
Research Report

December 2006



106 N. Bronough St. ♦ P.O. Box 10209 ♦ Tallahassee, FL 32302 ♦ (850) 222-5052 ♦ FAX (850) 222-7476

This report was initially released electronically before being printed in hardcopy format

Making Florida's Latest Government Accountability Law Work for Improved Performance and Taxpayer Value

Successful Implementation of 2006 "Sunset Act" Requires Special Legislative Diligence



The 2006 Legislature approved the Florida Government Accountability Act, the latest in a series of initiatives enacted over the past three decades to improve the efficiency and effectiveness of Florida state government. The 2006 act establishes a Sunset process for state agencies, which automatically terminates agencies and advisory bodies on a certain date unless reauthorized.¹

Beginning in 2007, the new law directs agencies under "sunset review" to provide a Joint Legislative Sunset Advisory Committee with their three-year successes and failures in meeting performance measures, and the extent to which improvement recommendations by legislative offices and committees have been implemented and deficiencies corrected.² Another provision requires agencies' annual budget requests to include performance measures and standards for each agency activity, and development of a methodology to compute the costs of these activities and associated units of output. This provision, which distinguishes Florida from other states' sunset laws, can enhance agency self-examination and accountability, legislative oversight, and public education.³

This Florida TaxWatch *Research Report* summarizes the 2006 Florida Government Accountability Act, compares Florida's new and previous sunset laws, summarizes government accountability lessons learned, and suggests ways to effectively implement Florida's new law.

This material will be provided for consideration by the 2007 Taxation and Budget Reform Commission and the Government Efficiency Commission, approved by voters on November 7, 2006, as part of a state planning and budget process constitutional amendment.

Sunset laws provide that a state agency, board, or advisory body will cease to exist after a fixed period of time unless the legislature reenacts its statutory charter. Sunset should be coordinated with other accountability mechanisms, such as post-audit, program budgeting, and the appropriations review process.⁴

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

Sunset in U.S. History

Sunset requirements have appeared throughout U.S. history, beginning with the Sedition Act of 1798. Used to protect President John Adams from public criticism while suppressing opposition, it terminated at the end of his term of office so his successor could not use it.

The idea for a sunset-type approach to legislative oversight is credited to former Supreme Court Justice William O. Douglas, who, as head of the Securities and Exchange Commission, proposed a 10-year lifespan for federal regulatory agencies. “The great creative work of a federal agency must be done in the first decade of its existence if it is to be done at all. After that it is likely to become a prisoner of the bureaucracy.”⁵

In the 1970s, sunset was proposed as a way of shaking up stagnant government bureaucracies beholden to special interests. The objective was less to make agencies disappear than to use a termination date to achieve the "guillotine effect" of legislative oversight and agency reform.⁶ Advocates of sunset believed that the threat of termination would assure more cooperation by agencies when requested to furnish records, and be more forthcoming during legislative oversight hearings.

Escalation of budgets, and a perception that bureaucracy was not accountable, prompted more than two-thirds of state legislatures, beginning with Colorado in 1976, to enact sunset laws to increase legislative oversight and eliminate outmoded or duplicative programs. Interestingly, the Colorado chapter of Common Cause promoted sunset legislation that incorporated provisions that emulated Florida’s groundbreaking sunshine, or open meetings, law.

Sunset laws have produced mixed results during the past three decades. While legislative oversight generally has increased in other more traditional forms, such as legislative branch performance auditing and program evaluation, relatively few agencies have been terminated nationwide. At least 15 states have repealed or deactivated the sunset process, largely because of the expense, and because legislators have viewed sunset reviews as one of their most demanding and least rewarding tasks.⁷ The process requires extraordinary preparation, attendance, and active listening during numerous oversight hearings concerning relatively mundane topics, such as field office locations and advantages of economies of scale.

I thought at the time [1976] that without constant vigilance from outside of government, pressure to ask the toughest questions, and demand conscientious oversight, that sunset would not work. The concept is good but its practice is very tough.

