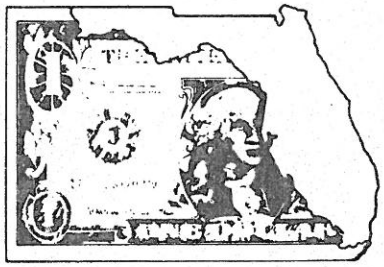
Annual Report 1982



CITIZENS COUNCIL FOR
BUDGET RESEARCH, INC.
201 S. Monroe St., Suite 400
Tallahassee, Florida 32301
Telephone (904) 222-5052

Citizens Council

T. Wayne Davis, Jr.
Vice President
Winn Dixie Stores, Inc.
CHAIRMAN, CITIZENS COUNCIL

Kenneth A. Plante
Vice President
L. D. Plante, Inc.
PRESIDENT, CITIZENS COUNCIL

Contents

Letter from Chairman and President...1

Executive Committee and Board of Trustees...2

Research and Results...3

What you receive as a member...8

Publications ...8

What you can do about your taxes...Inside Back

Letter to members, 1982

Fellow Citizens Council Members:

Impressive progress was made in fiscal year 1982 (ended January 31, 1982). As our financial statement reports, receipts exceeded expenditures by $9,917 and were approximately $5,000 less than our operating budget of $175,000. Membership grew from 140 to 288.

Five major studies, six Brief Disclosures and seven Research Reports were produced during FY 1982. These contained recommendations that could save Florida taxpayers over $22 million. Other studies, fostering "preventative" savings, are difficult to quantify. Often, uncovering small abuses prevented large leakages and costly precedents in State agency spending.

Our Tallahassee Letter, which aims to pinpoint fiscal information in a timely fashion, not available elsewhere, was widely quoted - particularly in newspaper editorials, during the year.

We continue to supply, as an accommodation to organizations which are our members, a statistical retrieval service. Your questions on the budget and operational functions of state government, as well as the economic and demographic outlook for Florida, will be promptly answered.

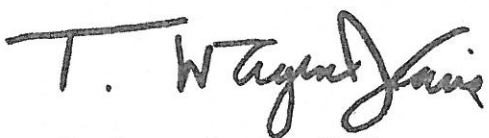
Though we do not lobby, we have been asked to appear before committees of the Legislature and our statistics and other findings are widely quoted by state and local government entities.

We offer a note of thanks to those men and women who served with us this year as officers of the Citizens Council and on the Board of Trustees. Parke Wright III (Sr. Vice President, Lykes Brothers, Inc.) who has served on our Executive Committee since our founding three years ago, is retiring and Tom L. Rankin (President, Lykes Pasco Packing) has been appointed to take his place.

But the real tribute should go to those 288 businesses, professional firms, organizations and individuals who invest on a regular basis in the sound management of public affairs by supporting the work of the Citizens Council through annual memberships.

If you are not already a member, we invite you to join in this organized, performance-tested, private effort to secure good government.

Very truly yours,



T. Wayne Davis, Chairman
Vice President, Winn Dixie Stores, Inc.

Ken Plante, President
Vice President, L. D. Plante, Inc.

Executive Committee and Board of Trustees

Officers and Executive Committee

T. Wayne Davis, Jr.
Vice President
Winn Dixie Stores, Inc.
CHAIRMAN

Kenneth A. Plante
Vice President
L.D. Plante, Inc.
PRESIDENT

Sen. Philip D. Lewis
President
Philip D. Lewis, Inc.
TREASURER

Mark C. Hollis
(Past Chairman)
Vice President
Publix Super Markets
MEMBER,
EXEC. COMMITTEE

Richard Hunt, Jr.
Partner
Holland & Knight
SECRETARY

Parke Wright
Sr. Vice President
Lykes Bros., Inc.
MEMBER
EXEC. COMMITTEE

Executive Committee Members Not Pictured.

CHAIRMAN EMERITUS
J.E. Davis, Chairman
Winn Dixie Stores, Inc.

