



2015 ANNUAL REPORT

BRIDGING THE GAP BETWEEN
TAXPAYERS & THEIR GOVERNMENT

FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute & government watchdog for more than one third of a century, it is the mission of Florida TaxWatch to provide the residents of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs.

Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

Florida TaxWatch is supported by voluntary, tax-deductible memberships and private grants, and does not accept government funding. Memberships provide a solid, lasting foundation that has enabled Florida TaxWatch to bring about a more effective, responsive government that is more accountable to, and productive for the citizens it serves since 1979.

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LEADERSHIP MESSAGE

Bridging the Gap

Connecting taxpayers to their governments since 1979

The past 12 months have exemplified the long-standing TaxWatch value-added proposition: improving taxpayer value, citizen understanding, and government accountability.

The breadth and depth of our research activities, the outreach to traditional and new media outlets to explain issues facing the taxpayers of our state, and the communication with our extraordinary volunteers and partners have been exceptional. We have continued to build upon the 35-year history of this storied organization.

Our efforts and accomplishments have been more than an enhancement of our prior activities; TaxWatch has continued to forge new paths in building a better Florida, and to bridge the gap between taxpayers and their governments.

As you read through this report you'll see that from research to events to our celebration of extraordinary state employees through our Prudential Productivity Awards program, we've been building solid and sustainable bridges between Floridians and their government all year long.

TaxWatch spent 2015 speaking directly to the taxpayers. Through the *How Florida Compares* "pocket guide" series, and *Taxpayers' Guide to the FY2015-16 Budget*, TaxWatch provided approachable reference guides designed to help all Floridians better understand their state.

The TaxWatch Center for Florida Citizenship, led by Advisory Board Chairman Governor Bob Martinez, graduated the first class of the Florida Citizenship Institute, a group of 12 Floridians who had the opportunity to learn first-hand how to be a more effective community and business leader through educated engagement with government.

As representatives of the many supporters and volunteers that make Florida TaxWatch possible, we are excited to guide this great organization into the future. We will do so knowing this: Florida TaxWatch will not waver, will not stop fighting for taxpayers and making recommendations on how to improve government in Florida, and will bird-dog Florida's elected and appointed leaders to ensure that they spend the taxpayers' hard-earned money more effectively and respectfully.

We are your partners in building a better, more fiscally responsible Florida,


Michelle A. Robinson
Chairman


Dominic M. Calabro
President & CEO



TAXWATCH RESEARCH

While by no means a comprehensive list of the many issues addressed this year by Florida TaxWatch research, the following is a selection of the most important, and most visible topics and reports that TaxWatch released in 2015.

CITIZEN EDUCATION

Florida TaxWatch has always been dedicated to keeping Florida citizens informed, educated, and empowered with the most current and relevant information about their state and local governments. To that end in 2015, TaxWatch produced a number of reference publications, our annual *Taxpayer Independence Day* report, and continued our recurring series of pocket guides on tax and education rankings.

CITIZENSHIP INSTITUTE

The 36th Annual Meeting brought with it the graduation of the inaugural class of the Florida Citizenship Institute, a multi-phase leadership training program focused on Florida's young business leaders. The Institute focuses on preparing the participants to engage with local and state government in an informed, effective manner. Through hands-on workshops with current and former agency leaders, legislators, and the close involvement of Governor Bob Martinez, graduates gain an understanding of the intricacies of the process and structure of government that were previously available only to those working in the process. For more information on the Institute, see page 12.



POCKET GUIDES

In 2015, Florida TaxWatch released the second in the now annual series of publications in handy pocket-sized formats, from a complete breakdown of the FY2015-16 state budget, to the *How Florida Compares* series, which shows Florida's ranking in relation to the rest of the U.S. on tax and educational performance metrics.

COST SAVINGS

2015 continued a legacy that has resulted in the savings of at least \$4.2 billion in Floridians' hard-earned tax dollars over the last four years alone. This year, the TaxWatch Center for Government Efficiency released its second report, *Florida TaxWatch Government Efficiency Recommendations 2015*, which included several recommendations related to maximizing operations and efficiencies, to go along with the traditional cost-

saving recommendations. As a result of their expertise and constructive ideas, the Center's Advisory Board produced another targeted list of extensively researched, constructive recommendations, which address key areas of state government.

ECONOMIC DRIVERS

TOURISM

Over the last two years, Florida TaxWatch has released multiple reports detailing the economic impact of increasing the number of annual visitors to the state. *Investing in Tourism* showed that 100 million visitors to Florida would create more than 121,000 jobs, nearly half of which were in non-tourism related industries.

Unpacking the Benefits of Florida Tourism showcased the importance of the tourism industry to Florida's economy, specifically focusing on the economic impact of its job-creating ability.

The 2015 report, *Making Room for 100 Million Visitors*, brought attention to the current state of Florida's infrastructure, and assessed whether it can continue to meet the needs of residents and visitors. This review finds that several issues could affect the experience of visitors and the quality of life of Florida residents,

including: congestion on main roads; long wait times at immigration checkpoints (passport control) in international terminals; and connectivity issues around cruise terminals, especially those expecting greater demand in the next years.

GLOBAL TRADE & LOGISTICS

With the Panama Canal expansion expected to be completed in 2015 and global trade lanes continuing to shift, Florida has the opportunity to capitalize on its unique location and existing infrastructure, further expanding our trade footprint. To ensure Florida ports remain competitive in the global marketplace, Florida ports must have an effective ports governance structure.

Global trade & logistics were woven into multiple TaxWatch reports in 2015, showing the importance of the state's transportation infrastructure and planning processes.

MANUFACTURING

Given the diverse economic benefits provided by manufacturing, it is in the state's best interest to continue to foster growth in this sector, and Florida lags behind compared to other Southern states.

But while most Southern states provide broad tax exemptions for manufacturing equipment, Florida's most important exemption to encourage capital investment in manufacturing will sunset in April 2017. The analysis in *Extending the Manufacturing Machinery & Equipment Sales Tax Exemption* demonstrates that extending the exemption could provide a significant economic benefit to the state and its manufacturing industry.



LONG-TIME BOARD OF TRUSTEES MEMBER J. CHARLES GRAY (CENTER, WITH WIFE SAUNDRA) WAS NAMED BOARD MEMBER EMERITUS THIS SPRING.

