

2007 ANNUAL REPORT



Words of Appreciation and Encouragement

From Florida's Governors



CHARLIE CRIST
GOVERNOR

November 2007

Dear Friends,

The cornerstone of my administration is less taxes, less spending and more freedom for Floridians. As I travel the state and talk to citizens, no other issue is as important as lower taxes.

I am honored that within my first year of taking office, we have been able to provide Florida's property owners the largest tax cut in Florida history. We are putting people's money back where it belongs – in their wallets and pocketbooks.

Since 1979, Florida TaxWatch advocated on behalf of the people and I congratulate you on your efforts to educate both state leaders and taxpayers. Your recommendations are invaluable to the legislative process.

It is my pleasure to thank Florida TaxWatch for your work on behalf of all Floridians and wish you another successful year.

Sincerely,

A handwritten signature in black ink that reads "Charlie Crist".

Charlie Crist

Thank you for playing a critical role in policy making and in guarding the public interest. The taxpayers of Florida are fortunate to have an advocate and friend in Florida TaxWatch.

— Governor Jeb Bush



The blending of TaxWatch ideas with our internally generated approach to savings will inure to the benefit of all our citizens and taxpayers.

— Governor Wayne Mixson



Florida TaxWatch's accomplishments and contributions have been invaluable to all Floridians.

— Governor Bob Martinez

Florida TaxWatch is a highly respected organization that facilitates good government, offers timely advice, and presents insightful research that gets results. It has improved government accountability while discouraging government waste and inefficiency. TaxWatch is an organization well prepared to help our state prosper as it enters the next millennium.

— Governor Lawton Chiles

For more than a quarter century, Florida TaxWatch has been your eyes and ears for government performance, productivity and accountability throughout Florida.

Florida TaxWatch is a statewide non-partisan, non-profit government watchdog and taxpayers' research institute.

In the first 20 years alone, policymakers and state employees implemented three-fourths of Florida TaxWatch's recommendations, according to an independent assessment conducted by Florida State University. Those recommendations saved state taxpayers more than \$6.2 billion—or approximately \$1,067 in added value for every Florida family.

It is the only independent statewide organization devoted entirely to Florida taxing and spending policies and practices. Since its inception in 1979, TaxWatch has worked diligently and effectively to inform and safeguard the interests of the taxpayer, helping to reduce inefficiencies and prompting responsible improvements in the management and operation of citizens' hard earned tax dollars without lobbying.

Florida TaxWatch is supported by tax-deductible contributions by all types of taxpayers—homeowners, small businesses, corporations, professional firms, philanthropic foundations, members of the news media, associations and individuals—representing a wide spectrum of citizens.

Its array of high quality economic and fiscal research and recommendations is widely distributed to elected state officials and policymakers and regularly reported on by the statewide news media.

Florida TaxWatch is ever present to ensure that taxes are fair, equitable, not excessive; that their public benefits and costs are weighed; and that government agencies are more responsive and productive in their stewardship of public funds.

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Letter from the Chairman and President



Dear Fellow Members:

These are challenging times for Florida taxpayers. Whether you view the state's present economic situation as a blip in the landscape or a sea change of potentially significant proportions, the fact is that our state's economy is facing unusual and uncertain risks, especially in the areas of property and casualty insurance and property taxation. In an increasingly competitive global economy, our long-standing growth due to in-migration from both residents of other states as well as from other countries is now less certain, and it has become increasingly more difficult and costly to live and conduct business in Florida.



Florida TaxWatch Chairman Mike Jennings and President and CEO Dominic M. Calabro

Florida TaxWatch finds that uncertain economic times offer opportunity for government at all levels to get its economic and fiscal house in order. The focus of our work over the past year has been in service to all Florida taxpayers, providing significant guidance to Florida's state and local governments in order to ensure much better management, planning, budgeting, and spending of your hard-earned tax dollars.

Florida TaxWatch research this fall underscored the need to create a culture of more cost-effective and innovative government in Florida and provided several specific recommendations for getting the job done at both the state and local levels. One such recommendation, that local government staff make use of the more than 500 cost-saving efficiency improvements outlined in the Prudential Financial Davis Productivity Awards Adaptable Achievements, has already been undertaken by Governor Charlie Crist and Chief Financial Officer Alex Sink to improve state-level government efficiency.

Whether you view the state's present economic situation as a blip in the landscape or a sea change of potentially significant proportions, the fact is that our state's economy is facing unusual and uncertain risks.



Barbara K. "Babs" Taff, who has served Florida TaxWatch since 1979, retired in January 2007, but continues to serve as Senior Vice President Emeritus.

Florida TaxWatch finds that uncertain economic times offer opportunities for government at all levels to get its economic and fiscal house in order.

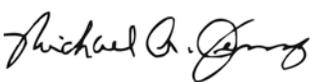
Florida TaxWatch has been at the right hand of key policymakers and opinion leaders every step of the way, offering sound policy advice and analysis in nearly every sector of Florida 's economy.

The need for property tax reform and controlled local government spending kept Floridians occupied throughout the year. Through it all, Florida TaxWatch has advocated for true tax reform and fairness for every Florida taxpayer, rather than a perpetuation of the inequities taxpayers feel under Save Our Homes. This past year has also seen an expansion in our Florida Center for Local Government Studies' efforts to provide local communities with budget reviews and meaningful, fair spending guidelines. Our work here is steady and we will stay the course until the job is done.

Florida TaxWatch has been a close partner and key fiscal and economic advisor to the constitutional Taxation and Budget Reform Commission. The Florida TaxWatch research team continues to make presentations on critical spending and tax issues such as the Streamlined Sales Tax Project, a proper review of the state's sales tax exemptions and exclusions, as well as tax and spending policies that will promote capital formation and good-paying jobs in order to sustain the long-term health and vitality of Florida.

During this next year, Florida TaxWatch will launch and engage the "Florida Council of Economic Advisors at Florida TaxWatch." These renowned experts will provide our state's key leaders with economic advice on how to best navigate the challenges of today and ensure a solid foundation of economic viability for years to come.

With our sincere appreciation,



Michael A. Jennings
Chairman



Dominic M. Calabro
President and CEO



Florida TaxWatch President and CEO Dominic M. Calabro, Prudential Financial Davis Productivity Award Winner Diann Worzalla, CFO Alex Sink and Florida TaxWatch Chairman Mike Jennings

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"Bringing in TaxWatch levels the playing field."

— Pensacola News-Journal Editorial 7/24/07

*through August 2007

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"You can believe TaxWatch."

— St. Petersburg Times Editorial

*through August 2007

Senior Research Fellows

The Senior Research Fellows assist and advise Florida TaxWatch with its research agenda and annual evaluation of Prudential Financial Davis Productivity Awards nominations. Each Fellow is a prominent scholar or professional of national repute 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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Chief Executive Officer, Washington Economics Group, Inc.
Coral Gables

“Florida TaxWatch brings an expertise in government financing and operations that likely exists nowhere else outside of government budget offices.”

— Pensacola News Journal Editorial

Research Advisory Committee

The Research Advisory Committee is composed of Florida TaxWatch members charged with evaluating developing research projects to determine whether or not the project contributes to one or more of Florida TaxWatch’s core values. These include the promotion of taxpayer value, government accountability and citizen understanding. The Research Advisory Committee reports its findings and submits advisories to the Executive Committee for its consideration.

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Florida Association of Homes and Services for the Aging

Kathy Anderson
Florida Institute of CPAs

Doug Bailey
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Thomas M. Pennekamp
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Treasurer's Report

Dear Fellow Taxpayers:

Florida TaxWatch further expanded its statewide representation of taxpayer concerns in Florida during the fiscal year that ended September 30, 2007. 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 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 is specifically restricted by the institute's Articles of Incorporation and Bylaws.

The Treasurer's Report for FY 2007 demonstrates the sound management practices and proper financial controls applied by the institute which ensure effective and productive operations with direct accountability.

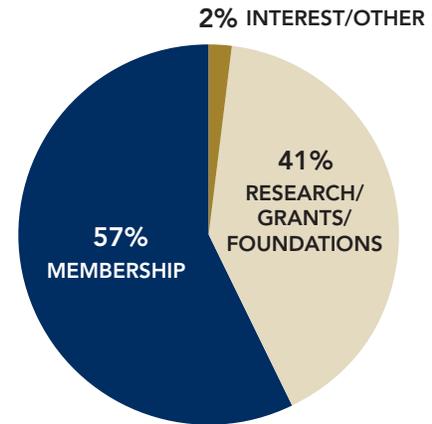
According to the financial statement and Treasurer's Report, total expenses of \$1,848,131 were kept below total revenues of \$2,112,542.**



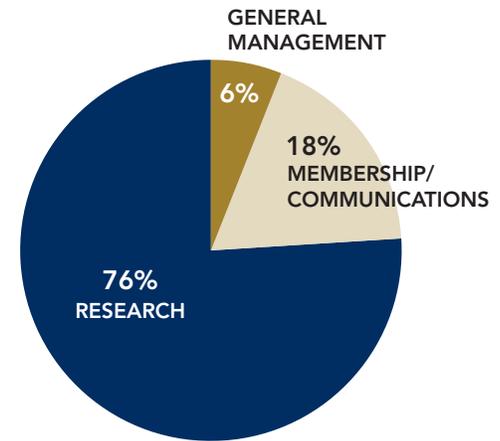
Martha Barnett
Treasurer and Chair of the Audit Committee

*unaudited

**excluding \$440,250 received in restricted funds for the Capital Campaign



FISCAL YEAR 2006-07 INCOME



FISCAL YEAR 2006-07 EXPENSES

“Never doubt...that a small group of thoughtful, committed citizens can change the world; indeed it's the only thing that ever has.”

— Margaret Mead

Research Summary

Improving Taxpayer Value, Citizen Understanding and Government Accountability

Florida TaxWatch Research Institute conducts research in the public interest on state and local government spending and taxing issues in Florida to promote greater effectiveness, efficiency, and accountability in the management and use of taxpayers' money. Research findings and recommendations are based on empirical evidence, scientific methods, relevant literature, and informed professional judgment.

