

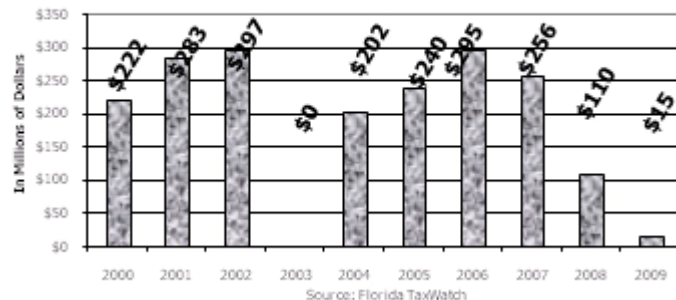
The 2009 Florida TaxWatch Turkey Watch Report

Turkeys Circumvent Accountability, Fair Procedures, Budget Priorities and Integrity

Legislature Shows Restraint in Tight Budget Year

Facing the worst revenue projections and budget outlook in perhaps the state's history, the Florida Legislature showed restraint in funding member projects and other projects historically referred to as "turkeys" in the FY 2009-10 Budget. Going into the session, Leaders instructed other legislative members that there would be no money for funding such items. They largely stuck to their word. Still, this year Florida TaxWatch has identified ten appropriations worth \$15.0 million as budget turkeys.

10-Year Turkey History
(turkey dollars by year)



"The most delicious of all privileges—spending other people's money."

John Randolph,
Early 19th Century
Member of Congress

The Florida TaxWatch annual Turkey Report spotlights legislative projects placed in the budget without proper opportunity for public review and debate; which circumvent lawfully established procedures; or which non-competitively benefit a very limited special interest or local area of the state. **The "budget turkey" label does not condemn a project's worthiness**, but instead focuses on the budget process, including instances where the Legislature has not followed its own policies and procedures to ensure the highest standards of taxpayer accountability and government efficiency.

Except for a few "turkey-free" years, this is the smallest number and value of turkeys since TaxWatch began the Turkey Watch in 1983. Since 1999, turkeys in the budget have usually exceeded \$200 million annually. Interestingly, a tight budget year does not always mean few turkeys. Despite similar proclamations of there being no money for member projects during the previous two years, Florida TaxWatch identified \$256 million of such projects in the 2007 Budget and \$110 million worth last year. Despite the dire revenue outlook coming into this session, the addition of federal stimulus money, the tobacco tax increase, and numerous other tax and fee hikes all provided opportunities for turkeys. It is often difficult for a legislator to vote for a tax increase without being able to bring something home for the district.

This year was an exceptional one, with an incredible uncertainty about how much revenue was actually available until very, very late in the process. Given these unusual circumstances, and the fact that legislators did not add a lot of member projects and other traditional turkeys to the budget, the Florida TaxWatch review allowed for a bit more legislative discretion for appropriations added late in the process, especially those that are for state operations or programs that have been historically funded.

The 2009 turkey list has two types of projects: appropriations to specific organizations that were added in conference and appropriations that bypassed established selection processes – which, this year, were

limited to items that bypassed the established Department of Transportation (DOT) work program process.

Appropriations to specific organizations added in conference. This type of appropriation is a clear-cut “turkey” as defined under Florida TaxWatch criteria. A project added in conference means that it was not requested by an agency, not recommended by the Governor, and not included in the House or Senate budget as passed by the respective chamber. This lack of scrutiny was highlighted in a grand jury’s recent indictment of a past Speaker of the Florida House of Representatives when it stated: “The appropriation process that gives unbridled discretion to the President of the Senate, Speaker of the House of Representatives and Appropriation Chairmen needs to be changed. The procedure currently in place requires that our elected Legislators vote on a final budget that they have no knowledge about because it is finalized in a meeting between only two legislators. This process allows taxpayer money to be budgeted for special purposes by those few legislators who happen to be in a position of power.” While this is not to suggest that any of these appropriations rise to the level of that case, it does serve as an important reminder that there are serious problems with adding appropriations, especially to private or local recipients, late in the process.

This year, a number of items were added in conference. Of these, only appropriations going to specific non-state entities were designated as turkeys. A couple of similar projects that were added in conference but were funded in multiple consecutive years without being designated as turkeys were excluded from the list.

LINE ITEM #	Agency	DESCRIPTION	P	AMOUNT GR	AMOUNT TF	TOTAL
95	DOE	Task Force on African America History	P		100,000	100,000
242	APD	South Florida Charter Autism School	P		200,000	200,000
242	APD	Hillsborough Association of Retarded Citizens	P		300,000	300,000
540	DOH	Diabetes Research Institute	P	1,000,000		1,000,000
546	DOH	Miami project to cure paralysis	P	1,000,000		1,000,000
2124B	AWI	Goodwill Industries of South Florida	P		250,000	250,000
3070	DOS	Holocaust Museum	P	125,000		125,000
		Total		2,125,000	850,000	2,975,000

Transportation projects not in the DOT work program. This is another type of appropriation that has historically been a clear-cut turkey. The Department of Transportation has an effective legislatively established process, beginning with local input, which determines how and where our state transportation dollars are spent. Items inserted into the budget outside of the work program process result in delay or elimination of projects that did go through the process. Adherence to this established process is especially important this year after the Legislature swept \$120.2 million from the State Transportation Fund to balance the general revenue budget, a move which affected many previously planned projects.