EDUCATION

With Florida facing the most substantial reforms to its educational system in decades, TaxWatch continued to keep a watchful eye on the implementation of the state's new student achievement standards, and published several reports addressing the state's class size requirements. Begun in 2014, the TaxWatch report series *Taking a Fresh Look at Florida's Class Size Limits* showed that it is time to look at what Florida as a state has to show for its investment in smaller class sizes.

Released in early 2015, the second paper in the series, *Smaller Schools, Not Smaller Classes*, points out that smaller schools are better able to facilitate student achievement than smaller class sizes. Students in smaller schools have higher achievement scores in math and reading, fewer disciplinary problems, more individualized instruction, higher extracurricular participation, and are more likely to graduate.

Florida's class size limits continue to present challenges to local school districts. The third paper in the series, *Options for Reforming Class Size Limits*, examines the different options and recommends a strategy for reforming the class size limits.

HEALTH CARE

Florida's demographic changes and health care needs increasingly call for a viable alternative to in-person medical consultation, and such an alternative is ready and waiting in telehealth, exchanging medical information between locations via electronic communications for the purpose of improving patient care, treatment, education, and services. Telehealth has

been successfully used across health conditions and medical specialties, from pediatrics, to geriatrics, to chronic disease maintenance, to emergency treatment.

In 2015, TaxWatch held its second Telehealth Cornerstone Conference, bringing stakeholders together to help advance the use of telehealth in Florida.

SMART JUSTICE

Continuing the work that has seen tangible change in the culture of the juvenile and criminal justice systems, the TaxWatch Center for Smart Justice spent the bulk of 2015 releasing reports targeting important, but not always widely discussed issues. TaxWatch reports in 2015 turned up the spotlight on Florida's criminal and juvenile justice systems, comparing Florida's crime and incarceration data over time to other states, and bringing attention to Florida's aging prisoner problem through reports, presentations, and legislative testimony.

THE BUDGET

Grounded in three decades of expertise in the state's budgeting process, TaxWatch continued the annual series of *Budget Watch* publications, which take a detailed look at the Revenue Estimating Conference reports, other activities of the state's estimating and budgeting entities, and a detailed look at the Governor's proposed budget, setting the stage for taxpayers leading up to the budget negotiations during the Regular Session, and helping Floridians understand how their tax dollars are spent.

BUDGET TURKEY WATCH

Possibly our most widely-known publication, the *Budget Turkey Watch* report was released again this year, reinforcing TaxWatch as the watchdog for spending projects that did not receive the proper amount of scrutiny and public input.

The *Turkey Watch* report takes TaxWatch staff months to develop, has saved the taxpayers billions over nearly three decades, and has ruffled more than a few feathers.

While the *Turkey Watch* report can cause consternation among those at the highest level of state government, TaxWatch remains committed to serving in this important role and producing this publication each Legislative Session.



IN MEMORIAM

IN MAY 2015, FLORIDA TAXWATCH INTERN KIRKLAND O'STEEN PASSED AWAY. A GRADUATE OF THE UNIVERSITY OF FLORIDA, KIRKLAND WAS A VALUED MEMBER OF THE TAXWATCH RESEARCH TEAM, ALWAYS IMPECCABLY DRESSED, SOFT-SPOKEN, AND A TRUE SOUTHERN GENTLEMAN. KIRKLAND WILL BE MISSED, BUT NEVER FORGOTTEN.

KIRKLAND CANTEY O'STEEN (1990-2015)

SENIOR RESEARCH FELLOWS

The Senior Research Fellows assist and advise Florida TaxWatch with its research agenda. Each Fellow is a prominent scholar or professional of national reputation chosen for his or her public policy analysis and evaluation expertise in the areas of state and local government accountability, finance, and taxation.

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CENTER FOR COMPETITIVE FLORIDA

TAXWATCH CHAIRMAN MICHELLE A. ROBINSON WITH TAXWATCH-CCF CHAIRMAN
SENATOR GEORGE LEMIEUX, AND PRESIDENT & CEO DOMINIC CALABRO



WILL SECCOMBE, CEO OF VISIT FLORIDA, SPEAKS TO THE
MEDIA AT A JOINT NEWS CONFERENCE RELEASING A
TAXWATCH REPORT ON FLORIDA TOURISM.



CRYSTAL SIRCY, EXECUTIVE VICE PRESIDENT OF ENTERPRISE FLORIDA,
SPEAKS TO THE TAXWATCH-CCF ADVISORY BOARD

The TaxWatch Center for Competitive Florida analyzes policies and programs that affect Florida's economic and job growth, and makes policy recommendations that enhance Florida's ability to successfully compete in the global economy.

The Center continued to be a strong, visible presence for TaxWatch in 2015. With input and direction from Advisory Board Chairman Senator George LeMieux and other distinguished Advisory Board members, the Center published substantive research on Tourism, Florida's Enterprise Zone program, Florida's trade and logistics sector, emerging and second-stage companies, and the importance of the state's manufacturing sector, to name just a few.

The Center also continued to publish its *Economic Commentary*, a monthly look at topical issues in Florida's economy. The publication continued its partnership with one of Florida's most widely read publications, *Florida Trend*, which publishes the *Economic Commentary* on its website each month. A short description of each *Economic Commentary* in 2015 is available in the back of this report, on page 35.