All of the organization's research products adhere to the "Policies and Procedures to Maintain the High Quality, Integrity and Independence of Research Conducted by Florida TaxWatch and its Centers of Excellence and Task Forces" adopted by the Board of Trustees and revised on May 25, 2005.

Under the umbrella mission of taxpayer value, citizen understanding and government accountability, Florida TaxWatch research centers study and recommend strategic solutions to

challenges facing Floridians in more defined subject areas than the general Florida TaxWatch research program. The centers bring together partnerships and collaborations to affect dynamic and constructive solutions in the state. Two such centers, the Center for Educational Performance and Accountability (Florida TaxWatch CEPA) and the Center for Competitive Florida (Florida TaxWatch CCF), currently operate under the leadership of an executive director and a volunteer advisory board.

Florida TaxWatch is pleased to share the following fiscal year 2006-07 summary of research and resulting accomplishments from the general research program, Florida TaxWatch CEPA and Florida TaxWatch CCF.

Our work is proving that Florida TaxWatch is the premier source of information, insight and recommendations on Florida government tax and spending policies.

Florida TaxWatch Research Summary

Affordable Housing in Florida, November 2006

This issue of *Economic Commentary* documented the growing problem of affordable housing in Florida, examined some of the key causes of the affordable housing problem, and suggested potential solutions. Housing prices in Florida have been rising considerably faster than incomes, and even though mortgage interest rates had been historically low, housing has become less affordable for many Floridians. Increases in building materials and labor costs, however, account for a relatively small share of the rise in housing prices. Instead, stricter land use regulations as well as rising taxes, insurance and impact fees have been primary factors explaining the decline in housing affordability.

Addressing these issues is critical to making Florida housing more affordable.

Impact: Provided taxpayers depth of understanding on an important issue to Florida's economy, as well as guidelines and suggestions on how to effectively address the issue. Floridians have tough choices to make in order to increase the supply of affordable housing; namely confronting the "Not In My Back Yard" syndrome.

Governor's Transition Decision Handbook, November 2006

In a gesture of goodwill and partnership, a steering committee composed of distinguished Floridians and led by Chairman and Florida TaxWatch Board Member Dr. Allison DeFoor delivered a "Governor's

Transition Decision Handbook" to newly elected Governor Charlie Crist and his team. The handbook was revised from a 1998 version and provided a sampling of thought-provoking strategic advice and observations from those men and women – both Republican and Democrats alike – who have endured the monumental tasks of gubernatorial transition. First-hand knowledge and insight are shared from several Florida Governors, former chiefs of staff, legislative leaders, agency heads, transition team leaders, and press secretaries. The handbook also contained thoughts from other Floridians and scholars who offer a unique high-level look at current and emerging government trends that the Governor and his team would face once in office. These include growth management, increasing public spending and tax burdens, rising property taxes and property insurance, public education, affordable housing, and privatization of government services.

Impact: The transition helps set the tone for a governor's first legislative session and the tenor of his first term. The advice offered here was intended to

"Thank you for standing up for fairness and justice in the property tax system, and opposing this current tax legislation."

— Carl Williams, Beverly Hills, FL resident

help Governor Crist build the machinery to put the right people in the right places to best serve the needs of the people of Florida.

Florida Economic Outlook for 2007, January 2007

After outperforming the national economy for the last six years and consistently being among the leaders in economic growth, the Florida economy was forecasted to slow substantially in 2007. While an outright recession was unlikely for Florida in 2007, the Economic Outlook, an annual feature of *Economic Commentary*, noted it would be a close call. Slower national economic growth and higher interest rates combined with a sharp downturn in new residential construction, along with falling housing prices associated with a deteriorating housing market, were discussed as the proximate causes for the predicted weakening of the Florida economy. Concerns were raised that the housing market slump would worsen and not be short-lived, and could spread to other segments of the state's economy, including retail trade and financial services. Tourism, international trade, health care, agriculture and manufacturing were viewed as the bright spots for Florida's economy in 2007.

Impact: Provided taxpayers with information, analysis and assessment for use in their business, governmental and personal planning and actions on the overall health of the state's economy in 2007, as well as opportunities and risks in various segments of Florida's economy.

“Heed
TaxWatch.”

– Miami Herald Editorial

Florida TaxWatch Research on the Property Tax Crisis

- **Controlling Escalating Property Taxation and Local Government Spending and Revenue**, December 2006
- **The Property Tax Crisis: Legislature Should Focus on Providing Immediate Relief to All Taxpayers**, March 2007
- **Mixed Benefits from Proposed Property Tax/Sales Tax Swap**, April 2007
- **Model Predicts Florida Economy Will Gain By Property Tax Cut Without Changing Sales Tax**, May 2007
- **Florida TaxWatch Guiding Principles and Specific Recommendations for Property Tax Reform**, October 2007
- **New Legislative Property Tax Proposal Is a Step Backward From the Last One**, October 2007

Florida TaxWatch has been intimately involved in the long, grueling legislative attempt to provide tax relief and reform that included one regular session and two special sessions, and has issued six research reports on property tax reform in Florida in the past year alone.

We have strived to keep the focus on the debate's most important points — that the current system is inequitable, and coupled with large spending increases by local governments, massive tax increases have been disproportionately borne by only certain taxpayers. We have warned against politically expedient, popular solutions that would make the problems even worse.

Our first report set the stage for the debate, detailing the problems created by Save Our Homes and highlighting how local governments have ignored the spirit of the state's TRIM law. We raised the issues of tax shifting, inequitable treatment of similarly situated taxpayers, portability, and constitutional concerns. Other reports offered recommendations to try to help shape various legislative proposals, keeping in mind our guiding principles for property tax reform.

Florida TaxWatch also performed econometric modeling to show the positive economic effects of proper relief and reform, while showing that a proposed property tax/sales tax swap was not the best approach. The legislature subsequently abandoned that idea.

In addition to these reports, we released a number of timely E-Communiqués to keep our members informed and to help decision makers understand the impact of the various proposals that surfaced in the Legislature.

The results so far have been mixed, but the Legislature did pass a statutory property tax limitation that requires a supermajority vote to increase taxes above the cap (the increase in new construction plus per capita income), a longtime Florida TaxWatch recommendation. In addition, a number of proposals that would have had serious negative impacts were not advanced.

Florida TaxWatch has pointed out, and will continue to do so, that the proposed constitutional amendment that will go to the voters on January 29, 2007 is not what is needed. It is far too limited to truly reform the system. The debate was changed from 'the system needs reform' to 'homeowners need relief,' and non-homestead property was left out.

Florida TaxWatch will continue working with the Taxation and Budget Reform Commission to help develop relief and reform that is fair to all taxpayers.

Budget Watch: Governor Crist's Proposed State Budget for FY 2007-08, February 2007

Florida TaxWatch annually kicks off its state budget process review with an analysis of the Governor's budget recommendations. This *Budget Watch* reviewed Governor Charlie Crist's first proposed state budget, the starting point for the 2007 Legislature's crafting of the final spending plan for this year's session.

Florida TaxWatch found the Governor's first budget to be a fairly conservative one. It totaled \$71.2 billion and was \$2.4 billion or 3.3 percent less than the current year's budget, leaving \$2.2 billion of available general revenue in reserve. However, this *Budget Watch* also pointed out that the Governor recommended using \$337 million of non-recurring revenue to fund recurring spending.

Major Tax Issues Facing Florida's Taxation and Budget Reform Commission, February 2007

Heading into the re-establishment of the Florida Taxation and Budget Reform Commission (TBRC), Florida TaxWatch released this report highlighting the major tax issues this group should consider. The TBRC is an important opportunity to comprehensively review Florida's state and local governments' spending and taxing procedures and policies. This Commission, made up of 25 private citizens and four non-voting legislators, will examine our tax and spending laws and, if it deems necessary, make recommendations for change. It can offer recommendations to the Legislature, but it also has the rare ability to take its proposals directly to the voters in the form of proposed constitutional amendments.

A number of ideas will certainly be raised and debated during the TBRC's effort, but Florida TaxWatch identified what it considers the three most important tax issues: property taxes and local spending, sales tax exemptions, and the taxation of remote sales.

"There's a need for an independent non-partisan group to be a national sounding board for the citizens and taxpayers of this state and Florida TaxWatch is it."

– David A. Smith, President and CEO, PSS World Medical

Impact: The TBRC has begun its work and is beginning to formulate recommendations. The three issues identified in this report have already received considerable review. Florida TaxWatch has twice been invited to present its research to the Commission and is providing input and assistance as it deliberates.

Proposed Title Insurance Premium Taxation Legislation Would Address Inequity of Taxing Insurers on Premiums They Don't Receive, March 2007

Florida TaxWatch reviewed proposed legislation and issues surrounding taxation of title insurance premiums and, due to the unique nature of these premiums, concluded that current law does create an inequity. The law says that insurers are to be taxed on the "gross amount of such receipts." In practice, insurers are taxed on 100 percent of the premium, even though they are never in receipt of 70 percent of the premium. Title insurance, and the expenses that make up title insurance premiums, are different from other forms of property and casualty insurance; the report called for Florida's insurance premium tax laws to reflect that distinction.

Impact: Legislation was introduced in both the House and Senate, and both bills were reported favorably (unanimously) by committees. However, due largely to budget constraints, the legislation never made it to the floor.

North and South, March 2007

Concurrent with President Bush's extensive visit to South America, this issue of *Economic Commentary* examined economic and political developments and trends in this vital region to Florida, as Latin America (including South America) and the Caribbean are Florida's primary international trade partners. The *Commentary* documented and discussed that, unlike other parts of the world, scant overall economic growth and development had taken place in South America in recent decades. Overly stringent regulation had been identified by researchers as an important cause for the region's anemic economic growth. Moreover, a political 'lurch to the left' appears to be unfolding in the region, though it may not prove damaging to Florida's international trade. The *Commentary* also examined the patterns of international commerce between Florida and countries in the region.

