the area within the executive branch of Florida government. Between 1990 and 1993, the state spent a total of \$1.5 billion on information resource technology. This report explores why state agency information resource managers, legislative committee staff and representatives of the Governor and Cabinet are highly dissatisfied with the management and performance of information resources in Florida government and recommends remedies.

How Florida Compares

Relative to other states, Florida's state and local tax burden is still lower than average, but it is getting closer to the national average. Florida's tax burden rankings increased slightly in FY 1994, in terms of both per capita collections and as a percentage of personal income. Florida's per capita state and local tax burden rose one spot to 31st among the 50 states. Floridians' per capita taxes totalled \$2,142, compared to the national average of \$2,387. This is the closest, in terms of percentage, Florida has been to that average. The report also sets Florida's per capita state tax ranking (excluding local taxes) at 36th for 1994, up one spot from the previous year.

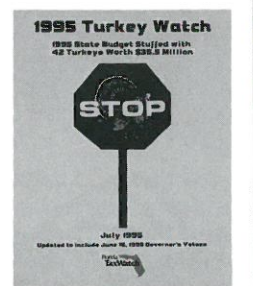
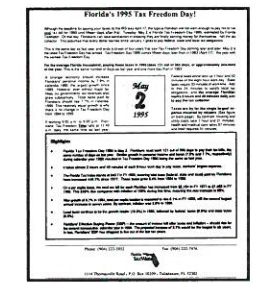
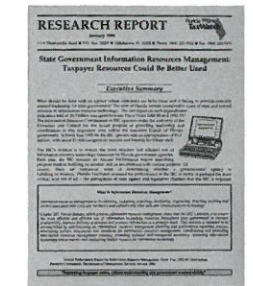
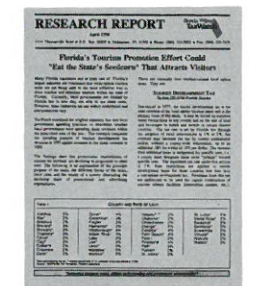


1996 Tax Freedom Day

Typical Floridians did not earn enough to pay their total 1996 tax bill until May 1 -- Tax Freedom Day for Florida. This year, May 1 is Florida's official Tax Freedom Day. Tax Freedom day is the day when Floridians begin working for themselves instead of federal, state and local tax collectors. It took taxpayers one day less to pay their tax bills this year, but since 1996 is a leap year, Tax Freedom Day fell two days earlier on the calendar. This year's Tax Freedom Day was two days earlier than both 1995 and 1994 when Tax Freedom Day fell on May 3. Since TaxWatch began calculating Tax Freedom Day in 1977, May 3 is the latest Tax Freedom Day has arrived, the earliest was April 18 in 1983.

Budget Turkeys

While the dollar amount of 1996 "budget turkeys" decreased over last year's, the actual count of individual turkeys has increased due to the use of the appropriations process to fund specific vendors without competitive selection. "Budget turkeys" are those items placed in the budget without proper public review, which circumvent competition and the lawfully established procedures or which benefit a special interest or local area of the state or are low priority items that get funded over higher priority needs. This year's report reveals that the 1996 Legislature generated a total of 45 budget turkeys totalling \$31.6 million. The budget for 1996-97 is \$39.8 billion. Of the total appropriated for budget turkeys, 36 budget turkeys worth \$21.9 million were found in General Revenue and nine budget turkeys worth \$9.7 million were found in trust funds. This year's budget turkeys cost every man, woman and child in Florida \$2.19, or \$5.44 per household.



"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

"Florida TaxWatch's reports don't carp the way some anti tax zealots do. TaxWatch thus comes across not as a group that's trying to destroy the government but rather as one that's trying to make it work better."

-Miami Herald

"Heed TaxWatch"

-Miami Herald

"Florida taxpayers can thank the Citizens Council for Budget Research [now TaxWatch], a privately financed watchdog group. The Council recommends reforms on all counts, and the advice is sound."