*Craig Barnes, Colorado Common Cause, who coined the term “sunset”*⁸

Florida's Sunset Review History⁹

In 1976, the Regulatory Reform Act established criteria for the Legislature to consider in determining whether to reestablish state programs or functions regulating professions and businesses. This Act was amended through a Sundown amendment in 1978, which prohibited boards, committees, commissions, and councils from being established for more than six years, required the Legislature to determine whether these bodies should be continued, and repealed those that had not met since 1975.

In 1981, the Regulatory Reform Act was renamed the Regulatory Sunset Act. It required the Legislature's substantive committees to review programs and functions prior to dates set for their repeal, and to recommend continuation, modification, or termination. The Regulatory Sunset Act was amended in 1982 to provide review criteria for the Legislature to determine whether to reestablish an advisory body, commission, or board of trustees.

In 1992, following two critical evaluations by the Senate Government Operations Committee, the Sunset and Sundown Acts were repealed. A 1988 study by the Senate Committee on Government Operations identified high costs associated with these reviews and benefits that were difficult to quantify. A 1991 study by the same Committee found that between 1977 and 1991, 20 regulatory laws and 90 advisory bodies had been repealed, while 50 regulatory laws and 150 advisory bodies had been created. This study concluded that the 1976 and 1978 Acts:

- 1) provided a useful legislative oversight mechanism, but review costs were high,
- 2) substantive results of initial reviews were more notable than second and subsequent reviews, and
- 3) the time required to conduct reviews reduced legislative staff's general oversight of executive agencies and statutes that govern them.¹⁰

New Sunset Review Process

In November 2005, then Speaker of the House Allan Bense, current speaker Marco Rubio, and the designated successor, Ray Sansom, proposed a new government accountability act requiring that every eight years state agencies need to convince the Legislature they should continue to exist. Speaker Bense stated that agencies needed to do more self-questioning of whether they are fulfilling their missions and doing what the people want them to do.

The 2006 Florida Government Accountability Act establishes the process, criteria, and schedule for the Legislature to assess whether a state agency or advisory committee needs to continue to exist. The Act provides for creation of a Legislative Sunset Advisory Committee and requires reports and assistance from state agencies and the Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA). Using these reports and other information, the Committee must produce a report that includes a recommendation to abolish, continue, or reorganize an agency under review.

The legislation establishes criteria that the Committee should consider in determining the public need to continue a state agency or its advisory bodies. These criteria include issues relating to the efficiency and effectiveness of programs and activities in achieving objectives, and compliance with various state and federal requirements. In addition, the Committee is required to identify and evaluate activities not specifically authorized in statute, or activities that overlap or duplicate activities performed by other agencies. Finally, the Committee is required to consider the accuracy of agency accountability measures and impacts on federal funding if the agency were to be abolished. A complete listing of criteria that the Committee is required to consider is provided in Appendix A.

The first sunset review cycle is scheduled to begin in January 2007 and be completed by July 1, 2008. The legislation established numerous milestones for the Committee, state agencies, and OPPAGA during each Sunset review cycle. For example, agencies designated for the first review cycle are required to submit required information by January 1, 2007. OPPAGA is required to submit its justification review and program evaluation to the Committee by October 1, 2007. The Committee will then use this information to develop a report on each designated agency for the Legislature by March 1, 2008. An agency will be abolished by June 30, 2008 unless the Legislature, by law, continues its existence for a period not to exceed eight years. Appendix B provides a schedule for abolishing state agencies and advisory committees.

Nationally, those who have seen sunset primarily as a method for terminating state agencies, boards, and commissions have been disappointed. Those who view sunset as a legislative oversight mechanism that improves performance and accountability, and produces some financial savings to taxpayers, generally have been pleased.¹¹

What Can Be Learned From Implementation of *PB*²?