ASSISTANT TREASURER
William H. Gardner
Managing Partner,
Gardner and Company

Board of Trustees

T. Grady Alday, Jr.
Farris Bryant
National Life of Florida Corp.
Charles E. Buker, Jr.
First State Bank of Miami
Curtis Chapman
Flowers Industries
Robert A. Darr
Exchange Bancorporation
Earl Dixon
Peninsular Pest Control Service
Dr. J. Larry Durrence
Florida Southern College
Chester H. Ferguson
Lykes Brothers
Dennis N. Folken
Coopers & Lybrand
William H. G. France
International Speedway Corp.
J. P. Hall, Jr.
Bank of Green Cove Springs
Leon R. Hammock
Fortune Federal Savings & Loan
Frank Harvey
Maas Brothers
David H. Hughes
Hughes Supply
D. Burke Kibler, III
Holland & Knight
Kenneth Lay
Continental Resources Company
Charles P. Lykes
Lykes Brothers
W. Guy McKenzie
Manatee Energy Company
Tom Nave, Sr.
Jack Eckerd Corp.
Sara Odom
Taxpayers League of Polk County
Bill Rousse
American Agronomics Corp.
Jon Shebel
Associated Industries, Inc.
Bernard Sliger
Florida State University
Randolph R. Thomas
McDuff Appliance Store
John Tolson
Florida Rock
W. Ashley Verlander
American Heritage Life Ins. Co.
Leo Wallberg, Jr.
Peoples 1st National Bank
Stanley P. Whitcomb, Jr.
Collier Enterprises
J. D. York
McArthur Dairy Mgt. Co.

During FY1982 the Citizens Council conducted research activities within all three branches of State government, responded to requests by members for statistical information, responded to professionals, State and local government officials, individual citizens, students and the news media.

Research Results

Improving DOT Consultant Contract Procedures

Current law prohibits State and Local governments from competitively bidding services of architects and engineers. However, these consultants do compete for work among private corporations and businesses and Florida taxpayers would benefit if the law were changed and competitive bidding were allowed in the public sector.

The recommendations on contract negotiations made in the analysis have been used in the Govenor's Inspector General's development of the Systems Manual on Contract Management and by the U. S. DOT Inspector General's office for further audit of DOT consultants.

The House Committee on Transportation has used the Analysis as a documentary source and has incorporated the findings of the study into its Oversight Report on Consultants.

Fiscal Impact: A conservative $3.7 million annually based on DOT's one-year experience in selecting qualified architects and engineers based on competitive manhour proposals during 1979-80.

"The recommendations in your report will be considered by the Department. We share the Citizens Council's desire that we operate in an effective, expeditious and publicly responsive manner."

Jacob D. Varn, Secretary
Department of Transportation

Tallahassee - "The Citizens Council for Budget Research stomped on some toes when it reported last summer that the State was spending too much on Department of Transportation consultants.

"In what has become one of its most controversial reports, the Council said in June that DOT could have saved $3.7 million annually on consultant fees during the 1980-81 fiscal year by competitive bidding."

Orlando Sentinel Star
November 9, 1981

A Case of Poor Judgment

The Citizens Council published serious allegations relating to legislative tampering with Florida's educational funding formula during 1981. Research shows that the State has not addressed the serious needs of small community schools which become inefficient to operate. While the parochial interests of one community have been met, this legislation has set a dangerous precedent which amends a statewide funding formula to ameliorate a small, clearly local problem. The Citizens Council points out in this Brief Disclosure that if legislation of this type is allowed to proliferate due to political considerations, it would destroy the concept of financial equity among school districts.

Fiscal Impact: $104,000 or $63,000 in additional recurring General Revenue could be saved through the repeal of this legislation.

"What the little bill did was have the State provide nearly triple the State money for those 33 Cedar Key students as it does for other high school students, notes the Citizens Council for Budget Research, which did an analysis of the legislation.