The Center's work is also supported by the **FLORIDA COUNCIL OF ECONOMIC ADVISORS AT FLORIDA TAXWATCH**, a group of nine prominent public and private economists from around the state, which is comprised of:

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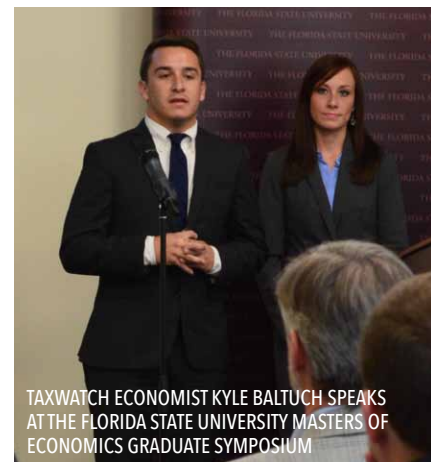
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TAXWATCH ECONOMIST KYLE BALTUCH SPEAKS
AT THE FLORIDA STATE UNIVERSITY MASTERS OF
ECONOMICS GRADUATE SYMPOSIUM

CENTER FOR EDUCATIONAL PERFORMANCE & ACCOUNTABILITY



MR. DAVID LAWRENCE, JR. (EARLY CHILDHOOD INITIATIVE FOUNDATION), DAVID FRANK (READYNATION), AND CHARLES HOKANSON (HELIOS EDUCATION FOUNDATION) SPEAK AT THE CENTER FOR EDUCATIONAL PERFORMANCE & ACCOUNTABILITY LUNCHEON AT THE 36TH TAXWATCH ANNUAL MEETING

The TaxWatch Center for Educational Performance & Accountability addresses the profound fiscal and economic impact that PreK-20 education has on Florida's future, and makes recommendations to improve both the quality and cost-effectiveness of this essential public service.

In 2015, the Center primarily focused on the class size requirements of the Florida Constitution, and continued the work of the TaxWatch Principal Leadership Initiative.

The Principal Leadership Initiative marks the first time in Florida's history that principals of Title I schools are being honored for their innovative and groundbreaking efforts that result in substantial increases in student achievement. In this, the third year of the Awards program, principals from Franklin, Bay, Martin, Highlands, Putnam, and Miami-Dade counties were honored for their students' achievements.

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KEISER UNIVERSITY



(L TO R) DOMINIC CALABRO WITH PRASHANT MEHTA (KYRA SOLUTIONS), PRINCIPAL CHIMENE JOHNSON, AND INTERIM LOTTERY SECRETARY TOM DELACENSERIE



BRIAN DASSLER, DEPUTY CHANCELLOR FOR EDUCATOR QUALITY, FLORIDA DEPARTMENT OF EDUCATION, ADDRESSES THE AUDIENCE AT THE 2015 AWARDS CEREMONY

CENTER FOR FLORIDA CITIZENSHIP



GOVERNOR MARTINEZ WITH THE INAUGURAL CLASS OF THE CITIZENSHIP INSTITUTE, TAXWATCH VP OF RESEARCH BOB NAVE (UPPER LEFT), AND TAXWATCH SR. VP FOR RESEARCH & GENERAL COUNSEL ROBERT WEISSERT (BACK ROW, SECOND FROM RIGHT).

THE FLORIDA CITIZENSHIP INSTITUTE

Being a Florida TaxWatch Citizenship Institute graduate is more than just a line on a resumé. Graduates learn firsthand from Florida's most influential policy leaders and business executives how state and local government policies impact their community and their business, and the most effective ways to ensure that their voices are heard and respected.

BUSINESS LEADERSHIP

While many companies enlist the help of experienced lobby teams and government relations professionals to help navigate through challenging bureaucracy and red tape, business leadership must understand the key issues of taxation, budgeting, and regulation in order to best manage this public affairs support staff.

APPLIED KNOWLEDGE

Institute graduates are prepared to ask the right questions about governments' proposed and pending policies. Participants understand the key points, whether issues have federal, state, or local components, whether they are statutory or administrative regulations, and what the differences mean to their business. ■

The Center for Florida Citizenship aims to resolve one very simple, but incredibly important problem: people are disengaged from their governments. A well-functioning democratic republic requires a well-informed and highly engaged electorate. Communities need local individuals that can speak with authority and knowledge to those elected or appointed to make decisions on their behalf.

The mission of the Center is to enable Florida voters to fulfill their responsibility as citizens by educating them on the activities, functions, and processes of their government, informing them on key issues through fact-based, nonpartisan research, and preparing them to participate. Through the Florida Citizenship Institute, where guest speakers such as Senator JD Alexander and Secretary David Griffin (below) provide participants with first-hand knowledge of Florida's government and its impact on businesses and taxpayers, the Center for Government Efficiency is educating the next generation of Florida's business and community leaders.



SECRETARY DAVID GRIFFIN



SENATOR JD ALEXANDER

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ADVISORY BOARD MEMBER PIYUSH PATEL WITH
TAXWATCH SENIOR ADVISOR STEVE EVANS



CENTER ADVISORY BOARD CHAIRMAN JOHN R. ALEXANDER DISCUSSES THE
WORK OF THE CENTER WITH THE TAXWATCH BOARD OF TRUSTEES

Thanks to the hard work of some incredible volunteers dedicated to the success of Florida TaxWatch and the betterment of the state, the Florida TaxWatch Government Cost Savings Task Force saved the taxpayers of Florida more than \$4 billion from 2009-2014.

The overwhelming success of these annual reports showed that a continuous effort and focus on cost-saving ideas could have an even more significant impact on maximizing taxpayer value and reducing the cost of Florida's governments.

To address this need, Florida TaxWatch created the TaxWatch Center for Government Efficiency, a Center of Excellence focused on expanding the policy recommendations of the Task Force, and developing new solutions on a full time basis.

True to its name, the primary focus of the Task Force was on cost-saving ideas and reforms, while the Center for Government Efficiency takes a broader approach. Cost-saving recommendations are still the bedrock of the work of the Center, but there are additional ways in which the state can improve the delivery and cost of services to its residents.

The Center for Government Efficiency believes that truly effective and efficient government is the result of three distinct operational goals, intricately woven together: the targeted investment of taxpayer dollars, effective governance, and the deliberate avoidance of unnecessary costs.

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TAXWATCH STAFF WITH GOVERNOR WAYNE MIXSON DURING HIS VISIT TO THE TALLAHASSEE OFFICE IN MARCH

CENTER FOR HEALTH & AGING

THE TRUSTED EYES & EARS
OF FLORIDA

Florida

TAXWATCH-CHA CHAIRMAN SYD KITSON INTERACTS WITH THE AUDIENCE AT THE 36TH TAXWATCH ANNUAL MEETING



NEIL TANTINGCO OF CONNECTED HOME LIVING DEMONSTRATES TELEHEALTH EQUIPMENT ON TAXWATCH RESEARCH ASSISTANT STEPHANI MEYERS



SPEAKER TOM FEENEY ADDRESSES THE AUDIENCE AT THE TELEHEALTH CORNERSTONE CONFERENCE

The Florida TaxWatch Center for Health & Aging conducts research and analysis of the fiscal and economic impacts of current and proposed policies across the health care and aging spectrum. The Center's goal is to identify and promote the appropriate, effective, efficient, and accountable delivery of taxpayer-funded health care and aging services, and to help shape the state's policy discussions.