With prompting from Florida TaxWatch and a proposal from the Florida Taxation and Budget Reform Commission, a November 1992 constitutional amendment approved by 83% of the voters required Florida government agencies to implement performance measurement and accountability programs. In response, Florida TaxWatch further prompted the 1994 Legislature to pass the Government Performance and Accountability Act implemented performance-based program budgeting (*PB*² - pronounced “PB squared”), whose key purposes were to provide a means to prioritize agency functions and help legislators and auditors determine how well funds are spent. *PB*² required that over a six-year period, all state agencies, plus selected offices of the legislative and judicial branches, develop performance-based budgets that include quantitative or qualitative measures to assess state agency performance.¹²

In addition, *PB*² directed the Legislature’s Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct a justification review of each program during its second year of operating under a performance-based program budget. These justification reviews included a review of agency performance measures, an evaluation of program performance, and identification of policy alternatives for improving services and reducing costs. In 2003, OPPAGA reported that as a result of these justification reviews and other similar performance

evaluations, recommendations with a potential annual impact of \$1.5 billion had been made, of which \$443 million had been implemented.¹³

Experience gained from the 1994 Government Performance and Accountability Act over the past 12 years can be instructive in successfully implementing the 2006 Florida Government Accountability Act. Specifically, the information provided from agency performance measures could be more useful if it were more closely aligned to agency activity costs and the legislative budgeting process. In many instances, performance measures and standards developed under *PB*² could not be connected to the cost of specific activities or corresponding outputs, which made it difficult to determine necessary funding levels to achieve tangible outputs that would help produce desired outcomes. In other words, the Legislature could not build a budget for some programs using the performance measures due to the existence of one or more of the following problems:

- Some programs did not measure all activities with associated outputs, so funding those measured activities would fail to fund such programs as a whole.
- The reported cost for measured activities often did not reflect the full cost of producing a unit of output. Consequently, funding shortfalls for measured activities would have occurred if based on the reported unit cost and the number of required outputs.
- The process of funding program results was largely an exercise of faith. Legislators could not invest funds with reasonable assurance of results, because programs could not gauge the impact of increases or decreases in program outputs on corresponding outcomes.

Also, the justification reviews conducted by OPPAGA focused only on the processes and activities performed by each program under review. This focus limited the identification of duplicative activities and processes performed by programs in other state agencies. For example, reviews of programs with permitting activities often did not include identification of similar activities performed by other agencies. Inclusion of similar activities that help achieve a common outcome (e.g., environmental protection) into the review process facilitates evaluation of the merits of consolidating these activities for identification of best practices among similar activities.

To address these deficiencies, the 2006 Florida Accountability Act requires that each legislatively-approved performance measure identify the associated activity(s) contributing to the measure. It also requires corresponding performance standards to be expressed in terms of the associated unit of output for the affected activity(s).¹⁴ In addition, the 2006 legislation directed that a recommended cost-allocation methodology for use in the computation of activity and unit costs be developed by December 31, 2006.¹⁵ The 2006 Florida Accountability Act also requires the Sunset Advisory Committee to make recommendations on the consolidation, transfer, or reorganization of activities within state agencies not under review when the activities duplicate functions performed in other agencies under review.

Elimination of unneeded, duplicate or low priority programs should be a standard operating procedure for all government operations.¹⁶

Conclusion

The 2006 Florida Government Accountability Act, which can be an important government improvement tool, is consistent with long-standing Florida TaxWatch recommendations. For example, a December 1986 report, *Building a Better Florida*, contained performance-based budgeting and performance accountability measurement and incentive proposals that were very similar to the ones recommended by Florida TaxWatch and, subsequently, enacted into law in the 1994 Government Accountability Act.

Florida TaxWatch cautions that good intentions, such as those leading to the passage of the 1994 Act, must be joined with a sustained commitment of time, interest, and consequential actions on the part of legislators in order to produce good decisions for Florida taxpayers. In addition to providing sufficient resources and backing to OPPAGA, this sustained commitment may also require allocations of resources among the other entities that provide state-level oversight. For example, the Florida Auditor General could be tasked to audit agency performance measures and program costs to provide assurances that the information used for calculations is valid and reliable, and that the associated cost allocation methodologies adhere to approved methodologies.

It should be noted that at least a dozen states have repealed or de-activated sunset laws. The principal reason appears to be that legislative commitment to the sunset process wanes due to:

- unfulfilled expectations of agency terminations, reducing the size of state government and/or saving money,
- the “wearing down” of lawmakers from intensive lobbying by vested interests,
- little political payoff for lawmakers from the hard work of sunset reviews and agency terminations, and
- sunset reviews being time consuming, diverting staff from other standing committee tasks, such as issue research and bill analysis.¹⁷

Sunset forced strategic termination decisions in a high stakes, politically-charged environment where the majority of stakeholders preferred no action at all. Advocates believed that sunset forced action by putting a statutory gun to the head of the legislature. In some states, the legislature has simply pushed the gun away.