- St. Petersburg Times Editorial

"TaxWatch's publications are refreshingly pragmatic in their approach to halting waste in government. That's a welcome departure from ideological broadsides issued by some of the other self-appointed guardians of the public treasury."

- Miami Herald

"Florida TaxWatch Has Made A Billion-Dollar Difference"

-Tampa Tribune Headline

"A budget process that loses its integrity and becomes a vehicle for pet projects of the temporarily powerful does not serve the state well. TaxWatch does all Floridians a service by guarding the coop and suggesting the gobblers find another way home."

-Tallahassee Democrat

"TaxWatch Has Made Its Mark"

- Winter Haven News Chief headline

"If you were asked to name the one organization in Florida that you believe did more than any other to make state government more accountable, what would you say? Well, if someone posed that same question to us, the answer would be obvious: Florida TaxWatch."

-Winter Haven News Chief



Increased Valued Involvement by the Florida TaxWatch Board

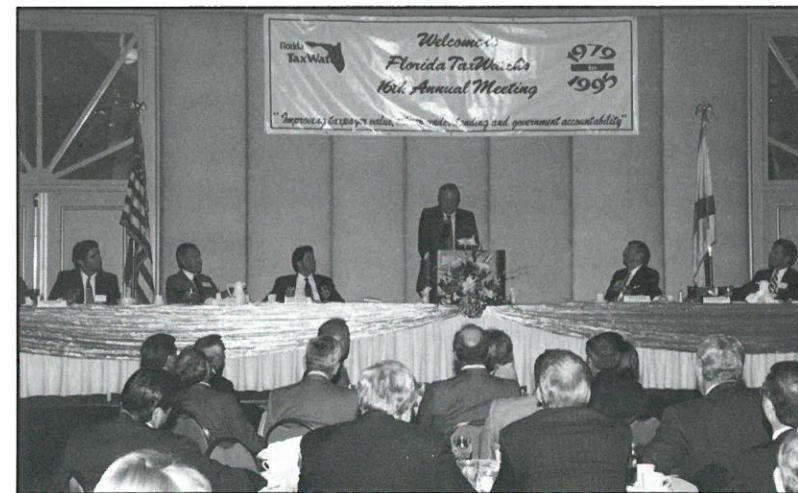
The past fiscal year saw the distinguished TaxWatch Board assuming an increased role in TaxWatch's membership development function. In addition to smaller, specially targeted meetings and telecons, strategy sessions were held at such events as TaxWatch's Spring Board Meeting, which was held in Tallahassee on May 17, 1996. Also featured here are highlights from the 1995 Annual Membership Meeting, held in Jacksonville.



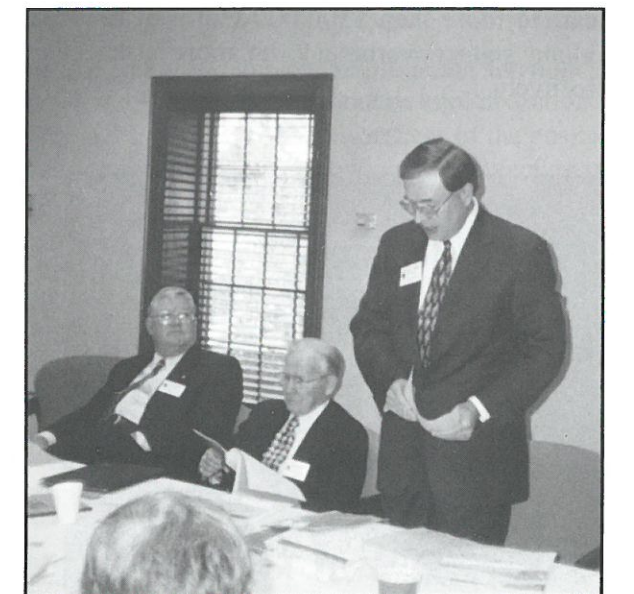
During TaxWatch's 1995 Annual Membership Meeting in Jacksonville, Keynote Speaker William F. Buckley, Jr. is greeted by (l to r.) then Chairman Byron E. Hodnett, Chief Executive Officer of First Union National Bank of Florida, incoming TaxWatch Chairman David McIntosh, Chief Executive Officer of Gunster, Yoakley, Valdes-Fauli & Stewart and TaxWatch President Dominic M. Calabro.