The Center works to coordinate strategic partnerships, and bring stakeholders together to discuss and recommend wise solutions. The complexities of the healthcare field require that policy research and recommendations consider the entire spectrum of health and aging, known as the "continuum of care."

With the nationwide implementation of the Patient Protection and Affordable Care Act in 2014-15, the Center provided expertise to Florida's government officials and taxpayers in a variety of areas, including the use of telemedicine, reducing Medicaid fraud, and identifying what steps can be taken to put Florida's youngest residents on a healthier path through nutritional education.

Showing just how widely respected Florida TaxWatch research has become, the telehealth report *Critical Connections to Care* was featured as part of official hearing materials by the **United States Senate Special Committee on Aging**.

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AVMED HEALTH PLANS



(L TO R) SPEAKER PRO TEMPORE MATT HUDSON WITH DOMINIC CALABRO AND REPRESENTATIVE JOHN WOOD

CENTER FOR SMART JUSTICE

TAXWATCH-CSJ CO-CHAIRS SECRETARY WANSLEY WALTERS AND JUSTICE
KENNETH BELL LEAD THE ADVISORY BOARD IN DISCUSSION

The TaxWatch Center for Smart Justice is centered on the belief that public safety is paramount, and because of the magnitude of this responsibility, there truly is no room for inefficiency. The Center's research focuses on evidence-based reforms to Florida's criminal and juvenile justice systems that ensure less crime, fewer victims, and no wasted tax dollars.

The effort to reform Florida's criminal and juvenile justice policies has made great strides during the past few years. Most importantly, the active work of the Center and the outreach of its dedicated Advisory Board volunteers has resulted in a culture shift in the policy and operational arenas in Florida.

Working with Co-Chairs Justice Ken Bell, and former Secretary of the Florida Department of Juvenile Justice Wansley Walters, the TaxWatch-CSJ has been hard at work crafting policy recommendations that improve public safety while being cost-effective. Focusing on lowering recidivism and re-entry programs, TaxWatch-CSJ has been engaged with various leaders in the smart justice community to recommend civil citations for juveniles, expand vocational and education programs in prison, and ensure equal justice for all Floridians.



TAXWATCH RESEARCH ANALYST ELLE PIROSENO WAS A FEATURED SPEAKER AT THE 2015 JUSTICE SUMMIT

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Mr. Dan McCarthy

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Honorable Irene Sullivan

JUDGE, 13TH CIRCUIT COURT (RET.)

Mr. Parker Thomson

HOGAN LOVELLS U.S., LLP

Senator Stephen Wise

FLORIDA STATE SENATOR

We did a lot of **GOOD** for the taxpayers this legislative session and **FLORIDA TAXWATCH WAS A BIG PART** of that. I appreciate all you do to ensure Floridians get the best return for their tax dollars.

— GOVERNOR RICK SCOTT

The contribution of Florida TaxWatch is **UNPARALLELED IN THE HISTORY OF FLORIDA GOVERNMENT**, and deserves the thanks of all the taxpayers of Florida.

— US SENATOR & GOVERNOR BOB GRAHAM

Thank you for playing a **CRITICAL ROLE** in policymaking and in guarding the public interest. The **TAXPAYERS OF FLORIDA ARE FORTUNATE** to have an advocate and friend in Florida TaxWatch.

— GOVERNOR JEB BUSH

TaxWatch is a **HIGHLY RESPECTED** organization.. well prepared to help our state **PROSPER** as it enters the next millennium.

— GOVERNOR LAWTON CHILES

Government must be **HELD ACCOUNTABLE** to taxpayers, and the work of Florida **TAXWATCH HELPS ACHIEVE** this goal.

— SENATOR BILL NELSON

...a **PREMIER TAX WATCHDOG** group, **RESPECTED** for its conservatism and fiscal frugality.

— LAKELAND LEDGER

What we've got in Florida TaxWatch is an **OLYMPIC-SIZED EFFORT** to make sure that public policy in the state of Florida is **SECOND TO NONE**.

— GOVERNOR BOB MARTINEZ

Florida TaxWatch is a testament to democracy in action...bringing a **VALUE-ADDED DIFFERENCE TO THE LIVES, HEALTH, AND PROSPERITY OF ALL FLORIDIANS** because of your constructive ideas and vision. Thank you for your **UNRELENTING EFFORTS** to safeguard the long and short-term interests of the citizens of Florida.

— GOVERNOR JEB BUSH

You are heroes to me for what you do in this state.

WE COULD USE YOUR PENCILS, MINDS, AND COURAGE UP IN WASHINGTON.

— U.S. SENATOR GEORGE LEMIEUX

...Fortunately for the legislators, **TAXWATCH** already has done much of **THEIR WORK FOR THEM.**

— ORLANDO SENTINEL

The state is undoubtedly more healthy and prosperous because TaxWatch has been on the job. It has been **AN HONEST WATCHDOG** in warning of abuses, **A CREDIBLE GUIDE DOG** in finding thrifty solutions to problems, and **A TIRELESS BIRD DOG** in making sure taxpayers get their money's worth.