Using sunset, state legislatures have imposed substantive and procedural modifications that increase effectiveness, efficiency, and accountability among agencies, boards, and commissions. Enhanced legislative understanding of agency needs and activities has been a valuable byproduct.¹⁸

Recommendations

To help ensure that the objectives of the 2006 Florida Government Accountability Act are achieved, we provide the following recommendations for consideration:

- The Government Efficiency Task Force should conduct a comprehensive review of the agency sunset process. On November 7, 2006, a constitutional amendment was passed that established this Task Force. Beginning in 2007, it is required to submit recommendations every four years to improve government performance and reduce costs. A review of the Agency Sunset review process by the 2011 task force can provide valuable information for the Legislature to determine how well the process is working and whether significant modifications to the process are warranted. To assist the Legislature in its determination, review of the agency sunset process should identify:
 - recommended cost savings, as well as the savings that were realized,
 - the impact on the level of indirect costs required to perform agency activities,
 - recommended changes in organizational structures that reduced the number of managerial levels,
 - activities that were eliminated and/or consolidated, and
 - improvements in performance measures used to correlate activity outputs to desired outcomes.
- The agency sunset process should use activities, as defined in agency Legislative Budget Requests (LBRs), to identify and evaluate similar functions performed by another agency. Use of activities identified in agency LBRs will facilitate any cost benefit analysis that may be necessary to determine whether duplicative functions should be consolidated, transferred, or terminated.
- Due to differences in agency objectives and reporting requirements, agencies may use different methodologies to compute their activity and unit costs. Regardless of the methodology chosen, it should be based on the relative benefit received and have the following characteristics:
 - Cost-effective – The benefits of information should exceed the costs of producing it, and be able to be produced on a timely basis. The Legislature should consider requiring agencies to use the state's new financial accounting system, ASPIRE, to record activity-based cost information.
 - Complete – All appropriated funds should be allocated among the identified activities. To avoid year-to-year distortions, the amount of non-recurring appropriations applied to the cost of each activity should be identified.

- Consistent – Definitions of activities and associated cost allocation methodologies should be documented. The Legislature should consider requiring agencies to submit descriptions of each identified activity and unit of output, as well as the methodology used to compute its cost, to the Department of Financial Services (DFS) for review and approval. DFS can serve as a statewide repository of all activity and cost accounting to help ensure that similar activities are uniformly defined and that the cost allocation methodology is documented to allow comparison of year-to-year performance and performance of similar activities among agencies.
 - Auditable – Program costs must be reconcilable to agency appropriations.
- Programs should be expected to demonstrate during sunset, through evidence, that there is a causal relationship between funding the program and achievement of results. Legislative appropriations should be a process of determining how much funding is necessary to produce a level of output sufficient to accomplish a desired outcome.
- We encourage the Legislature to act boldly and strategically, and to once and for all make our state fiscal policy as rational as possible. Programs should not be funded on tradition, conventionality, faith, or good intentions. Fiscal policy is inherently political and Florida TaxWatch is not suggesting substituting a mechanical formula approach. However, the Legislature should *use* information obtained from sunset. It should *invest for results*, much in the same way that private investors invest for the highest rate of return. For example, if two similar programs purport to “save lives”, and one program saves more lives at a lower cost, the higher cost program should be eliminated and its resources reallocated to the more effective program.