Impact: Alerted taxpayers to emerging developments in the region; provided information and data on international trade opportunities; and confirmed the importance of diversifying international trade for the state.

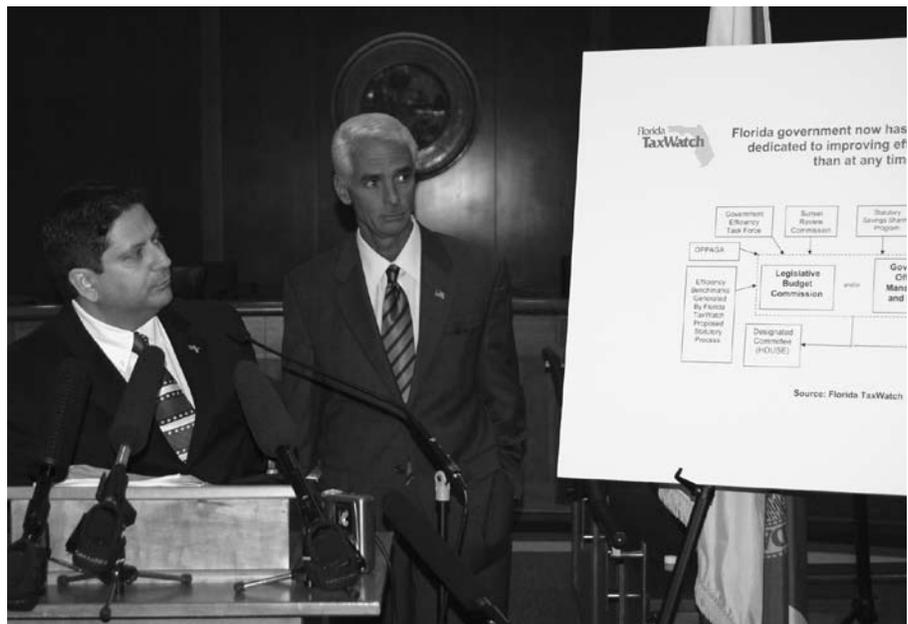
Accountable & Cost-Effective Procurement Is Critical To Successfully Outsourcing Public Services, March 2007

This report summarizes the work of the Florida TaxWatch Outsourcing Task Force. Chaired by Florida TaxWatch Board Member Viann Hardy, the

On September 20, Florida TaxWatch held a press conference at the Capitol with Governor Charlie Crist and Chief Financial Officer Alex Sink to introduce three reports aimed at changing the culture of government to highlight efficient, cost-saving budget practices.

Task Force was composed of Florida TaxWatch members, partners, and Senior Research Fellows with expertise in business practices and government contracting and was spurred by recent state outsourcing initiatives. The purpose of this report was to provide Florida's state policy makers, and other statutory and constitutional bodies, notably the Council on Efficient Government and the Taxation and Budget Reform Commission, with recommendations for successful, accountable and cost-effective outsourcing. The Task Force sought to positively impact the current state government outsourcing framework and processes in order to encourage innovation, safeguard the interests of Florida taxpayers, and reflect a balance among government service requirements, state employees' experience, skills and rights to compete to provide services, and private sector concerns.

Impact: The Florida TaxWatch Outsourcing Task Force was committed to helping Florida's policymakers make smart decisions with taxpayers' dollars in outsourcing government services. Florida TaxWatch was invited to present its findings and recommendations to the newly established Council on Efficient Government. The report's constructive guidance was offered to this newly established body charged with reviewing, evaluating and advising state agencies on outsourcing and best practices. The Council has begun to incorporate our recommendations. Florida TaxWatch believes that if state government follows them, Florida can improve the delivery and value of the services that it provides taxpayers.



Process to Amend Local Government Charters Should Be Amended to Ensure Accountability, Integrity, and Transparency, March 2007

This *Research Report* analyzed the current status of requirements for amending county and city charters statewide. These documents are the local level equivalent to the state's constitution. It was found that there were a significant number of local governments (65 percent) that did not have specific requirements other than those outlined in state law. The resulting recommendation was that the requirements to amend a county's charter be strengthened by (1) inclusion of a financial impact statement on the ballot; (2) a standardized minimum of 90 days be established between the date of verification of petition signatures and the election for voter education purposes; and (3) adopt Section 99.097, F.S., related to petition signature verification, as standard for all local governments.

Impact: This report highlights the current status of the haphazard process to amend a city or county charter in Florida. The best changes and proposals are those that are transparent, accountable, and presented in the public square. Governments, whether at the state or local level, are obligated to provide proper information and education to the voters in a manner that is timely, allows for the fair vetting of both sides of the argument, and is not rooted in the "high passions of the moment."

Without these changes to the amendment process, there may be serious repercussions. This process presents the opportunity to protect citizens and local governments from special interests that may encourage making rash decisions, which include hasty acceptances of amendments that may be expedited through the verification and validation stages, onto the ballot, and into the charter — all of this happening without the ability to adequately educate and prepare the taxpayers for the entire scope and economic impact of their decisions. By implementing the protections recommended in this report,

local governments and their citizens will be better armed to make well-informed decisions about policies within their communities.

Florida Needs a Better Method to Estimate Tourism's Economic Impact: Current Estimating Method Reveals Only the Tip of the Iceberg, March 2007

This Florida TaxWatch Center for Tourism report examines the importance of developing a Tourism Satellite Account (TSA) method of estimating tourism expenditure impact on Florida's economy.

"I want to thank Florida TaxWatch for your very good research and suggestions on improving Florida's property tax system."

— Dr. Tony Villamil, CEO of the Washington Economics Group, Florida TaxWatch Senior Research Fellow and member of the Governor's Property Tax Reform Committee

The report highlights the strengths of TSA over the current method used by the state to estimate tourism expenditures. The report notes that the TSA method separates out all tourism-related activity within gross state products (GSP). Developed by the World Tourism Organization, the TSA method is used by more than 70 countries, the Bureau of Economic Analysis (BEA) at the national level, and a growing number of states.

The report strongly recommends developing a Tourism Satellite Account incorporated into a regional input-output econometric model, such as REMI and IMPLAN, to reveal direct, indirect, and induced impacts of tourism on Florida's economy. The report suggests that a Florida Tourism Satellite Account will provide consistent and comprehensive information on Florida's tourism economy. It will also provide policymakers with more reliable information for effective decision-making to guide the future of tourism development. Through use of a TSA, the state will have a rigorous and reliable basis for comparing tourism with

other sectors.

Florida Must Become a Full Member of the Streamlined Sales Tax Project, April 2007

Florida's sales and use tax base is suffering a major and ongoing erosion from remote sales. Under the current system, Florida is leaving as much as \$2 billion annually on the table in rightfully owed, but uncollected sales tax on these sales. Not requiring Internet sellers to collect sales tax not only erodes Florida's tax base, but also creates an unfair advantage over Florida "bricks-and-

mortar" retailers and "clicks and bricks" retailers with both online and traditional stores. A 6 percent to 7.5 percent price break is hard to overcome for Florida's retailers. These businesses have invested in stores and employees and collect our taxes as well as contribute property and other taxes, but compete against vendors who do not. This loss of sales directly impacts retailers and hurts the state's overall economy.

There is a perception by some lawmakers that this would constitute a tax increase, or even a new tax. It must be remembered that the tax is currently owed under Florida law, but it is not being collected. The current sales and use tax system will work if the necessary steps are taken now to modernize it. For those who worry that sales tax revenue from remote sales will simply "grow government," any added revenue could be used to offer smart reductions in other taxes, such as property tax relief. The integrity of Florida's sales and use tax system cannot be sustained when the fastest growing component, remote sales, remains largely

uncollected.

This is the single most important tax compliance issue that can be addressed by the Florida Legislature. Better compliance will be of utmost importance should the sales tax be increased or expanded in the future. By adopting legislation and becoming a full member of the Streamlined Sales Tax Project, the State of Florida would simplify its sales tax code and at the same time put Florida in a leadership role among the other states for the continued development of model legislation.

Impact: This issue was one of the first taken up by the Taxation and Budget Reform Commission and Florida TaxWatch research was used in the deliberations. The Commission is formulating a recommendation to make Florida a full member of the Streamlined Sales Tax Project.

Legislature Should Provide a Meaningful Reduction in the State Communications Services Tax, April 2007

The highest combined state and local sales tax rate in Florida is 7.5 percent. However, when Floridians purchase taxable communications services, such as cell phone service, they pay an average tax rate of more than 15 percent. Florida has the third highest tax rate in the nation on wireless phone service and the seventh highest tax rate on landline phone services. These are the highest rates in the southeast and more than double those in neighboring states such as Georgia and Alabama. These facts raise questions about the fairness of the tax rate, its effect on the competitiveness of Florida business and the attractiveness of Florida's economic climate.

This report concluded that lawmakers would be hard pressed to find a more justifiable way to provide broad-based

state tax relief. There is no discernible public policy justification for what amounts to discriminatory taxes on Floridians' communications services. The average total tax rate paid on these services is more than the state and local sales tax rate that applies to most other retail purposes. Florida TaxWatch encouraged the Legislature to find the money to pass a reduction in the state Communications Services Tax (CST) of at least 0.25 percent, then encouraged legislators to keep this issue alive so that truly meaningful relief can be provided in future years, when the state budget outlook is more favorable. The tax rate on communications services should be more comparable to that levied on most other purchases.

Impact: There was considerable sentiment to reduce the CST. The Governor included this tax cut in his budget recommendations, and the House passed a bill to reduce the rate by 0.25 percent (after starting with a 1.17 percent reduction). However, the bill did not make it through the Senate.