— TAMPA TRIBUNE

HEED TAXWATCH

— MIAMI HERALD EDITORIAL



ENGAGEMENT





1. Phillis Oeters (Baptist Health South Florida) addresses the Board of Trustees at the 36th Annual Meeting
2. Outgoing Chairman John Zumwalt, Incoming Chairman Michelle A. Robinson and President & CEO Dominic Calabro, Fall 2014
3. Panelists Taxwatch-CHA Chairman Syd Kitson, Jeff Johnson (AARP), and Kathryn Lawler (Atlanta Regional Commission) sit on a panel about aging issues with the Taxwatch-CHA Advisory Board
4. Natalie Crowley (City of Palm Beach Gardens) speaks to the Citizenship Institute class about local planning issues
5. Lisa Roy (State Farm) and Michael Waninger (Hibiscus Children's Center, Ret.) ask questions of TaxWatch Advisory Board members
6. David Lawrence (Early Childhood Initiative Foundation) serves as a panelist for an early learning discussion with the TaxWatch-CEPA Advisory Board
7. Kurt Kelly (Florida Coalition for Children) addresses the TaxWatch-CFC Advisory Board, chaired by Governor Bob Martinez (lower left)
8. Citizenship Institute Class 1 graduates are recognized by the TaxWatch Board of Trustees at the completion of their work



PRUDENTIAL PRODUCTIVITY AWARDS

TAXWATCH PRESIDENT DOMINIC M. CALABRO AND DEPARTMENT OF CORRECTIONS
STAFF WITH 2015 WINNER SGT. TIMOTHY AKE (2ND FROM RIGHT)



DOUG DAVIDSON OF BANK OF AMERICA
MERRILL LYNCH SERVED AS EMCEE OF THE
2015 KICKOFF CEREMONY IN TALLAHASSEE

Even though the co-founders of the program, J.E. Davis and A.D. Davis, are no longer with us today, they would be proud to know that since 1989, more than 15,000 nominations have been submitted totaling more than \$9 billion in cost-savings, cost-avoidances, and added value to the lives of Florida's residents and visitors, including this year's total of more than \$500 million.

This year's winners come from nearly every state agency in Florida, and include everyone from university professors, to transportation safety workers, to environmental engineers. Twenty seven years of this awards program has shown that Florida truly

has the nation's best public employees, and we are excited to see what groundbreaking ideas and actions are still to come.

The distinguished members of the Panel of Judges donate their time for a thorough review and spirited discussion of the best of this year's achievements; and Governor Scott, Lt. Governor Lopez-Cantera, Cabinet members, agency heads, and civil service men and women of Florida continue to demonstrate extraordinary dedication to our great state and help improve the lives of Florida's citizens through their outstanding achievements.

2015 BY THE NUMBERS

MORE THAN \$500 MILLION IN SAVINGS/EFFICIENCY IMPROVEMENTS

215 AWARD-WINNING NOMINATIONS TO MORE THAN 800 EMPLOYEES

2015 PANEL OF JUDGES

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Mr. Brian Brown
AVMED HEALTH PLANS

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FLORIDA TREND MAGAZINE

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FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Mr. Charles Dees
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INTERSECT MEDIA SOLUTIONS/FLORIDA PRESS ASSOC.

Mr. Steve Rogers
WORKDAY, INC.

Ms. April Salter
SALTER>MITCHELL

**PRUDENTIAL
PRODUCTIVITY
AWARDS**

2015

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JOHN B. ZUMWALT, III

Prudential

Florida TaxWatch

TAXWATCH DEVELOPMENT

PLEDGE TO OUR MEMBERS & SUPPORTERS

When you contribute to a nonprofit organization, you expect your gifts to advance the organization's mission. You expect the organization to observe any restrictions you place on your gifts and to use your gift wisely and cost effectively. Your expectations deserve to be treated with respect.

Sadly the world of philanthropy is rife with examples of organizations that have broken faith with their donors. It is a problem so serious that it bears a common name: the problem of donor intent.

At Florida TaxWatch, we believe that we have an obligation to respect your philanthropic intent as donor. We believe we are strictly accountable to you, and we pledge always to respect your philanthropic intent.

To that end:

- Florida TaxWatch Board of Trustees meets each year to revisit, review and recommit to the values and core vision, mission, and activities of the organization.
- Florida TaxWatch prepares and presents a quarterly report to the executive committee of the Board of Trustees regarding the use and attainment of funds.
- Florida TaxWatch employs an independent auditing firm to review and comment on the sources and proper uses of donor funds annually.
- Florida TaxWatch meets with donors to review and account for the expenditure of your funds in the previous year.
- The President & CEO of Florida TaxWatch is personally responsible for answering major donor questions and reporting expenditures of donor funds.

***WE PLEDGE TO YOU, OUR DONORS, OUR FRIENDS, OUR SUPPORTERS
AND MEMBERS OF TEAM TAXWATCH THAT THE BOARD OF TRUSTEES AND
THE LEADERSHIP OF FLORIDA TAXWATCH WILL ALWAYS RESPECT YOUR
PHILANTHROPIC INTENT AND WILL ALWAYS HOLD OURSELVES ACCOUNTABLE
TO YOU IN THE WISE USE OF YOUR GENEROUS CONTRIBUTIONS***



▲
"The Citizenship Institute offers an invaluable opportunity to closely inspect the interplay between the public and private sectors while fully exploring what it means to be an engaged citizen. Our frank conversations and hands-on practice with former lawmakers and top leaders amounted to the kind of behind-the-scenes look at governance and policymaking that you don't get from school or news media."

—MAGGIE LAWRENCE (SALTER>MITCHELL)
pictured here with Governor Martinez and April Salter

TREASURER'S REPORT

Dear Members,

Florida TaxWatch further expanded its statewide representation of taxpayer concerns in Florida during the fiscal year that ended September 30, 2015. This widening support demonstrates the recognized quality and enhanced public value of the institution'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 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 spending policies and practices. No funds were expended on lobbying activities, as specifically restricted by the institute's Articles of Incorporation and Bylaws.

The Treasurer's Report for FY 2014-15 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 financial statement and Treasurer's Report, total expenses of \$2,436,575 were kept below total revenue of \$2,494,334.*

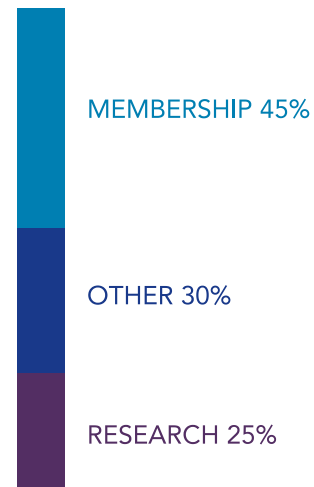
Respectfully,


David Mann

Treasurer

* Unaudited

FY2014-15 INCOME



FY2014-15 EXPENSES



EXECUTIVE COMMITTEE



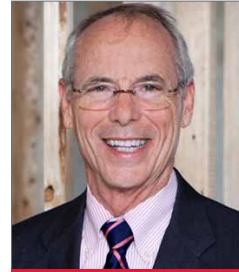
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SENATOR PAT NEAL



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Mr. Steven J. Uhlfelder
UHLFELDER & ASSOCIATES, P.A.