At the Spring Board Meeting, TaxWatch Chairman David McIntosh and President Dominic M. Calabro listen as board member Adelaide A. "Alex" Sink brings other board members up to date on activities of the Florida Commission on Government Accountability to the People (GAP), which she chairs. Alex Sink is President of the Tampa-based NationsBank Florida.



At the 1995 Annual Membership Meeting at the Omni in Jacksonville, a crowd of nearly 400 members and guests gather to hear Keynote Speaker William F. Buckley, Jr.



TaxWatch Membership and Marketing Committee Chair J. Darrell Kelley, President of Sprint/United Telephone, Florida, delivers a report to participants in TaxWatch's Spring Board Meeting, held on May 17 in Tallahassee. Looking on from left to right is TaxWatch member Robert L. "Lou" Rawls, Vice Chairman and CFO of the Graham Companies and board member Pat N. Groner, President Emeritus of Baptist Health Care.

Davis Productivity Awards

In a time when taxpayers' most frequent criticism is government's wasteful, excessive spending, any talk of the dollars government has saved or spent more wisely often draws a cynical response. But government employees can and do save taxpayers' dollars -- especially if they are working within the framework of a well-structured, smart program. The Davis Productivity Awards program annually recognizes and rewards state government employees and work units whose efforts measurably improve productivity and add taxpayer value.

The program is named after the late J.E. Davis and his brother, the late A.D. Davis, both co-founders of Winn-Dixie Stores, Inc. and founding members of Florida TaxWatch. It is administered by Florida TaxWatch in partnership with The Florida Council of 100 and the State of Florida.

The taxpayer benefit comes through savings accrued from the streamlined procedures, innovations and bright ideas formulated by enterprising state workers. Davis Productivity Award winners added \$312 million in value in 1995 alone, which when added to the previous six years totals \$1.4 billion in cost savings, cost avoidances and increased revenue. That's nearly one and a half billion dollars that can be put to good use for taxpayers.

Employees can receive a total of \$75,000 per year in cash awards, commemorative plaques and certificates of commendation. The program also provides for them a forum in which they can receive well deserved public recognition. Since the program's 1989 inception, more than 2,000 state employees have been awarded more than \$500,000 worth of rewards for making state government run more efficiently and effectively.



The Outstanding award for 1995 was presented by Winn-Dixie Chairman A. Dano Davis (left) to Bill Norwood and Albert Gilligan of Florida State University. Each received \$2,000 for converting a photo-identification card into a multi-purpose card. Cost savings resulting from this effort totalled \$2.6 million.

A resolution commending the Davis Productivity Awards and naming mid-September 1996 "Official Davis Productivity Awards Month" was adopted by Florida's Governor and Cabinet. The Cabinet resolution includes positive statements in two key areas:

- ✓ It encourages 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 in Tallahassee and around the state; and
- ✓ Winning a Davis Productivity Award will be considered an important achievement by supervisors when they prepare employees' evaluations to determine potential raises, bonuses and promotions.

Just like in the private sector, government's contributions that improve taxpayers' health and well being will continue only if they are recognized and publicly rewarded. That's why this year's theme: "Rewarding the Spirit of Excellence," makes good sense.



Governor Lawton Chiles addresses the Davis Productivity Awards 1995 Kickoff Luncheon in Tallahassee.