Appendix A

Sunset Advisory Committee

Agency Evaluation Criteria

- (1) Agency compliance with the accountability measures, as analyzed by the Auditor General, the Office of Program Policy Analysis and Government Accountability, and the Office of Policy and Budget within the Executive Office of the Governor, pursuant to ss. 216.013 and 216.023(4) and (5).
- (2) The efficiency with which the agency or advisory committee operates.
- (3) The statutory objectives of the agency or advisory committee and the problem or need that the agency or advisory committee is intended to address, the extent to which the objectives have been achieved, and any activities of the agency in addition to those granted by statute and the authority for these activities.
- (4) An assessment of less restrictive or alternative methods of providing any regulatory function for which the agency is responsible, while adequately protecting the public.
- (5) The extent to which the advisory committee is needed and used.
- (6) The extent to which the jurisdiction of the agency and programs administered by the agency overlap or duplicate those of other agencies, and the extent to which the programs administered by the agency can be consolidated with the programs of other state agencies.
- (7) Whether the agency has recommended to the Legislature statutory changes calculated to be of benefit to the public rather than to an occupation, business, or institution that the agency regulates.
- (8) The promptness and effectiveness with which the agency disposes of complaints concerning persons affected by the agency.
- (9) The extent to which the agency has encouraged participation by the public in making its rules and decisions, as opposed to participation solely by those it regulates and the extent to which the public participation has resulted in rules compatible with the objectives of the agency.
- (10) The extent to which the agency has complied with applicable requirements of state law and applicable rules of any state agency regarding purchasing goals and programs for historically underutilized businesses.
- (11) The extent to which changes are necessary in enabling statutes of the agency so that the agency can adequately comply with the criteria listed in this section.
- (12) The extent to which the agency adopts and enforces rules relating to potential conflicts of interest of its employees.

(13) The extent to which the agency complies with public records and public meetings requirements under chapters 119 and 287 and s. 24, Art. I of the State Constitution and follows records management practices that enable the agency to respond efficiently to requests for public information.

(14) The extent to which the agency accurately reports performance measures used to justify state spending on each of its activities, services, and programs.

(15) The effect of federal intervention or loss of federal funds if the agency is abolished.

(16) Whether any advisory committee or any other part of the agency exercises its powers and duties independently of the direct supervision of the agency head in violation of s. 6, Art. IV of the State Constitution.

Appendix B

Schedule of Agency and Advisory Committee Sunset Reviews

Abolished by July 1, 2008

Statutory responsibilities of the constitutional Fish and Wildlife Conservation Commission
Department of Agriculture and Consumer Services
Department of Citrus, including the Citrus Commission
Department of Environmental Protection
Department of Highway Safety and Motor Vehicles
Water management districts

Abolished by July 1, 2009

Department of Children and Family Services
Department of Community Affairs
Department of Management Services
Department of State

Abolished by July 1, 2010

Advisory committees for the Florida Community College System
Advisory committees for the State University System
Agency for Workforce Innovation
Department of Education
Department of the Lottery

Abolished by July 1, 2011

Agency for Health Care Administration
Agency for Persons with Disabilities
Department of Elderly Affairs
Department of Health

Abolished by July 1, 2012

Department of Business and Professional Regulation
Department of Transportation
Department of Veterans' Affairs

Abolished by July 1, 2013

Advisory committees for the State Board of Administration
Department of Financial Services, including the Financial Services Commission
Department of Revenue

Abolished by July 1, 2014

Department of Corrections
Department of Juvenile Justice
Department of Law Enforcement
Department of Legal Affairs
Justice Administrative Commission
Parole Commission

Abolished by July 1, 2015

Executive Office of the Governor
Florida Public Service Commission

Endnotes

¹ As specified in Chapter 21, F.S.

² Florida TaxWatch applauds this provision of the Act. Each year, the Legislature's Office of Program Policy and Government Accountability (OPPAGA), the Auditor General, and legislative committees conduct studies and interim projects that recommend government improvements and suggest millions of dollars' worth of cost-saving opportunities. For example, OPPAGA Report No. 03-32 (May 2003) stated that since its inception, OPPAGA had made recommendations with a potential annual impact for state agencies of \$1.5 billion. At that time, the estimated annual impact of OPPAGA recommendations that had been implemented was \$443 million. An upcoming TaxWatch report will address ways that the new Governor's administration, the Legislature, and agencies can capitalize on these and other cost-saving opportunities.

³ A working group of legislative and executive branch staff is developing instructions for agencies to compute activity and unit cost information required in legislative budget requests. The group's recommendations will be submitted to the Senate President and House Speaker by December 31, 2006.

⁴ "Sunset: Expectation and Experience", Doug Roederer and Patsy Palmer, Council of State Governments, 1981. Also, "The Status of Sunset in the States: A Common Cause Report", 1982. Florida appears to be one of the few states to statutorily join sunset review with the appropriations process.