Florida Taxpayer Independence Day 2007! Floridians' Income Should Keep Pace With Taxes, April 2007

This popular annual publication reveals that as of Sunday, April 29, "Florida Taxpayer Independence Day 2006," Floridians finally began earning money for themselves—not the tax collector. This symbolic date assumes that every dollar earned since January 1 goes to pay federal, state, and local tax obligations. On average, Floridians' personal income kept pace with the taxes they paid, meaning it took the same number of days to pay their tax bills in 2007 as it did in 2006. However, this date fell three days later than in 2005 and seven days later than in 2004 — meaning Floridians' tax burden has grown over these years. It takes 2 hours and 34 minutes of every

eight-hour workday to pay taxes, workers' largest single expense. Federal taxes alone take up 1 hour and 42 minutes.

How Can Florida Meet the Demand for Highly Qualified Pre-Kindergarten Teachers?, April 2007

Floridians are fortunate to live in a state that has embraced the concept of early learning, especially through launching of a Voluntary Prekindergarten Program, available to all of the state's 4-year-olds. The Florida TaxWatch Center for Educational Performance and Accountability (CEPA) research has for several years underscored the taxpayer return on investment and economic value of high quality early learning programs. Strategic investment in high-quality early learning more than pays for itself and is the foundation for development of a qualified workforce that produces long-term and sustainable economic returns. CEPA has therefore encouraged the incremental strengthening of Florida's program, including the need for highly qualified teachers, in order to deliver on the promise for Florida's youngest students. This year, CEPA research illustrated the many traditional and alternate routes existent to build the capacity in Florida that would ensure early learning classrooms have the necessary, highly qualified lead teachers in pre-kindergarten classrooms.

Impact: The CEPA citizen education piece was the centerpiece for a statewide press conference held at the end of Session 2007. Key participation from Governor Crist, CFO Sink and other legislative leaders who joined the press conference, and the visibility that publicity around the state has raised, heightened the profile of this critical piece and bodes well for incremental strengthening in this area.

“There are strides we’ve made in pre-kindergarten education because of Florida TaxWatch”

— FTW Board member Kathy Adams

Model Predicts Florida Economy Will Gain By Property Tax Cut Without Changing Sales Tax, May 2007

This Florida TaxWatch report measures the full economic impacts of property tax relief with and without an increase in sales tax under different scenarios. The report was released when Florida Legislators were discussing property tax reform through reducing property taxes and increasing sales taxes. The study estimates the impact of property tax reform under two different scenarios. The first scenario adjusts property tax rates from a "rollback" perspective that examined both property tax reductions to residential and commercial sectors of the economy. The second scenario involves adjusting the property tax rate (homestead exemption) and corresponding sales tax rate or "tax swap."

The study clearly indicates that a reduction in property tax with no change in sales tax will boost the economy by increasing gross regional product (GRP) and disposable personal income without creating a significant number of job losses. For instance, property tax relief worth \$2 billion, with no change in sales tax, will add \$470 million to GRP and \$1.69 billion to real disposable personal income in the first year. In contrast, a property tax/sales tax swap will result in a loss in GRP and disposal personal income. For instance, one percent increase in sales tax to offset a comparable property tax cut will reduce GRP by \$940 million and real disposable personal income by \$140 million. Additionally, depending on different scenarios, a property tax cut will result in a loss of 9,740 to 46,990 jobs in five years, while a property tax/sales tax swap will cost 34,410 to 147,170 jobs during the same period.

Business Taxation in Florida: A Growing Threat to Our Competitiveness, May 2007

Using new data released from the Council on State Taxation and Ernst and Young, this issue of *Economic Commentary* documented that taxes

"If you really want to understand an issue in this state, see if Florida TaxWatch has done a study on it. Florida TaxWatch helps shape the debate with its fair and credible research."

— FTW Board Member David Hart,
Vice President of Government Relations, WCI Communities

on Florida businesses, at the state and local levels, had been rising rapidly in recent years. State and local taxes on businesses were shown to be a growing burden to Florida's business community, and had increased to levels where they were substantially higher than in states with whom Florida competes. As a consequence, state and local taxes are threatening Florida's economic competitiveness and vitality.

Impact: This issue of *Economic Commentary* was the subject of a presentation to the Taxation and Budget Reform Commission. Florida taxpayers were educated and informed about a potentially serious and growing risk to Florida's economy.

The Florida TaxWatch 2007/2008 Budget Turkeys Report, May 2007

Florida TaxWatch's annual "budget turkey" report spotlights legislative projects placed in the budget without full opportunity for public review and which circumvent competition and established procedures. These projects often benefit a very limited special-interest, local area of the state or a specific private organization.

With state revenue projections reduced significantly, the 2007 Legislature faced a very tight budget year. From the outset, leaders predicted little more than a continuation budget, with no money for new programs or member projects. Despite this, the final budget contains earmarked funding for a near record 505 appropriations that made it into the annual report on budget turkeys.

This report highlights \$256.3 million in projects that were recommended for veto.

Impact: Governor Crist vetoed 68 percent of the turkeys identified by Florida TaxWatch, representing 58 percent of the total value. It should be noted that the Governor's vetoes included appropriations in substantive bills that were not included in the Florida TaxWatch review, as well as policy choices, which don't fall under the TaxWatch budget turkey purview.

Florida's Tipping Point: Balancing Physical & Economic Security Post 9/11, June 2007

Florida's economy is highly dependent on the participation of citizens and businesses from other countries. This Florida TaxWatch Center for Competitive Florida (CCF) report presents a Florida TaxWatch analysis documenting how changes to federal visa and immigration policy made in response to the events of September 11, 2001, have adversely impacted Florida's economy by well over \$50 billion. When including indirect economic losses, the figure exceeds \$100 billion.

In 2006, expenditures and investment by international visitors and businesses in Florida was responsible for employment of 300,000 Florida citizens and accounted for 15 percent (\$91.5 billion) of the value of all goods and services produced in the state. International visitors alone contributed \$15 billion to Florida's tourism industry. The report summarizes post 9/11 federal legislation and policies to increase national security; analyzes impacts of

post 9/11 security actions on Florida's economy and global competitiveness; summarizes federal efforts to mitigate adverse effects of post 9/11 actions; and cites improvement recommendations by business, industry, civic leaders, immigration specialists, and academics in Florida and the nation.

Impact: This report was released at a June 28, 2007, press conference with Bud Nocera, CEO of Visit Florida, Victoria Zepp, Executive Director of CCF at Florida TaxWatch and Vani Ungapen, Director of International & Research at the Florida Association of REALTORS®. In addition to mass statewide and national attention, this research made international headlines. The report was requested from US Secretary of Commerce Carlos Gutierrez, who lauded the Center for Competitive Florida for its leadership on legal immigration research. The research was also used by the Florida Employers for Immigration and Visa Reform (www.FEIVR.org).

Mid-Year Update on the 2007 Florida Economic Outlook, June-July 2007

This issue of *Economic Commentary* was an update and re-evaluation of the January 2007 Florida Economic Outlook based on newly released data for the first half of the year. As predicted, the Florida economy was indeed slowing as 2007 progressed, in line with the January forecast. However, the downturn in residential construction and slump in the state's housing markets proved even more severe than initially expected. Florida's falloffs in these areas are more pronounced than in much of the rest of the nation. While a full-fledged recession is still unlikely for Florida, the risks of one have risen since the start of the year. A bottoming-out of the housing markets and recovery may not occur until 2009.

Impact: Taxpayers remained informed about the latest developments in the state's economy and its major sectors, allowing them to more effectively make decisions on issues impacting their families and businesses.

Review of Approval Process in Hillsborough County for Construction Projects Affecting Wetlands, August 2007

This *Research Report* addressed the cost of duplicated wetland impact building permitting process efforts between Hillsborough County's Environmental Protection Commission and the Southwest Florida Water Management District (SWFWMD). The results showed that, not only does it cost more to submit proposals and acquire approval through HCEPC than it does SWFWMD, but it also takes longer to complete the process. Estimated savings

does the proposal call for increased cooperation (and thereby reduction of duplication) between HCEPC and SWFWMD, but it also requires improved coordination between HCEPC and the Florida Department of Environmental Protection, the Army Corps of Engineers, the Tampa Port Authority, and municipal authorities within the county. The proposal streamlines the permitting process, further clarifies exemptions from the process, and eliminates five FTE positions, resulting in an estimated \$400,000 savings to Hillsborough County residents (a 36 percent improvement in revenues less expenditures).



“Florida TaxWatch is the state taxpayer's best friend.”

— Fort Lauderdale Sun-Sentinel Editorial

from the elimination of the HCEPC's involvement in the permitting process were projected at around \$1 million per year.

Impact: On August 16th, the HCEPC Board voted to fully implement a proposal presented by Dr. Richard Garrity (Executive Director of HCEPC), rather than eliminate the permitting process from the HCEPC's responsibilities as a whole. This presentation and decision took many of Florida TaxWatch's findings into account in its analysis of duplication between multiple entities. Not only

Global Financial Fragility and the Florida Economy, August/September 2007

Global financial markets erupted in turmoil in August. This double edition of *Economic Commentary* provided a detailed look at the causes and consequences of the turmoil. Particular attention was paid to the roles of complex asset securitization, historically low mortgage interest rates, and new types of home mortgages — especially subprime mortgages — in fueling the turmoil. The effects of the shock were traced from the



Florida TaxWatch Chairman Mike Jennings, Immediate Past TaxWatch Chairman Barney Barnett, former House Speaker Allan Bense and TaxWatch CEO Dominic M. Calabro

asset-backed securities market to stock, bond and money markets (such as the commercial paper market) around the world. The responses of global central banks, including the European Central Bank and the U.S. Federal Reserve, were also discussed and analyzed in depth. For Floridians, the shock to the global financial system means higher interest rates on many types of loans, more difficulty in obtaining credit, and further problems for beleaguered subprime borrowers. The silver lining in the turmoil

“There is no substitute for independent evaluations of government that thoughtfully pinpoint problems and propose solutions... Florida TaxWatch is among those who have reliably produced important, sophisticated reports.”