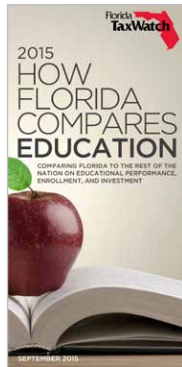
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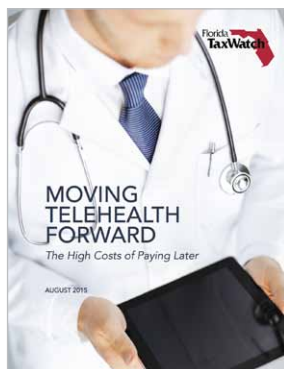
MAJOR RESEARCH



HOW FLORIDA COMPARES - EDUCATION

September 2015—This easy-to-read guide makes it simple for Floridians to see how the state's education system stacks up compared to the rest of the nation. The report compares Florida students' achievement in math and reading, the total spent on public education in each state, and enrollment figures, among other data.

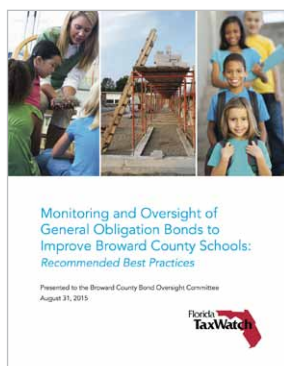
IMPACT: The How Florida Compares-Education report is a unique tool for Floridians to use in better understanding how the state's public education system is preparing its students for success.



MOVING TELEHEALTH FORWARD: THE HIGH COSTS OF PAYING LATER

August 2015—This report, the third in the last two years on the subject from TaxWatch, looks at the next steps for policy changes in Florida, and compares Florida's policies with those of California, Texas, and New York.

IMPACT: This report was the foundation for the discussions at the 2015 Telehealth Cornerstone Conference, where TaxWatch brought together thought leaders from around the state and nation to help formulate policy recommendations to help inform the 2016 Legislature.



MONITORING AND OVERSIGHT OF GENERAL OBLIGATION BONDS TO IMPROVE BROWARD COUNTY SCHOOLS: RECOMMENDED BEST PRACTICES

August 2015—Superintendent Robert Runcie asked Florida TaxWatch to provide research and analyses to the bond oversight committee to aid them in effective oversight of the bond process. This report contains the "best practices" TaxWatch recommends to help the committee lay the foundation for its oversight of the bond-funded capital outlay program.

IMPACT: This report was the foundation for the first official action of the Committee, which is charged with oversight of the \$800 million in expenditures.



2015 BUDGET TURKEY WATCH REPORT

June 2015—Despite lawmakers' efforts to increase transparency while crafting the 2015-16 Florida state budget, 189 projects worth \$167 million were inserted into the budget circumventing established budget processes or lacking sufficient public scrutiny, and found their way to the Budget Turkey Watch list.

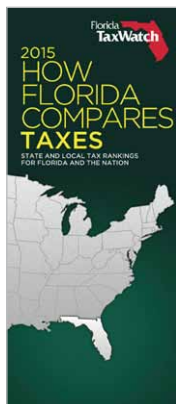
IMPACT: The Budget Turkey Watch report continues to focus on the need for budget transparency and to make sure that all proposed appropriations are subject to public scrutiny and debate.



COULD FLORIDA BE THE NEXT HIGH-TECH HUB?

May 2015—This report shows that a Central Florida technology research center could help launch the state's high-tech manufacturing industry and ignite economic growth. The development of the Florida Advanced Manufacturing Research Center through the International Consortium for Advanced Manufacturing Research will help create, develop and support high-tech Florida companies producing smart sensor technologies for high-tech manufacturing goods.

IMPACT: As Florida TaxWatch has consistently demonstrated, the manufacturing industry is one of the most sought-after for economic development efforts nationwide. This report helped advance discussions within the Florida Legislature to invest in the next generation of manufacturing and make Florida a high-tech hub.



2015 HOW FLORIDA COMPARES: TAXES

April 2015—Florida has always had the reputation of being a low-tax state. While this common perception is borne out by the newest available data contained in this report, the full picture is more complicated. This report provides detailed tax ranking information for Florida as compared to the rest of the nation.

IMPACT: The second in the annual TaxWatch pocket guide series on Florida's taxes, this guide lets taxpayers and policymakers know exactly how Florida compares to other states.

TAXWATCH PERIODICALS

BUDGET WATCH

The monthly Budget Watch series continues a long-standing TaxWatch commitment to taxpayer education, providing monthly updates on how taxpayer money is being collected, budgeted, and spent by the state. The following topics were covered this year:

TAXPAYERS' POCKET GUIDE TO THE FY2015-16 STATE BUDGET

The second annual pocket guide to the state budget provides taxpayers with appropriations information on every aspect of the state budget.

FLORIDA'S BUSINESS TAX CLIMATE JUDGED TO BE THE NATION'S 5TH BEST

A new national report ranking Florida's business climate as 5th best in the nation highlights the state's strengths but may overstate the attractiveness of Florida's tax system, according to this report.

NEW GR ESTIMATES UP \$627 MILLION

An analysis of the December Revenue Estimating Conferences.

AGENCIES REQUEST SMALL INCREASE IN FUNDING FOR FY2015-16

An analysis of the Legislative Budget Requests, where state agencies set the table for the Governor's Budget.

GOVERNOR'S PROPOSED BUDGET - FY2015-16

An analysis of Governor Rick Scott's proposed budget plan for FY2015-16.

FY2015-16 HOUSE AND SENATE BUDGET COMPARISON

An analysis of the differences between the FY2015-16 House and Senate budgets in each spending area.

COMPARING THE HOUSE AND SENATE TAX CUT PROPOSALS

As Florida House and Senate leaders prepared to negotiate the differences in their budget proposals, TaxWatch analyzed the difference in their tax cut packages.