Sustainable Florida

Sustainable Florida Recognition Program for Government Employees: Honoring Innovations That Promote Economic Growth Without A Negative Impact On The Earth

Sustainability means successful integration of economic, environmental and social priorities. It is a new cornerstone of government policy, a more sensible concept to bring people toward the middle of the table to achieve common goals and reduce non-productive public/private conflicts. Principles of Sustainable Development include: Continued growth without a negative impact on the earth; protection of the environment and promotion of economic development are inextricably interrelated goals; all levels of decision-making integrate environmental and economic development considerations; economic incentives are utilized to encourage conservation of resources; resource conservation is founded on efficiency and increased competitiveness; and research on cleaner technologies and material substitutes is promoted through expanded technological cooperation.

Recognizing and rewarding Sustainable Development achievements by government employees at all levels throughout our state is one way to accelerate this major change. That is why Florida TaxWatch is launching a statewide program to recognize those who successfully apply sound scientific knowledge and skills in their day-to-day work and on projects that demonstrate successful integration of economic, environmental and social factors.

The program is designed to enhance government's role in the development and implementation of Sustainable Development practices. Validating and publicly recognizing award winners' achievements on projects will provide continuous examples of real, hands-on, practical, common sense and relevant examples of Sustainable Development which should prompt new initiatives by their peers.

Expected outcomes include increased motivation among government employees to develop and implement programs and policies that simultaneously help the economy and protect the environment; efficiencies resulting from the productive collaboration of affected parties, e.g. government agencies, the private sector and the public; and improved public awareness of the positive contributions that governmental organizations and employees make toward sustaining a healthy economy while protecting the environment.

Eligible nominees are individuals, work units, departments and entire government agencies at all levels, including the state, counties, cities, water management districts, regional water control districts, water and sewer districts, regional planning councils, metropolitan planning organizations, deepwater ports, public utilities, and other special districts. Nominations will be reviewed and award decisions made by a panel of experts in Sustainable Development from both the private and public sectors in consultation with Florida TaxWatch.

Awards Categories

Commemorative plaques, certificates of commendation and other public recognition in the following categories:

- Regulations or regulatory programs, rules, ordinances • Development review criteria, guidelines or standards
- Demonstration programs • Research and development programs
- Public works projects • Public facilities, e.g. buildings, parks, etc.
- Solutions to permitting problems as reflected in permit conditions or development orders
- Plans, e.g. land use, transportation, comprehensive, neighborhood, sector, etc.

Florida Tax Watch Staff



Back row, left to right: David M. Davis, Senior Research Analyst; John Hall, Senior Research Analyst; Daniel E. Sprague, Research Analyst; Dr. Neil S. Crispo, Senior Vice President, Research and Operations; Catherine M. Haagenson, Communications Director and Executive Assistant to the President.

Front row, left to right: Michael Walsh, Senior Research Analyst; Phyllis Burkhart, Office Administrator; Gable Abblett, Publications Assistant; Dominic M. Calabro, President and Chief Executive Officer; Shawn Stampfli, Director, Davis Productivity Awards; Barbara K. "Babs" Taff, Vice President for Membership.

Help Shape Florida's Future . . . Join Florida Tax Watch 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 that can and does effect change 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 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 attached reply card for more information on becoming a member of Florida TaxWatch.

That's why a Florida Tax Watch 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.

David McIntosh, Chairman; Dominic M. Calabro, President and Publisher.
Dr. Neil S. Crispo, Senior Vice President, Research and Operations.
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" The first grand right is that of the people having a share in their own government by their representatives chosen by themselves, and . . . of being ruled by laws which they themselves approve . . . This is a bulwark surrounding and defining their property, which by their . . . labours they have acquired, so that no portions of it can be legally taken away from them but with their full and free consent. "

◆ *Adopted by the Continental Congress, October 26, 1774* ◆

Florida
TaxWatch



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"Improving taxpayer value, citizen understanding and government accountability"