– St. Petersburg Times editorial

is a likely easing of monetary policy by the Federal Reserve.

Impact: Taxpayers were alerted to an impending easing of monetary policy by the Federal Reserve, but also forewarned that risk premiums on many types of loans would increase. They were informed of how financial panics can occur, and reminded that risks can be mitigated but not eliminated. The size of the subprime market in Florida raised additional concerns about the health of the Florida economy.

Florida Government Has Unprecedented Opportunities to Increase Accountability and Achieve Cost Savings, September 2007

Through enactment of laws and changes to our constitution, Florida now has more organizational entities dedicated to improving the efficiency and effectiveness of state government than at any time in its history. This Florida TaxWatch report lists noteworthy Florida government improvement initiatives of the past four decades; it describes current cost savings opportunities; and it summarizes more than a dozen reasons why cost-saving proposals often die. Impediments include cost-saving recommendations that do not identify

affected budget line-items; that have “soft” fiscal impact estimates for future savings; that would reduce an agency’s expenditures by less than \$1 million in a \$70 billion state budget; and that encounter bureaucratic and interest group opposition. State government generally lacks a savings “corporate culture.” This is due, in part, to a lack of incentives and payoffs from saving. The report suggests that the Legislative Budget Commission and the Council on Efficient Government can help ensure that recommendations to improve the efficiency and effectiveness of state government receive due consideration.

Impact: Florida TaxWatch used this report in conjunction with making multi-million dollar cost savings recommendations to the Taxation and Budget Reform Commission and the Council on Efficient Government.

Florida TaxWatch Suggestions for Improved Government Performance, September 2007

As noted in the previous report summary, recently enacted laws and voter-approved constitutional amendments provide unprecedented opportunities to improve the effectiveness, efficiency and accountability of state government to benefit Florida taxpayers. This Florida TaxWatch report provides “food for thought” for state fiscal review organizations and other groups. It summarizes national research on topics such as creating a culture of innovation in Florida government; organically growing cost savings; maximizing federal funding; reducing fraud, waste and abuse; improving energy efficiency; reducing business start-up and operating costs; and eliminating a loophole that results in overly generous pensions for part-time elected officials who subsequently may use political connections to receive high paying government jobs.

Impact: Florida TaxWatch used this report in conjunction with making multi-million dollar cost savings recommendations to the Taxation

and Budget Reform Commission and the Council on Efficient Government. Governor Charlie Crist and CFO Alex Sink spoke in support of the recommendations at a Florida TaxWatch news conference.

Productivity Improvements Can Help Florida's Local Governments Save Millions and Minimize Cuts in Services, September 2007

The 2007 Legislature mandated local property tax reductions in 2007-08, and a cap on future property tax growth. This report summarizes cost saving achievements recognized by the Prudential Financial - Davis Productivity Awards program that can be adapted and implemented by local governments to help comply with the legislative mandate. The publication is divided into 64 work areas and sub-areas that contain a total of 535 adaptable, cross-referenced achievements (roughly 300 unduplicated) from the 2007 and four preceding years' awards cycles. Achievements in areas common to state and local governments include accounting and auditing; computer applications, maintenance and security; customer service; human resources; law enforcement; purchasing, inventory and records management; revenue maximization; and program/performance evaluation and tracking systems. Additional achievements in the

“TaxWatch concludes the school is a bargain for taxpayers. A good report always looks better when it comes from an outside, independent source like Florida TaxWatch.”

— Florida Times-Union

areas of health and social services, judicial services, and transportation may be useful to selected local governments.

A Comprehensive Assessment of Florida Virtual School (FLVS), November 2006

This Florida TaxWatch Center for Educational Performance and Accountability study examined the depth to which FLVS offers an effective, efficient, and taxpayer-accountable educational program. The study examined student demographics, scholastic achievement and cost-effectiveness. It found that during the 2004-05 and 2005-06 school years, FLVS students consistently outperformed their counterparts in Florida's traditional middle and high schools on such measures as grades, Advanced Placement scores and FCAT scores. All FLVS teachers were certified, and their pay was tied to successful student outcomes. Further, it was noted that FLVS is the only public school in Florida where funding is connected

directly to student performance.

Impact: The report determined that FLVS is a bargain for Florida taxpayers. Largely because it has no expenses related to transportation or construction and maintenance of physical facilities, FLVS is able to offer computer-delivered instruction at a lower per-student cost than traditional schools. While there is always room for improvement in any organization, through this study FLVS has proven itself to be a viable and innovative educational endeavor that works. It has also shown that it has the capacity to meet the increasing challenge and demand for many more students, which can also help offset some of the incredible costs of Florida's multibillion-dollar constitutional class size amendment.



“Florida TaxWatch has long been a leader in bringing spending efficiencies to government, with a track record of success.”

— Pensacola News Journal Editorial

Prudential  Financial



The Prudential Financial – Davis Productivity Awards Program

Honoring 19 Years of Exemplary State Employee Performance and \$5.6 Billion Added Value to Taxpayers

The Prudential Financial - Davis Productivity Awards are made possible through the generosity of Prudential Financial, as Anchor Sponsor since 2004, and the vision of the late J.E. Davis and A.D. Davis, co-founders of Winn-Dixie Stores Inc. and co-founders of Florida TaxWatch. Since 1989, the Davis Productivity Awards program has publicly recognized and rewarded state employees and work units whose work significantly and measurably increases productivity and promotes innovation to improve the delivery of state services and save money for Florida taxpayers and businesses.

The program is a major government improvement initiative chaired by Lt. Governor Jeff Kottkamp and co-sponsored by Florida TaxWatch, The Florida Council of 100, and the State of Florida. In addition to Prudential Financial's generous support, numerous corporate, individual and philanthropic contributors supplement the awards program.

The Mission

The mission of the program is the same today as it was 19 years ago: to recognize and reward Florida government employees whose enterprising work, fiscal responsibility and personal accountability significantly increase productivity levels above and beyond their job expectations.

The Competition

The 2007 awards competition attracted 503 nominations for innovations and productivity improvements worth \$332 million in cost savings, cost avoidances and increased revenue for

state government. Over the past 19 years, award winners have posted a total of \$5.6 billion in added value for Florida taxpayers and businesses.

The Winning Combination

Governor Charlie Crist, along with Lt. Governor Jeff Kottkamp as Chairman of the 2007 Prudential Financial - Davis Productivity Awards Program, have made leveraging the value of award winning achievements a priority for building a more effective and efficient government. Promoting innovations that can be implemented throughout Florida government translates to many

millions of dollars of budget savings and improved service delivery. Replicating these achievements in other states and countries can be worth countless millions more.

The commitment of Florida government, the generosity of Prudential Financial, the vision of the Davis Family and many other sponsors, combined with the extraordinary efforts of thousands of state employees, has made the Prudential Financial - Davis Productivity Awards program what it is today – the nation's pre-eminent government recognition and rewards initiative.

Governor Crist and the Cabinet

“Our state employees are one of Florida’s most valuable resources. I’m proud to be a part of a program that helps encourage and reward the initiative and creativity of our state employees and promotes wise innovations that serve the people of Florida better.”

– Lt. Governor Jeff Kottkamp,
Chairman, Prudential Financial - Davis Productivity Awards



Governor Charlie Crist and the Cabinet present a Resolution recognizing the 2007 Prudential Financial – Davis Productivity Awards and declaring June 2007 as “Prudential Financial – Davis Productivity Awards Recognition Month.”

“We are very appreciative of the work that Florida TaxWatch does. State employees are not appreciated as they should be, but the work you and your organization do is great. We are thankful for the acknowledgement that you give.”

— Comments from an
Agency Awards Coordinator



Awards Program Executive Director Clarissa Dunlap, Lt. Governor Jeff Kottkamp and Florida TaxWatch Chairman and Vice President of Government Relations for Prudential Financial Mike Jennings at the June 2007 Awards Kickoff Reception

presented a Resolution recognizing the 2007 Prudential Financial – Davis Productivity Awards and declaring June 2007 as “Prudential Financial – Davis Productivity Awards Recognition Month.”

Distinguished Panel of Judges

Judges for the Prudential Financial - Davis Productivity Awards are dedicated to the program and the value it brings to the citizens of Florida. These busy men and women serve at high levels in both the public and private sector, but they (along with the distinguished Florida TaxWatch Senior Research Fellows shown on page 6) devote many hours to reading information, reviewing nominations, analyzing evaluation reports, and making careful decisions on the importance and value of those nominations receiving high-level awards.

Chairman Robert “Bob” Hudson
President and CEO, Santa Fe HealthCare
CEO, AvMed Health Plans
Gainesville (retired)

Bonnie Basham
President
Capital Ideas
Tallahassee

Janegale Boyd
President and CEO
Florida Association of Homes and Services for the Aging
Tallahassee

Nolia Brandt
Associate Director
Jim Moran Institute for Global Entrepreneurship
College of Business
Florida State University
Tallahassee

Roger Carlton
Deputy Director
Florida International University
Metropolitan Center
Miami

Pat Dorsey
President and Publisher
Tallahassee Democrat
Tallahassee

Jim Doughton
Publisher
Gainesville Sun
Gainesville

April Herrle
President
Herrle Communications
Tallahassee

Lynda Keever
Publisher
Florida Trend Magazine
St. Petersburg

Susan Pareigis
Executive Director
The Florida Council of 100
Tampa

Steven Rogers
Client Executive - Florida State & Local Govt.
IBM Corporation
Tallahassee

Linda Loomis Shelley
Shareholder
Fowler White Boggs Banker
Tallahassee

Stanley Tate
President and Owner
Tate Enterprises
North Miami

The following Florida TaxWatch Senior Fellows also assisted in evaluating 2007 nominations:

Dr. Neil Crispo
Senior Vice President Emeritus,
Florida Tax Watch and
Courtesy Professor of the
Askew School of Public
Administration and Policy
Florida State University,
Tallahassee

Dr. Arnold A. Heggstad
Holloway Professor of Finance
and Entrepreneurship,
Warrington College of
Business Administration,
University of Florida,
Gainesville

Dr. Earle Klay, Professor
Askew School of Public
Administration and Policy
Florida State University,
Tallahassee

Dr. Stephen Morrell
Professor of Economics and
Finance, Andreas School of
Business
Barry University,
Miami Shores

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Florida Transportation Builders’ Association
Florida Trend Magazine
Image API
Infinity Software Development
MAXIMUS
MGT of America
PRIDE Enterprises
Progress Energy Florida, Inc.
Prudential Financial
Publix Super Markets Charities
Roy’s Club
Tate Enterprises
Universal Studios Orlando
Wachovia, N.A.