2015 SPECIAL SESSION PREVIEW

The May edition of Budget Watch outlined the scope of the Special Session, noting that lawmakers would also consider conforming bills ranging from transportation networks to child welfare agencies.

GR FORECAST FOR FY2016-17

An analysis of the Revenue Estimating Conferences, where state economists predicted lawmakers will have \$657.5 million more than previously anticipated for the FY2016-17 state budget, with an expected \$31.6 billion in GR.

PROJECTED SURPLUS NOT AS BIG AS IT SEEMS

An analysis of the newest Revenue Estimating Conference showed that the Legislature is expecting a \$635.4 million surplus, but any reserves over \$1 billion would reduce this total.

TAXWATCH PERIODICALS ECONOMIC COMMENTARY

The Economic Commentary is a monthly TaxWatch report examining a variety of measures and industries that have a strong impact on Florida's economic development and competitiveness. The Economic Commentary is a monthly feature on the Florida Trend website, and is one of the most popular TaxWatch reports.

ECONOMY HEATING UP IN SOUTH FLORIDA

A look at how South Florida has recovered from the Great Recession, including positive news for small businesses.

TROPHIES AND TRANSCRIPTS

A look at how success on the athletic fields can have a tangible impact on a school's success in admissions.

FLORIDA'S MID-YEAR JOB GROWTH

A look at job growth data showing that jobs in Florida continue to rise, and the economy is improving.

JACKSONVILLE POISED FOR SUSTAINED GROWTH

A look at the nation's largest city by square mileage, one of the rising stars of startup activity and job creation.

SQUEEZING THE GREENING OUT OF FLORIDA CITRUS

A look at Florida's world-renowned \$10 billion citrus industry, including an introduction to Marvel's Captain Citrus.

FLORIDA IS THE WORLD'S PORT OF CALL

A look at Florida's booming cruise industry, supported by the state's 15 deepwater ports.

THE LIONFISH: THREATENING NATIVE FISH AND FLORIDA'S FISHING INDUSTRIES

A look at an invasive predator having a serious impact on the state's fishing industry.

THE COMMUNICATIONS SERVICES TAX: TIME FOR A CHANGE

A look at how Florida can ease the burden for Florida families and businesses by reducing this onerous tax.

FLORIDA SEES SOLID JOB GROWTH IN ALL SECTORS IN 2014

Our annual look at the previous year's job growth, showing Florida in a strong position nationally.

TOUCHDOWNS, TACKLES, AND TAX REVENUE

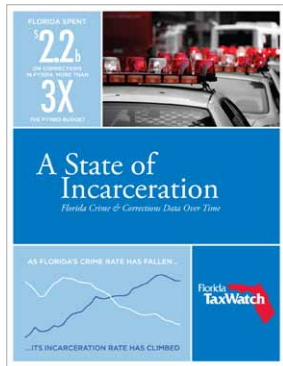
A look at how college football bowl games have a significant impact on local and state economies.

FLORIDA'S RETAIL SALES GROWTH OUTPACES NATION

A look at the 2014 holiday shopping season, and the impact of the retail sector's growth in 2014.

FLORIDA'S TRANSPORTATION SYSTEM ADDS MORE INTERMODAL COMPONENTS

A look at the new intermodal pieces of Florida's transportation system, which aim to increase efficiencies statewide.



A STATE OF INCARCERATION: FLORIDA'S CRIME AND INCARCERATION DATA OVER TIME

April 2015—With Florida's crime rate at its lowest point in nearly five decades, this report recommends policy improvements to reduce cost and improve the efficacy of the criminal justice system. The data from the report show the contrast between Florida's falling crime rate and rising prison population.

IMPACT: The disparities addressed in this report were frequently discussed by the Legislature during criminal justice committee hearings, and continue to be a significant topic in 2016.



MAKING ROOM FOR 100 MILLION VISITORS

April 2015—To bring attention to the current state of Florida's infrastructure, and whether it can continue to meet the needs of both residents and visitors, this report looks at evaluations of the capacity of various components that support the tourism industry, including airports, roads, and cruise terminals.

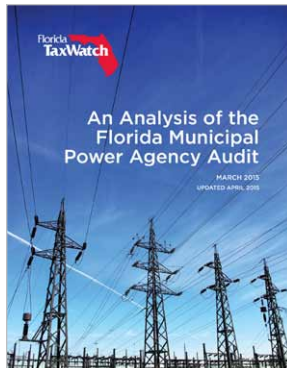
IMPACT: The importance of infrastructure investments as a corollary to our increasing tourism market share has been widely discussed by legislators and industry leaders since the publication of this report.



TAXPAYER INDEPENDENCE DAY 2015

April 2015—Monday, April 20, Florida TaxWatch celebrates Florida Taxpayer Independence Day 2015: the day Floridians are finally earning money for themselves and not for the tax collector. This symbolic date assumes that every dollar earned since January 1 goes to pay federal, state, and local tax obligations. In 2015, for the average Florida household, paying its taxes takes 110 out of 365 days, or more than three and a half months.

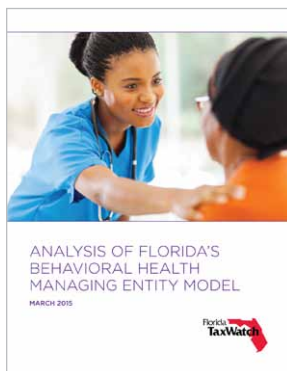
IMPACT: This report received widespread media coverage across the state and nationally.



AN ANALYSIS OF THE FLORIDA MUNICIPAL POWER AGENCY AUDIT

March 2015—The Florida Municipal Power Agency (FMPA) was established in 1978 to provide competitively priced, reliable power and value-added services for its member municipalities. Concern over higher rates has caused some FMPA member municipalities to “break ranks” in pursuit of lower power rates. This report looks at the FMPA, and the oversight, or lack thereof, that currently exists.

IMPACT: This report was reviewed by the Joint Legislative Auditing Committee, and provided support to the Auditor General's audit, which called into question a number of FMPA operating policies. Additionally, the recommendations from the report are reflected in legislation filed for the 2016 Regular Session.