⁵ "A Short History of Sunset Laws", by Chris Mooney, *Legal Affairs Magazine*, January -February, 2004; Also, A Common Law for the Age of Statutes, Professor Guido Calabresi, Yale University, 1982.

⁶ "Zero Base Sunset Review", by Anthony Licata, *Illinois Issues*, April 1977.

⁷ Ibid. Also, "Sunset: A Survey and Analysis of the State Experience", by Richard C. Kearney, *Public Administration Review*, January/February 1990. Professor Kearney wrote this article at the University of South Carolina. He is currently at North Carolina State University.

⁸ Email correspondence with Craig Barnes, October 12, 2006. Also, "Sunset: A Survey and Analysis of the State Experience", by Richard C. Kearney, *Public Administration Review*, January/February 1990.

⁹ House Governmental Operations Committee Staff Analysis of Committee Substitute for HB 1123; and Senate Governmental Oversight and Productivity Committee Staff Analysis of Committee Substitute for SB 2460, April 2006.

¹⁰ "A review of the Sunset and Sundown Laws in Florida," by staff of the Senate Committee on Government Operations, March 1988. Also, House Governmental Operations Committee Staff Analysis of Committee Substitute for HB 1123, April 2006.

¹¹ "Sunset: A Survey and Analysis of the State Experience", by Richard C. Kearney, *Public Administration Review*, January/February 1990. Also, "The Status of Sunset in the States: A Common Cause Report", 1982.

¹² The 1994 Government Performance and Accountability Act created the Office of Program Policy Analysis and Government Accountability (OPPAGA) within the legislative branch as a "nuts and bolts" unit to perform evaluations and justification reviews of state programs according to a schedule set by the Legislature. The reviews include the cost and purpose of agency programs; why an agency does or does not achieve projected results; whether the program could be administered more efficiently by another public or private entity; and the consequences of discontinuing the program.

OPPAGA has issued hundreds of reports and briefings on Florida government. It has worked with legislative committees, state agencies, and the Governor's Office to establish performance measures for state programs and then reported on performance using those measures. Thus, it is well suited to handle the work assigned by the 2006 Florida Government Accountability Act. Time will tell whether \$400,000 and five new positions authorized for

OPPAGA will be sufficient to complete the agency review schedule in Appendix B. The April 2006 Senate staff analysis on Committee Substitute for Senate Bill 2460 noted that from 1982 through 2005, the Texas Sunset Commission operated on an average annual budget of \$900,000 to \$1 million. The Commission's website lists 27 staff positions.

¹³ OPPAGA Report No. 03-32 (May 2003).

¹⁴ As specified in s. 216.013 *F.S.*

¹⁵ Specifically, as directed in Chapter 2006-145, *Laws of Florida*, a working group consisting of representatives from the Executive Office of the Governor, Office of Program Policy Analysis and Government Accountability, Auditor General, Department of Financial Services, and legislative appropriations committees was tasked to develop a cost-allocation methodology for agencies to use in the computation of activity and unit costs. The working group, in developing the cost-allocation methodology, was directed to consider the standards and guidelines identified in the Federal Office of Management and Budget Circular A-87. In addition, this working group was directed to recommend procedures to ensure that the recommended cost-allocation methodology produces auditable activity and unit cost information that can be produced currently by the state accounting system, and that can be used to compare the performance of each reported activity over time and of agencies and private entities that perform similar activities. The working group was directed to submit its recommendations, including the associated implementation and operating costs, to the Governor, President of the Senate, and Speaker of the House of Representatives by December 31, 2006.

¹⁶ "1994's Landmark Government Performance and Accountability Act: A Beginning for Taxpayer-Driven Reforms", Florida TaxWatch, December 1994.

¹⁷ Survey of states conducted by Robert Krell, Principal Management Auditor, Washington Joint Legislative Audit and Review Committee, for a 2001 panel discussion entitled "The Sunset Process: Still Effective After All These Years?", sponsored by the National Conference of State Legislatures, held in San Antonio, Texas. Also, Terminating Public Programs: An American Political Paradox, by Mark R. Daniels, with a Forward by Senator William V. Roth, Jr., M.E. Sharpe, Inc., New York, 1997. And "Sunset: A Survey and Analysis of the State Experience", by Richard C. Kearney, *Public Administration Review*, January/February 1990.