Centers of Excellence

Florida TaxWatch Center for Competitive Florida



The Center for Competitive Florida at Florida TaxWatch (CCF) was established by the Board of Trustees to complement the tax and fiscal policy research and advocacy of TaxWatch. In creating CCF, the Board acted to maintain the undiluted and specific focus of Florida TaxWatch, yet recognize the myriad issues relating to Florida's long-term economic sustainability and competitiveness that indirectly, but inescapably, affect the fiscal soundness of Florida and the wellbeing of its taxpaying citizens. A distinguished volunteer advisory board chaired by John Zumwalt, with Executive Director Victoria Zepp, guides CCF, while operating in conformity with the principles, standards and processes of Florida TaxWatch. All projects and project performance are fully compliant with the rigorous research guidelines and procedures established by Florida TaxWatch. As an integral part of Florida TaxWatch, CCF is charged to:

- ▲ Enhance public understanding of the Florida economy;
- ▲ Identify competitive barriers to Florida's economy, and within that to monitor new policy considerations and ensure reasonable and equitable industry regulation; and
- ▲ Determine the economic impact of various sectors such as industry and population.

To that end, CCF will:

- ▲ Identify competitiveness trends and issues of statewide importance and applicability;
- ▲ Conduct appropriate real-time research and analysis;
- ▲ Design and implement appropriate communications and public education programs; and
- ▲ Provide leadership and advocacy



Participants at a discussion during the Florida TaxWatch Center for Competitive Florida Immigration Summit, held in Tampa in February 2007.

in policy formulation designed and directed to assure Florida's economic growth, security and sustainability.

HIGHLIGHTS FROM FISCAL 2006-2007 INCLUDE:

Economic Commentary

The monthly release of CCF *Economic Commentary*, authored by Florida TaxWatch Senior Research Fellow Dr. Steven Morrell and generously sponsored by Washington Mutual, continues to be well-received. Dr. Morrell's vast economic, industry, and Florida-specific

knowledge shared through his unique blend of witticism and common sense have created a strong readership of his scientific perspectives on Florida's economy and fiscal, demographic and economic trends. Each of this year's monthly editions is summarized in the Research section of this Annual Report beginning on page 8.

"Florida's Tipping Point: Balancing Economic and Physical Security Post 9/11", Visa and Immigration Policy Summit

CCF's publication of the initial

"Florida's taxpayers have a friend in Florida TaxWatch, which has worked to ensure good government during its 28 years in existence. I share your goals of fair, accountable and honest government for all of Florida's citizens."

— Marco Rubio, Speaker, Florida House of Representatives

“Termites in Florida’s Basement: The Economic Impact of National Policy on Florida’s Economy” identified a visa problem hampering Florida’s efforts to bring members of the international intellect and workforce into the state and the nation. This initial research led to a statewide immigration summit titled, “Florida’s Tipping Point: Balancing Economic and Physical Security Post 9/11”, which was held in Tampa Bay in February 2007. The “summit” brought national and statewide immigration and visa policy experts, business and industry leaders, academicians, economic development representatives and others from organizations across the country together to identify current visa policy issues, define current legislation and implementation demands, and rally participant input on how these issues are affecting Florida taxpayers and our economy. The summit not only gave Floridians a greater understanding of the national scope of immigration and pending congressional options, it provided an opportunity for these national and international subject matter experts to learn Florida nuances thereby giving Florida a strong voice in the national debate. An immediate outgrowth of the summit, was the formation of the Florida Employers for Immigration and Visa Reform (FEIVR) an independent coalition of citizens and businesses. FEIVR was created to voice Florida’s concerns and share with their congressional delegation the real life human, financial and policy impacts that Florida’s businesses and taxpayers were experiencing due to federal policies. After the immigration summit and then participating as an education and awareness member of FEIVR, CCF released “Florida at the Tipping Point,” published in June, just as the immigration debate heated up in Congress. This indepth look at Florida’s economy since 9/11, according to the report, summarized on page 14, revealed a startling economic loss of more than \$50 billion dollars to Florida’s economy in international tourism, healthcare, higher education

and foreign direct investment, due to overreaching federal immigration and visa policies. CCF Executive Director Victoria Zepp participated in a conference call with U.S. Commerce Secretary Carlos Gutierrez on the negative impacts to tourism depicted in the CCF report.

Tourism

The Center for Tourism is now part of CCF. Tourism and competitiveness go hand in hand in Florida’s economy, therefore the two centers became one at the beginning of the year. The boards have also merged, bringing greater industry representation to the CCF Advisory Board. In March 2007, a report issued by the Florida TaxWatch Center for Tourism, “Florida Needs a Better Method to Estimate Tourism’s Economic Impact,” recommended that the state adopt the Tourism Satellite Account method to more accurately measure the full impact of tourism expenditures on the state’s economy. The report was used as testimony before the legislature in the 2007 session.

FUTURE FOCUS:

The Florida Council for Economic Advisers

This elite group of prominent scholars and professionals of national repute will be tasked with providing insight and guidance on key economic, fiscal, tax and spending issues to the legislature, the Governor and the cabinet. The group will be comprised of individuals with specific expertise in public policy analysis and evaluation expertise, chosen from around Florida to ensure statewide representation.

Telecommunications

The telecommunications industry is still undergoing a historic transformation. Legacy organizations and new market entrants constantly introduce new technologies into the marketplace, which is a positive for Florida taxpayers. Through bundling and new technological advancements, services are becoming

Florida TaxWatch-CCF Advisory Board

Mr. John Zumwalt, III
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Vice President, Finance & CFO
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Former Secretary of State

Mr. Robert Hudson
(Retired)
President & CEO
AvMed Health Plans

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Vice President of Public Affairs
Walt Disney World Co.

Mr. David McIntosh
Chairman
Bluefield Ranch
Mitigation
Bank Trust

Mr. David Smith
Chairman, President & CEO
PSS World Medical

ever more integrated every day. The marketplace is a proverbial Wild West for new entrants. But regulations governing the industry are asymmetrical and providers agree that regulation must be changed. CCF plans to explore what, when and how changes should be made to promote competition while continuing to look out for the Florida taxpayer.

Centers of Excellence

Florida TaxWatch Center for Educational Performance and Accountability

The Florida TaxWatch Center for Educational Performance and Accountability (CEPA) was formed in acknowledgement of two key realities: the growing portion of education funding in the state budget, currently at 33.7% and climbing, and of the profound fiscal and economic impact that quality PreK-20 education has on Florida's competitiveness, both nationally and internationally. CEPA conducts research, issues publications, and engages in meaningful actions to promote exemplary student achievement within a cost effective environment.

CEPA is brought to life through the critically important engagement of the volunteer leadership of Chairman David Mann and the CEPA Advisory Board. Together with the staff of Florida TaxWatch-CEPA, these distinguished Floridians—civic, business, and education leaders from across our beautiful and diverse state—bring clarity, relevance and action to the research. Betty Coxe serves as CEPA Executive Director.

CEPA has been engaged this year in activities to promote statewide elevation of PreK-20 student achievement while protecting taxpayer value. These critical research contributions and actions have been made possible through the generosity of CEPA's outstanding supporters, and the input and leadership of its distinguished volunteer Advisory Board.

The CEPA Advisory Board established ten key policy issues for continued attention through 2008. These priority issues hold genuine promise for authentic improvement.

CEPA Priorities 2006-2008

1. Strengthen the Voluntary Pre-Kindergarten Program (VPK) available to all four-year olds in Florida.
2. Dramatically enhance programs and services for students with disabilities and for students with at-risk indicators, including juvenile offenders.
3. Scale up applied learning and other workforce education programs to better meet the needs of students and the state.
4. Concentrate on PreK-12 teacher recruitment, retention and career development.
5. Develop and recruit exemplary school principals.
6. Seek better alignment between Florida's A+ Plan for Education and the federal No Child Left Behind Act (NCLB).
7. Require real accountability from the state's universities.
8. Fund PreK-20 at a reasonable level, and impose safeguards that assure wise and effective expenditures.
9. Ensure that PreK-20 governance models are effective and accurately reflect and support the state's accountability system.
10. Assure that the principle of competition is embedded throughout the PreK-20 educational system, affording students and their families authentic choices.

Policy Influence:

CEPA's agenda includes a crucial focus on legislative issues as they pertain to education policy in the state within the broader context of assuring a high quality and accountable education system. Weekly commentary on major legislation was shared through the Florida TaxWatch E-Communiqué, Budget Watch, and *Eyes on Education* communications in an effort to comment on and track the status of major education bills and budget development.

Applied Research:

▲ **Charter School Standards** - School choice is important to Florida families. Parents want their children to thrive in their educational settings, and

often that means a school placement different from the designated school attendance zone. Charter schools are one such option. As this movement continues to grow in Florida, it is vital that appropriate mechanisms be in place to guarantee quality and accountability for the taxpayers' investment. Thus, in consultation with MGT of America, CEPA has been involved in extensive efforts related to the state's charter school program.