ANALYSIS OF FLORIDA'S BEHAVIORAL HEALTH MANAGING ENTITIES MODEL

March 2015—Florida delivers substance abuse and mental health services to the indigent and uninsured through a regional model managed by Behavioral Health Managing Entities (BHMEs). This report finds that this BHME model is a good behavioral healthcare system that provides a framework for future success.

IMPACT: This report was frequently discussed by the Health and Human Services committees during the 2015 Regular Session, and the Governor requested more than \$19 million for behavioral health entities in his recommended budget for FY2016-17.



OPTIONS FOR REFORMING CLASS SIZE LIMITS

February 2015—This report, the third in a series, outlines options to reform Florida's class size limits that have cost taxpayers more than \$30 billion since voters approved them in a 2002 constitutional amendment.

IMPACT: Following the publication of this report, both the House and Senate filed bills to make changes to the way in which compliance with the class size limits is determined. Under these bills, compliance would have been calculated at the school average level, a TaxWatch recommendation.



IMPROVING THE VALUE OF FLORIDA'S ENTERPRISE ZONE PROGRAM TO TAXPAYERS

February 2015—This report highlights several often overlooked benefits to the program, including that it is one of the only economic development programs available to retailers and that companies in Enterprise Zones provided necessary services to their communities, such as access to food and medications.

IMPACT: TaxWatch was asked to present the findings of this report to multiple legislative committees, and the report's recommendations were included in several bills.



CULTIVATING FLORIDA'S SECOND STAGE COMPANIES

January 2015—GrowFL, a state program designed to grow and develop the biggest job-creating companies in Florida should be expanded, according to this report, which shows that the program's impact statewide over the next ten years would help produce 25,000 jobs, diversify the state economy and provide positive return on Florida's investments.

IMPACT: The importance of economic development programs like Grow-FL was a major point of discussion in 2015 by state and legislative leaders, and this report was often cited during these discussions.



2015 ECONOMIC PREVIEW

January 2015—This report projects another year of economic growth and recovery in 2015, reporting that Florida's economy will grow faster than the nation and Florida employment is expected to outpace the nation again in 2015.

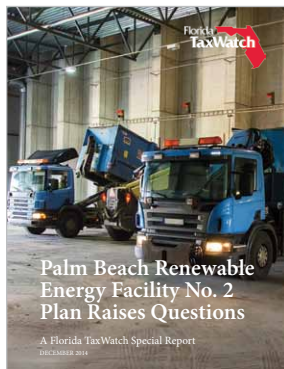
IMPACT: This TaxWatch analysis was cited extensively by statewide media and economic analysts as a forecast for the year to come.



ANNUAL GOVERNMENT EFFICIENCY RECOMMENDATIONS 2015

December 2014—The Center for Government Efficiency defines government efficiency as the intersection of cost avoidance, targeted investments and effective governance, three characteristics that define the recommendations included in this year's report, which could save Florida taxpayers billions of dollars.

IMPACT: Building on six years of recommendations to save Florida taxpayers money, the 2015 report helped guide the implementation of the new state IT agency, and advanced discussion on the use of telehealth in Florida.



PALM BEACH RENEWABLE ENERGY FACILITY NO. 2 PLAN RAISES QUESTIONS

December 2014—In this report, TaxWatch examines a proposal facing the Palm Beach County Commission to allow out-of-county waste haulers to utilize their new renewable energy facility. TaxWatch was asked to examine the proposal by two County Commissioners

IMPACT: This report received considerable media coverage throughout the state, and helped inform the Palm Beach County Commission as they made their final decision.



SMALLER SCHOOLS, NOT SMALLER CLASSES

December 2014—While Florida's \$30 billion investment in smaller class sizes has not resulted in increased achievement for public school students, smaller schools promise a variety of education-related benefits. This report shows a variety of positive outcomes stemming from smaller schools rather than smaller class sizes.

IMPACT: Following the publication of this report and the third in the series in February, both the House and Senate filed bills to make changes to the way in which compliance with the class size limits is determined. Under these bills, compliance would have been calculated at the school average level, a TaxWatch recommendation.



TIME FOR TELEHEALTH

November 2014—Florida lawmakers need to act quickly to connect patients with higher quality, timely care by using telehealth to bring the state's health policies into the 21st century, according to recommendations from this report, which notes that policymakers should immediately pursue incremental adoption of telehealth policies during the 2015 session.

IMPACT: This report, and the Telehealth Cornerstone Conference at which it was released, helped guide the Legislature in drafting legislation to implement the report's recommendations.



FLORIDA THE MOST VETERAN-FRIENDLY STATE

November 2014—Florida, home to more than 1.6 million veterans, has provided a number of benefits to veterans and their families (including certain tax exemptions), in an effort to become the most veteran-friendly state in the nation. To celebrate Veterans Day, Florida TaxWatch compiled a list of Florida's veteran-friendly policies.

IMPACT: This report highlighted benefits available to veterans that may not have been well known by those most closely affected.



MEDICAL TOURISM IN FLORIDA

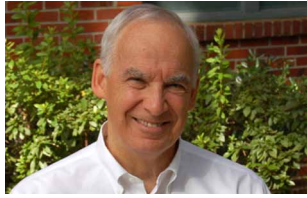
October 2014—Already a capital of global tourism, Florida has an opportunity to bring even more tourists and more revenue to the state by investing in medical tourism, according to this report, which finds that patients visiting Florida from around the United States and the world for planned medical procedures could have a significant impact on the state economy and while improving residents' health care options.

IMPACT: In 2015, multiple bills were filed aiming to establish Florida as a global medical tourism destination. VISIT FLORIDA's budget now directs money to be spent in this area.

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We Believe

You cannot bring about prosperity
by discouraging thrift

You cannot strengthen the weak
by weakening the strong

You cannot help small men
by tearing down big men

You cannot help the poor
by destroying the rich

You cannot lift the wage earner
by pulling down the wage payer

You cannot keep out of trouble
by spending more than your income

You cannot further the brotherhood of men
by inciting class hatreds

You cannot establish security
on borrowed money

You cannot establish character and courage
by taking away a man's initiative and independence

You cannot help men permanently
by doing for them what they could and should do for themselves

– From the pen of Reverend William John Henry Boetcker (1873-1962)
& often attributed to Abraham Lincoln



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