¹⁸ "Sunset Legislation and the Legislative Process in Tennessee", William Lyons and Patricia K. Freeman, *Legislative Studies Quarterly*, February 1982. Also, "Sunset Implementation: A Positive Partnership to Make Government Work," by Bruce Adams and Betsy Sherman, *Public Administration Review*, January/February 1978.

This Florida TaxWatch *Research Report* was written by
Dave Davis and Chuck Hefren, Senior Research Analysts,
with the assistance of
Becky Reese, Research & Communications Specialist, and Justin Boynton, Intern, Askew
School of Public Administration and Policy, Florida State University,
under the direction of John Turcotte, Senior Vice President for Research.

Michael A. Jennings, Chairman; Dominic M. Calabro, President, Publisher, and Editor;
Steve Evans, Chief Operating Officer

Florida TaxWatch Research Institute, Inc.
© Copyright Florida TaxWatch, December 2006

For a copy of this report, please call:
(850) 222-5052

OR

Write to Florida TaxWatch at: P.O. Box 10209
Tallahassee, FL 32302

OR

Access and download the report at:
www.FloridaTaxWatch.org, where this *Research Report* was
initially released before being printed in hardcopy format.

About Florida TaxWatch

Florida TaxWatch is a statewide, non-profit, non-partisan taxpayer research institute and government watchdog that over its 27 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is 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.

Florida TaxWatch's research recommends productivity enhancements and explains the statewide impact of economic and tax and spend policies and practices on citizens and businesses. Florida TaxWatch has worked diligently and effectively to help state government shape responsible fiscal and public policy that adds value and benefit to taxpayers.

This diligence has yielded impressive results: in its first two decades alone, policymakers and government employees implemented three-fourths of Florida TaxWatch's cost-saving recommendations, saving the taxpayers of Florida more than \$6.2 billion -- approximately \$1,067 in added value for every Florida family, according to an independent assessment by Florida State University.

Florida TaxWatch has a historical understanding of state government, public policy issues, and the battles fought in the past necessary to structure effective solutions for today and the future. It is the only statewide organization devoted entirely to Florida taxing and spending issues. Its research and recommendations are reported on regularly by the statewide news media.

Supported by voluntary, tax-deductible memberships and grants, Florida TaxWatch is open to any organization or individual interested in helping to make Florida competitive, healthy and economically prosperous by supporting a credible research effort that promotes constructive taxpayer improvements. Members, through their loyal support, help Florida TaxWatch bring about a more effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, large corporations, philanthropic foundations, professionals, associations, labor organizations, retirees -- simply stated, the taxpayers of Florida. The officers, Board of Trustees and members of Florida TaxWatch are respected leaders and citizens from across Florida, committed to improving the health and prosperity of Florida.

With your help, Florida TaxWatch will continue its diligence to make certain your tax investments are fair and beneficial to you, the taxpaying customer, who supports Florida's government. Florida TaxWatch is ever present to ensure that taxes are equitable, not excessive, that their public benefits and costs are weighed, and government agencies are more responsive and productive in the use of your hard-earned tax dollars.

The Florida TaxWatch Board of Trustees is responsible for the general direction and oversight of the research institute and safeguarding the independence of the organization's work. In his capacity as chief executive officer, the president is responsible for formulating and coordinating policies, projects, publications, and selecting professional staff. As an independent research institute and taxpayer watchdog, Florida TaxWatch does not accept money from Florida state and local governments. The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, distinguished Board of Trustees, or Executive Committee, and are not influenced by the positions of the individuals or organizations who directly or indirectly support the research.

Florida TaxWatch Values:

◆ Integrity ◆ Productivity ◆ Accountability ◆ Independence ◆ Quality Research



106 N. Bronough Street
P.O. Box 10209
Tallahassee, FL 32302

NON-PROFIT ORG.

U.S. POSTAGE
PAID

TALLAHASSEE, FL
Permit No. 409