▲ **Florida Virtual School Evaluation** - In this report, Florida TaxWatch examines the viability of the Florida Virtual School — an on-line educational program that uses the Internet to provide course instruction to middle and high school students — as a

credible alternative to traditional schooling as regards both student achievement outcomes and cost-effectiveness. Florida Virtual School earned high marks in both. (Summarized on page 17.)

- ▲ **School Leadership Project** - Research continues to support that school principals can make a dramatic difference in the learning outcomes of students. Even so, the State has no specific program to offer a bonus to the brightest and best. CEPA, in partnership with the Council for Educational Change, has designed a program strategy to create this new opportunity.
- ▲ **Pre-Kindergarten Education** - Early learning remains a premiere issue for

CEPA. It is imperative that attention continues to be drawn to the benefits of early learning programs—including high quality Voluntary Pre-kindergarten—to Florida’s future economic growth and prosperity. Earlier this year, CEPA released a citizen education document aimed at addressing the question of whether Florida has the capacity to meet a goal of having a degreed teacher in each Pre-Kindergarten classroom.

Citizen Education:

Information about a wide array of education topics was shared throughout the year with the Advisory Board of CEPA and its partners, as well as the Executive Committee and Board of Trustees of Florida TaxWatch, and important statewide entities including the Taxation and Budget Reform Commission.

The piece was highlighted at a statewide press conference, where the need for highly qualified teachers in this most critical phase of a child’s educational experience was embraced by state leadership, notably: Alex Sink, Florida’s CFO, and Governor Charlie Crist. These leadership endorsements bode well for future enhancements in the state’s early learning programs.

Collaborative Outreach:

Because of numerous statewide leadership changes, outreach activities this year were considerable. These have included meetings/calls/emails with many people and organizations across the state in order to ensure continuity in CEPA messaging, and to serve as a trusted and knowledgeable constructive resource to Florida’s policy makers to the benefit of Florida’s taxpayers. These critical partnerships will continue to figure prominently in Florida TaxWatch CEPA activities.

The Year Ahead

The CEPA mission of increasing PreK-20 student achievement within a cost-effective platform makes intuitive sense but will not automatically be

Florida TaxWatch-CEPA Advisory Board Members

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Executive Director Betty Coxé	Charlie Gray GrayRobinson, P.A.	Charles J. Rehwinkel
Mike Jennings Chairman, Florida TaxWatch Prudential Financial	David Griffin David Griffin Consulting	Crisha Scolaro Pepin Academy
Kathy Adams MediaReach Public Relations	Robert Haag Florida Consortium of Charter Schools	Dr. Fred Seamon MGT of America
Hoyt R. “Barney” Barnett Publix Super Markets	Viann Hardy Maximus	The Honorable Harry Shorstein State Attorney, Fourth Judicial Circuit
Carol Barnett Publix Super Markets Charities	The Honorable Heather Fiorentino Pasco County Public Schools	Theresa Stahlman Duval County Schools
Dr. Tom Blomberg Florida State University	Dwayne Ingram IBM	Lyn Stanfield Apple
President Frank Brogan Florida Atlantic University	Michael Kooi Florida Consortium of Charter Schools	Lloyd “Buddy” Turman Florida Institute of CPAs
The Honorable Nancy Broner Duval County School Board	Suzanne Martin ACS Government Solutions	Steve Uhlfelder Uhlfelder & Associates, P.A.
Dominic M. Calabro Florida TaxWatch	Martin Miller Miller Consulting Group	Dr. Steven Wallace Florida Community College Jacksonville
Roger Carlton	Joan Minnis Pinellas County Schools	Jim Warford Florida Association of School Administrators
Linda Dampier Osceola Middle School	Bill Montford Florida Association of District School Superintendents	Ben West 22Squared, Inc.
Frank Darden Darden Consulting	Jon Moyle, Jr. Moyle, Flanigan, Katz, Raymond & Sheehan	Joanna Wragg Wragg & Casas Public Relations, Inc.
Dr. Allison DeFoor EarthBalance	Sandra Murman Former Member, House of Representatives	Julie Young Florida Virtual School, Orlando
Steve Evans Florida TaxWatch	Van Poole Dutko Worldwide	Dr. Dhyana Ziegler Florida A & M University
T. Willard Fair Urban League of Greater Miami, Inc.		

CEPA work is made possible through the outstanding contributions of the following sponsors, all of whom share a keen interest in improving the educational outcomes in our state toward enhancing the lives and livelihoods of all of Florida’s taxpayers.

Chartrand Foundation
Darden Restaurants Foundation
IBM
Publix Super Markets Charities
Wachovia Foundation

State Farm Companies
SunTrust Banks of FL Foundation
Progress Energy
Verizon Foundation
Washington Mutual Foundation

translated into policy refinements. The CEPA core concept that both funding and research-based expenditure decisions are important in getting good education results will not necessarily find a statewide spotlight without a venue. It is crucial to ensure that the CEPA research and activities continue to provoke a thoughtful dialogue among those who are positioned to alter policy, especially those new to

state and local leadership.

In part, student achievement in Florida is on the rise, and the state’s accountability “A+ Plan” has had a good effect. But the progress is much too slow. Florida absolutely must increase its pace of student learning in order to fulfill the promise of the children who are in school today and those who will enter tomorrow.

"2005-2010 Strategic Plan" Progress Report Highlights

Three years ago, in conjunction with the 25th Anniversary of Florida TaxWatch, a working team of the Board of Trustees and staff underwent an initiative resulting in a 5-year strategic plan.

The group developed a vision statement, identified core organizational values, and solidly recommitted to the mission of Florida TaxWatch. Under the Board leadership, six focused subcommittees concentrated on creating goals, objectives, and a 12-month action plan for each of six areas.

Today, the "2005-2010 Strategic Plan" is a living and evolving effort to ensure productive and effective operations with direct accountability to the benefit of the taxpayers of Florida. We are pleased to share a summary of the highlights from the past year, "year three," and look forward to the challenges and resulting accomplishments of the year ahead.

ACCOMPLISHMENTS FROM YEAR 3 (FY 2006-2007)

Research/Centers of Excellence

- ▲ Research and engagement with other groups prompted Florida voters to successfully raise the bar to amend or revise the state constitution; now requiring 3/5ths or 60% approval to change the constitution
- ▲ Increased strategic engagement and proactive guidance with statewide constitutional and statutory commissions: Taxation and Budget Reform Commission/Council for Efficient Government
- ▲ Integrated Grants with the Research Program for strongest revenue performance ever, increasing 54% year to year
- ▲ Strong pipeline of grants and projects heading into the new fiscal year (up to \$650,000 of a \$800,000 budget)
- ▲ Center for Competitive Florida (CCF): Increased state and national visibility and leadership through research

and Summit on Post-9/11 Visa and Immigration Policy

- ▲ Center for Educational Performance and Accountability (CEPA): Conducted research spanning critical statewide taxpayer concerns, including early learning, charter school accountability, and the Florida Virtual School

VISION: To be Florida taxpayers' best friend

MISSION: To provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida government

VALUES: Integrity, Productivity, Accountability, Independence, Quality Research

Marketing/Communications

- ▲ Proactive statewide issue leadership on tax reform and state and local government spending
- ▲ Transitioned to a new full-time Senior VP for Marketing and Membership and a Full-time Communications Director
- ▲ Provided a "go-to" comprehensive property tax webpage for Florida taxpayers to answer their critical questions and concerns
- ▲ Created an outreach to encourage partnerships with other taxpayer organizations, local governments, and citizens through our Center for Local Government Studies
- ▲ Well over 730 mentions in Florida print media, increasing TaxWatch's visibility by more than a third

Membership

- ▲ Achieved membership retention rate of 95% for FY 2006-2007
- ▲ Increased retention revenue year to

year by 9%

- ▲ Welcomed 75 new members who joined Florida TaxWatch!
- ▲ Implemented comprehensive membership database
- ▲ Successful statewide outreach and board and membership engagement through eight regional meetings in Tallahassee, West Palm Beach, Fort Lauderdale, Miami, Bonita Springs, Tampa, Orlando, and Jacksonville

Operations

- ▲ Completed building renovations and repairs substantially under budget (\$170,000 vs. \$300,000 budgeted)
- ▲ Developed and implemented membership and research databases in-house
- ▲ Updated all technology with robust server platforms, firewalls, and increased security

Financial

- ▲ Operating revenue exceeded operating expense by 38%
- ▲ Completed satisfactory audit with no required Management Letter
- ▲ Balanced financial performance quarter to quarter
- ▲ Retired line of credit in full, while retaining an available and unused credit line of \$500,000

Prudential Financial-Davis

Productivity Awards

- ▲ Maintained sponsorship level while reducing expenses by 4%
- ▲ Executed more efficient and effective kickoff ceremony and regional luncheons
- ▲ Developed and Implemented Phase 1 of Online Nominations System
- ▲ Increased visibility of "Adaptable Achievements" through Governor and CFO-Supported Press Conference and the Council for Efficient Government

Florida TaxWatch Professional Team



Left to right: Senior VP for Research and Development Kaye Kendrick, CPA; President and CEO Dominic M. Calabro and Office Manager Patrice Saucier

Prudential Financial Davis Productivity Awards Executive Director Clarissa Dunlap and Grants Director and Research Analyst Deborah Harris



Prudential Financial Davis Productivity Awards Assistant Diana Calabro, Center for Competitive Florida Executive Director Victoria Zepp and Erin Choy, Assistant to the President and CEO

MIS Director Sean Burnside, Center for Educational Performance and Accountability Executive Director Betty Coxe; Senior Vice President for Marketing and Membership Harvey Bennett and Communications Director Kim MacQueen



Director of Tax Policy Kurt Wenner; Research Analyst Ben Browning; Chief Operating Officer Steve Evans; Research Analyst Robert Weissert, Esq.; Senior Research Analyst Dave Davis and Senior Research Analyst Necati Aydin. Not pictured: CEPA Consultants Ouida Ashworth and Mike O'Farrell; Interns Bruce McDonald III and Stephanie Rivera

Member Involvement Through Regional Meetings

Regional Board Leaders

Tallahassee
Charles Rehwinkel, Embarq

West Palm Beach
Dave McIntosh, MitBank and Mike
Mitrione, Gunster Yoakley

Fort Lauderdale
Ralph Marrinson, the Marrinson Group

Miami
Marshall Criser III, AT&T

Naples
David Hart, WCI Communities

Tampa
Andrew Krusen, Dominion Financial
Group

Orlando
Marty Rubin, Smart City Telecom

Jacksonville
Michael Jennings, Prudential Financial

Florida TaxWatch members represent some of the most creative business and civic minds in our beautiful and diverse state. Your membership in Florida TaxWatch empowers you and Florida's taxpayers to take your ideas and, at times, your frustrations about government and channel them into constructive action.