"...Legislators should never have passed the bill in the first place; after they did, Governor Graham should have vetoed it.

"Now there is only one thing to do: lawmakers must repeal it."

Editorial
Tallahassee Democrat
December 2, 1981

The Mythical Shortfall

"I went back to Mel Brdlik and Dominic Calabro (Citizens Council staff) and had them run down some actual vs. estimated figures for me on this subject.

"The results were most enlightening. While there is a shortage in the amount of sales tax collected compared to what the State government's revenue estimators said should have come in during the first seven months of this year, when you compare these figures to those for the same period a year ago, the state is actually better off."

Dave Whitney, Business Editor
Florida Times Union
February 28, 1982

Revenue Estimating: Basis of Your Taxes

The Citizens Council prepared its first annual analysis of the State Revenue Estimating Conference and looked at the official forecast of key economic variables: business activity, personal income levels, employment by industry, unemployment rates and other market research data. It is the belief of the Council that the economic scenarios that are used in formulating the revenue projections will also be useful to individuals and businesses in developing their financial strategies.

State revenue collections are regularly reported in the Tallahassee Letter and will continue to be closely monitored by staff.

Florida's Judicial Branch: Improving Its Administration

The Citizens Council initiated its research on the Supreme Court with one basic assumption: good management concepts with firm fiscal controls should be applicable to the organization and operation of Florida's judicial branch.

The findings of the Council indicate that the Supreme Court had not adopted rules or regulations to govern the administration of Florida's courts in the areas of accounting, travel, budgeting, purchasing and financial administration.

Since this report was released a personnel classification and salary package have been implemented. Legislation has been introduced which would require adherance to executive branch guidelines for purchasing.

"It's just that, at first blush, the Citizens Council seems to know how to use figures more responsibly..."

Jim Walker, FLORIDA REPORT
Tampa Tribune
December 20, 1981

Research Results

1981 Review of Taxing and Spending

A major research work prepared by the Citizens Council in FY 1982 was an analysis of Florida's projected revenues during the coming year and the proposed budget.

It was the Council's recommendation that there would be too many unpredictable factors during 1981-82 to raise the budget base through a tax increase. Federal cutbacks would reduce Florida's grants by $300-$500 million over the biennium. Budget projections were speculative. The study found that a 1¢ increase in the sales tax would produce a real per capita (inflation and population adjusted) General Revenue increase that would grow twice as fast as the adjusted personal income of Floridians.

Fiscal Note: A 1¢ sales tax in 1981-83 would have increased state coffers by $709 million in the first year and $814 million in the second.

While the Citizens Council research did not necessarily defeat efforts to increase the sales tax, the research of the Council was quoted extensively by the Senate leadership in debate on this issue.

Florida Tax Index
Florida Appropriations Index

Indexing Florida's appropriations to the same base as the national Consumer Price Index allows the Citizens Council to draw direct comparisons between the cost of living as measured by the price index, the State appropriations and Florida personal income.

The Florida Appropriations Index research shows that current personal income has risen faster than the cost of government over the last ten years and that both have exceeded the increase in the cost of living during the same period.

Federal taxes increased 4.3% in 1980 and local taxes increased only 1.4%, while State taxes continued to grow the fastest, increasing 8.7% according to research developed for the 1981 Tax Index. A 38.3% growth in the Tax Index outdistanced other fiscal yardsticks such as the CPI, which hit 132.2 (base year 1977) in 1980.

The Appropriations and Tax Indices have been widely distributed and received good press coverage. Each will be updated annually.

"I've been here for 25 years and every time we enacted new taxes, we never gave any of it back to the people.

"You and I have seen the state budget grow - in a comparatively short time from less than $1 billion for a two-year budget - until now we are spending $9 billion in one year. While state revenues in the last decade have grown 245%, population has grown only 45%. And if we increased the sales tax now by a penny, the growth in taxes would be twice the growth of the income of the people who have to pay for it."

Senator Dempsey Barron
May 1981

Clearwater Sun Editorial

"It is not enough that a citizen vote. What is needed are residents who keep track of what's going on in their own city hall and county courthouse, as well as in Tallahassee and Washington.

Rather than sputter at you and then walk away, we commend to you two publications that will help you become more involved and informed in government matters that affect the quality of your life...

...The second publication we'd hate to be without is the "Citizens Council Tallahassee Letter," available from the Citizens Council for Budget Research...whose main objective seems to be looking out for the taxpayers interests by feeding subscribers the inside information about taxes, budgets and the true conditions of the state treasury."

OPINION, Clearwater Sun
November 10, 1981

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

St. Pete Times Editorial
April 13, 1981

"I would like to take this opportunity to thank you for addressing the Policy Review Subcommittee on February 10th. I feel sure that all of the subcommittee members found your comments very instructive...As you probably know, this is an issue the subcommittee will be looking at in some depth this year."

Rep. Pete Dunbar, Chairman
Policy Review Subcommittee
Governmental Operations Committee
Florida House of Representatives
February 25, 1981

"I have reviewed your recent report entitled: OPS - The Hidden Workforce, and I was impressed with the thoroughness of its presentation. OPS employment is an area which conerns us all and I am pleased that you have undertaken the study and analysis of it."

Gerald Lewis, Comptroller
April 16, 1981

Recent legislative testimony surprises no one: The State does not know how many employees are on the payroll but estimates 135,000 or 35% over goal.

Testimony before Senate Appropriations
Nevin Smith, Secretary
Department of Administration

OPS--The Hidden Workforce
State Contracted Services: Panacea or Boondoggie?
State Contracted Services: Proposed Rule Inadequate
The $100,000 'Temporary' Attorney

This series of research products was the result of an investigation of contracts to professionals who serve on the State payroll for limited periods of time. The reports presented a strong argument for closer scrutiny by both the legislative and executive branches of agency contracts for part time or temporary employment.

Research by the Citizens Council in this area has prompted immediate and far reaching results. Media attention was significant and the Council has been credited with bringing these serious problems to the forefront.

The Executive Office of the Governor has recently completed an eleven month study of OPS (Other Personal Services) employment and cites questions raised by the Council as motivation for their report. Without exception, the findings of the Council are supported, although the recommendations differ somewhat.

Citizens Council research pointed out that while Governor Graham's goal of employing less that 1% of the population on state payrolls may be laudable, taxpayers were not being given an accurate count.

Fiscal Note: From 1975 to 1981, agency expenditures for OPS and contracted professionals increased 120% from $87 million to $191 million. Budget analysts in the Governor's office and the Legislature generally indicated that they did not know the full extent of use or type of services taxpayers bought with OPS funds.

Savings $: One attorney's salary reduced from $100,000 to $38,500.

At this time it is not possible to identify other specific cost savings resulting from this research. Yet, it is reasonable to assume that taxpayers will not see another 120% increase in contracts for private contractors and part time employees over the next six years.

"The Council's only weapon is the information it develops and can publicize."

D.G. Lawrence
Orlando Sentinel Star

State Health Insurance: Administrative Fiasco
State Health Insurance: Administrative Fiasco No. 2

Health Insurance for the 99,000 plus employees of the State of Florida has received much attention during the 1982 Legislative Session.

In two separate Brief Disclosures in the Summer of 1981 the Citizens Council questioned the administration of the State Employees Health Insurance Fund. Questions asked by the Council have been reiterated several times by the Legislature over the last months. The reports have been quoted in legislative hearings and have generated considerable media coverage.

The Citizens Council's reports stressed that with proper administration, this increase could have been significantly smaller. Because there is no historical claims data it is not possible to assess the impact of added benefits brought about through collective bargaining.

"The fact that the plan (insurance plan) has consistently been paying out more dollars than it has been taking in is disturbing. So is the fact that no action was taken last legislative session on the suggestion of a consultant that rates be increased by 40% over a two-year period.