At Florida TaxWatch, the Board leadership and staff work directly with the membership to emphasize and encourage critical partnerships and interact on the research results, progress,

challenges, and emerging issues.

"Regional Membership Meetings," held in eight major areas of Florida each year, help brief members on key issues facing them, their families and businesses—from the legislature and elsewhere in state government—as well as to provide a forum for members to voice their concerns about local and state issues and explore how Florida TaxWatch can help. These regional meetings have been enthusiastically received by the membership and the locally elected officials we invite to take part as our guests.

"TaxWatch Task Forces," made up of interested membership and key research associates, have played an important role in upholding our motto of "research that gets results!" From the elimination of the Intangibles Tax to the repeal of the Substitute Communications Tax, where there's an important issue, there's a TaxWatch task force posing the right questions and expanding the reach of the organization.

We hope that you have enjoyed these sessions as much as we have. We have appreciated every opportunity to come into your communities, to tap into the wealth of talent of our supporters and volunteers, and to brainstorm together on the opportunities ahead.



We wish to extend our deepest thanks to the outstanding volunteers who have led and participated in these meetings. We look forward to seeing you in the year ahead in your region, and to working together to ensure the health and prosperity of our state to the benefit of all of Florida's taxpayers.

We extend a special "Thank You" to our Regional Board Leaders and gracious hosts from the past year (noted at left).

The next year will be both very exciting and challenging for our state and local leaders, and taxpaying citizens and businesses. There is no organization which is better suited or positioned for this important task than Florida TaxWatch and whose guidance and assistance the taxpayers of Florida have rightfully come to expect.

Scenes from this year's Florida TaxWatch Regional meetings in Jacksonville, Bonita Springs and West Palm Beach



Why Join Florida TaxWatch?

Credible Reputation

Florida TaxWatch is **your eyes and ears** for fiscal accountability throughout Florida. Since 1979, Florida TaxWatch has been watching how your tax dollars are raised and spent. Florida TaxWatch consistently finds new ways to promote and encourage government efficiency and waste.

Florida TaxWatch is a statewide, **non-profit, non-partisan research institute** supported by voluntary, tax-deductible membership contributions and philanthropic grants. All types of taxpayers – homeowners, small businesses, corporations, professional firms, labor unions, associations, individuals, and philanthropic foundations benefit from membership in Florida TaxWatch.

Florida TaxWatch is one of a kind – the only statewide organization developing independent research products that build government efficiency, promote sound statewide tax-and-spend practices, and create fiscal policies that make a valuable difference for Florida taxpayers.

Florida TaxWatch is a credible and relevant **watchdog that contributes to your household or business bottom line by stopping unnecessary taxes and making sure those taxes we have are fair and equitable.**

What Makes Florida TaxWatch Unique

Independent: By advocating in the public taxpayer interest, not for a particular individual, group, or economic sector, TaxWatch research brings credibility and thus influence to issues other groups or individuals cannot.

Public Servant: TaxWatch helps the public by taking positions based on its independent research findings, regardless of popularity or expediency.

Historical Context: TaxWatch has a historical understanding of government, public policy issues, and the battles fought in the past necessary to structure effective solutions for the future. We frame the public debate going forward.

Empowerment: TaxWatch empowers you by your membership, taking your suggestions and frustration over government and channeling it into constructive action.

Research that Gets Results

During the first two decades of Florida TaxWatch, policy makers and government employees have implemented three-fourths of TaxWatch cost-saving recommendations, **saving taxpayers more than \$6.2 billion** – approximately \$1,067 in added value for every Florida family.

Your fully **tax-deductible membership** contribution to Florida TaxWatch will make you a partner in our efforts to directly impact state laws, constitutional amendments, budgets, and government programs.

Your Florida TaxWatch membership also gives you **direct access to relevant statewide issues** through a subscription to all Florida TaxWatch publications, including our influential yearly reports, exclusive Economic Commentaries, and electronic alerts on developments we track at the Capitol.

Join us today in protecting your taxpayer dollars and your economic future, ensuring Florida's continued competitiveness in the growing global economy. For membership information and sponsorship opportunities, please contact Harvey Bennett at 850-222-5052, ext. 16 or hbennett@FloridaTaxWatch.org

“These Florida TaxWatch reports provide the reason for legislators to do the right thing so they can say ‘I voted this way because TaxWatch made the case.’”

– Wogie Badcock, Executive VP, Badcock Furniture



JEFF KOTTKAMP
L.T. GOVERNOR

STATE OF FLORIDA

Office of the Lieutenant Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

www.flgov.com
850-488-4711
850-921-6114 fax

November 2007

Dear Friends,

As chair of the Prudential-Financial Davis Productivity Awards, I have long admired this unique public-private partnership program that recognizes the creativity and initiative of our state employees. I am proud of Florida TaxWatch for recognizing employees who promote wise innovations, accountability and fiscal responsibility.

Thank you for keeping this program alive and well. It is an outstanding example of how Florida TaxWatch contributes to a smart, efficient state government that is accountable to all Florida taxpayers.

Sincerely,

A handwritten signature in black ink that reads "Jeff Kottkamp".

Jeff Kottkamp
Lieutenant Governor

JK/psh



BILL NELSON
UNITED STATES SENATOR
FLORIDA

October 18, 2007

Dear Friends,

Floridians deserve a government that uses their tax dollars efficiently and effectively – principals to which both Florida Tax Watch and I are committed. Government must be held accountable to taxpayers, and I look forward to working with Florida Tax Watch to help achieve this goal.

Congratulations on your 28th annual report!

Sincerely

A handwritten signature in black ink that reads "Bill Nelson". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

MEL MARTINEZ
FLORIDA
(202) 224-3041

United States Senate
WASHINGTON, DC 20510-0906

COMMITTEES:
ARMED SERVICES
ENERGY AND NATURAL RESOURCES
SPECIAL COMMITTEE ON AGING
BANKING, HOUSING, AND
URBAN AFFAIRS

October 19, 2007

Florida Tax Watch
106 North Bronough Street
Tallahassee, Florida 32301

Dear Friends:

It is with pleasure that I once again commend Florida Tax Watch for another year of outstanding service to the citizens of the Sunshine State.

Like you, I believe that we must insist on accountability in spending. With the help of this fine organization, Floridians are kept apprised of quality research concerning the fiscal outlook of the state. We owe it to our children and grandchildren to spend taxpayer dollars responsibly. Florida Tax Watch is a helpful partner with state lawmakers against government waste.

I thank you for your service and wish you success in the future.

Sincerely,



Mel Martinez
United States Senator



CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

ALEX SINK

October 26, 2007

Florida TaxWatch
106 North Bronough Street
Tallahassee, Florida 32301

Dear Friends, 😊

As a former Vice Chair of Florida TaxWatch, I am particularly honored to congratulate you on your 28th annual report!

As the state's Chief Financial Officer, it is my goal to help Florida government improve our contracting and accounting practices. As allies in our fiscal accountability efforts, Florida TaxWatch is to be commended for its work over the past 28 years to increase government efficiency and improve customer service for all Floridians.

Again, congratulations and best of luck for another successful year!

Sincerely,

A handwritten signature in cursive script that reads "Alex".

Alex Sink

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 man
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.*

Words of Appreciation and Encouragement

Florida TaxWatch's presence in our state ensures a more sound public policy and greater government productivity and accountability which improves the quality of life for all Floridians and visitors to our state.

— Governor Jeb Bush



Florida TaxWatch has long been a leader in bringing spending efficiencies to government, with a track record of success.

— Pensacola News-Journal Editorial
7/24/07



Now more than ever, government needs a responsible partner to offer sound policy recommendations and productivity enhancements. Florida TaxWatch is that entrusted friend of taxpayers, carefully watching that our citizens' hard-earned dollars are put to good use."

— Former U.S. Senator and Governor Bob Graham

I want to thank TaxWatch for helping get rid of the intangibles tax. That was a good day's work.

— TaxWatch member Herb Peyton,
President, Gate Petroleum



Money does not solve problems. People solve problems, but money is a necessary lubricant. Too much money may even make problems worse.

— TaxWatch Founder J.E. Davis



Florida TaxWatch recognizes there is no shortage of smart, dedicated public employees working to make government as efficient as possible.

— The Tampa Tribune



Florida TaxWatch flagged the unfairness of Save Our Homes back in 1992.

— St. Petersburg Times

Keep up the good work. I am confident that all Floridians will continue to benefit from your objective and reliable research.

— Former House Speaker and Taxation and Budget Reform Commission Chair Allan Bense



Government must be held accountable to taxpayers, and the work of Florida TaxWatch helps achieve this goal.

— Senator Bill Nelson



The hard work and dedication of Florida TaxWatch has helped to shape responsible fiscal and public policy in our state.

— Senator Mel Martinez



Florida TaxWatch's accomplishments and contributions have been invaluable to all Floridians.

— Governor Bob Martinez





*Improving Taxpayer Value,
Citizen Understanding and Government Accountability*

106 N. BRONOUGH STREET (32301)

P.O. BOX 10209 (32302)

TALLAHASSEE, FLORIDA

www.FloridaTaxWatch.org

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