"...A careful look at the entire program is in order. If the Department of Administration needs help in overseeing the program, surely there are plenty of experts in the Department of Insurance."

Editorial Response to Citizens Council Brief Disclosure
Tallahassee Democrat
August 1, 1981

Expansion of Upper Level Universities

In 1981, the Florida Board of Regents approved a resolution requesting Legislative appropriations for expanding four State universities to accommodate lower division students. Those universities served only juniors and seniors in college.

Citizens Council research demonstrated the need for such action had not been adequately documented and that cost data provided to the Legislature could have been substantially underestimated due to the hurried nature of preparation.

Action by the Legislature resulted in funding withheld for three of the four requested expansions.

Fiscal Impact: Savings to Florida taxpayers of $18.7 million over six years.

As a member of the Citizens Council...

You receive:

- Issues of the monthly Tallahassee Letter
- Council special publications, major studies, Brief Disclosures and Research Reports (See list opposite)
- Latest information on State revenue collections and detailed analyses of projections from the Revenue Estimating Conference
- Official forecast of key economic variables in a quarter by quarter preview of economic trends
- Continuing service of an organization that keeps your needs as a taxpayer and resident of Florida before legislators and State officials
- Access to hard-to-get information from State agencies in an economic statistic gathering service which is available to members upon request

Research data available:

- Florida Tax Index
- State and Local Public Employees
- Florida Appropriations Index
- Analysis of County Operating Revenues

You are invited:

- To the Council's Annual Meeting where major State and local issues are discussed and members suggest research topics
- To visit headquarters and meet with staff to obtain answers to your research questions

Publications FY 1982

Citizens Council Analyses

Florida's Judicial Branch: Improving Its Administration

OPS--The Hidden Workforce

1981 Review of Taxing and Spending in Florida: Is a Tax Increase Necessary?

Expansion of Upper Level Universities

Improving DOT Consultant Contract Procedures

Citizens Council Research Reports

Revenue Estimating: Basis of Your Taxes

Should Florida Have a Biennial or Annual Budget?

What Is GAAP...And How Does It Save The Taxpayers $$$

Clouds Over Interstate Highway Completion

Florida Tax Index (2nd Annual)

Florida Appropriations Index

Local Option: How Much Would Your County Raise?

Citizens Council Brief Disclosures

State Contracted Services: Panacea or Boondoggle?

State Contracted Services: Proposed Rule Inadequate

The $100,000 'Temporary' Attorney

State Health Insurance: Administrative Fiasco and Fiasco No.2

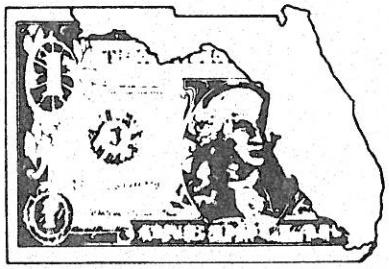
A Case of Poor Judgment

What you can do about your taxes...

The Citizens Council for Budget Research is dedicated to:

- providing meaningful citizen input in the budgetary process of the State of Florida by conducting research with a view toward maximum effective utilization of available funds
- willing and maintaining credibility through careful and objective research studies, well documented, which can effect improvements in State government
- to disseminating to the media, members of the executive and legislative branches of govermnent and the members of the Council the findings of staff research
- to monitoring legislative and agency activities resulting from Council reports together with appropriate follow-through procedures.

You can share in the Citizens Council's constructive work and in the resultant savings and improved government through your investment in a membership in the Citizens Council for Budget Research.



CITIZENS COUNCIL FOR
BUDGET RESEARCH, INC.
201 S. Monroe St., Suite 400
Tallahassee, Florida 32301
Telephone (904) 222-5052

The Citizens Council for Budget Research is a non-partisan, non-profit corporation founded to advance efficiency and economy in State government through research, fiscal analysis and public information. The Citizens Council is supported by tax deductible membership contributions from businesses and individual taxpayers.