Two other projects that were not included in the DOT’s work program are not turkeys. One is proviso language that authorizes that the department “may provide” \$2 million for an unspecified county rail project. Since the language is permissive (“may” not “shall”) this proviso is not a turkey. The other concerns the Economic Development Transportation Program. Annually, the work program contains

\$10 million for these projects. Most years, the Legislature adds more money and names specific additional projects to receive it; these late-added projects are almost always turkeys. This year, the Legislature added \$10.3 million to the appropriation but did not name any recipients. Because of this, and since the extra money was in both the House and Senate budgets, this was not a turkey. Because there are no named projects, the Governor cannot veto the \$10.3 million non-work program portion without striking the whole \$20.3 program.

LINE ITEM #	Agency	DESCRIPTION	P	AMOUNT GR	AMOUNT TF	TOTAL
2005	DOT	South Florida Intermodal Logistics Center	P		1,000,000	1,000,000
2029	DOT	infrastructure pilot prog. to assist counties and schools dists	P		8,000,000	8,000,000
2032	DOT	pilot program - retrofit and reinforce traffic signalization	P		3,000,000	3,000,000
		Total			12,000,000	12,000,000

The Florida TaxWatch Budget Turkey Review Process

The annual Florida TaxWatch Turkey Watch is a review of the state budget passed by the Legislature. It highlights appropriations items that were determined by Florida TaxWatch to have bypassed the proper appropriations review process. These items are recommended to the Governor for line-item veto.

It must be stressed that this is not a critique of an individual project's merit, value or "need," but instead the review looks at how an item makes it into the budget, often pointing to instances where the Legislature has not followed its own set policies and procedures in the budget process. The annual Turkey Report spotlights legislative projects placed in the budget without full opportunity for public review or which circumvent competition and lawfully established procedures. These appropriations often benefit a very limited special interest, a specific local area of the state, or a specific private organization.

An example: After the House and Senate each pass their respective budget, a conference committee is formed to compromise the differences between the two. From a good public policy perspective, this should not be the time to add new projects into the debate. By doing so, the conference committee circumvents the established budgeting process and may afford only a few legislators the opportunity to make the decisions on how state funds will be appropriated. Because the final Conference Report cannot be amended – it can only be voted up or down – this places the rest of the Legislature in the position of having to vote the entire budget down in order to object to specific items. Again, many of these projects may be worthwhile, but the fact remains that special earmarks ignore or limit fiscal and performance accountability, agency flexibility and discretion, and often bypass competitive selection processes.

Most of these appropriations are local projects and tend to be "member projects" – appropriations requested by individual legislators for their district. The extent to which the state should fund local projects is a debatable issue, but when it does, care must be taken that a broad and public consensus has been reached on whether the state should be assisting with the funding of the specific type of local project. This then ensures that the selected projects must have received sufficient review, followed any selection process that may have been properly established, and competed against other similar projects

across the state.

It is important to understand that every year the state funds billions of dollars worth of “local” projects. These can be part of a statewide system for which it is generally accepted that the state has some responsibility, such as transportation or school construction. There are also state programs set up to fund projects that are perhaps more local in nature, such as parks, public libraries and cultural programs.

Generally, these local projects are not specifically named in the appropriations act. The Legislature decides on the level of funding and the funds are distributed to the projects selected through the established processes. Securing a local project funding outside of such processes – or funding one for which a process does not exist – requires that it be added by name to the budget document. These projects are clear examples of traditional “turkeys” and form the core of the Turkey Watch review.

"Public money ought to be touched with the most scrupulous conscientiousness of honor. It is not the produce of riches only, but of the hard earnings of labor and poverty."

Thomas Paine

Examples of Turkeys

1. Projects that did not go through review and selection processes that are established in state law or rule. Examples include transportation, school construction and local parks. Projects that go through the process but are funded ahead of higher priority projects (as determined by the process) can also be turkeys.
2. Appropriations that were inserted in the budget during conference committee deliberations, meaning they did not appear in either the Senate or House final budget.
3. Subsidies to private organizations, councils or committees that can and should obtain funding from private sources.
4. Local government projects benefiting local area residents but lacking significant local funding support and/or overall benefit to the state as a whole.
5. Appropriations that circumvent competition and mandate that a specific vendor or project receive funding.
6. Projects or programs added late in the process that bypass legitimate review and proper evaluation because they were not in an agency budget request or the governor's recommended budget or were not on the agenda for legislative committee hearings.
7. Other turkeys may include: appropriations from inappropriate trust funds, duplicative appropriations and appropriations contingent on legislation that did not pass.

Research Process

The first step of the Florida TaxWatch review is to go through the final budget passed by the Legislature (conference report) in order to highlight specific appropriations that were added to the budget after the Governor's recommended budget. The focus is on appropriations for which the recipient is specifically named—such as a city or county, an organization, or a vendor. Appropriations in the Governor's budget are rarely considered in the turkey review. This is not to say that the Governor's budget is free of waste, questionable projects, or even parochial spending. However, if an appropriation in the Governor's budget makes it to the conference report, that generally means that it was reviewed and approved at all levels—agency, executive, and legislative. It should be noted that the Governor's budget contains far fewer specifically named recipients than the conference report.

The next step in the TaxWatch review process is to determine when the item entered the process—whether during the agency budget request, the Governor's recommendations, via appropriations committee bills, the final House and Senate budgets, or in the conference report. Generally, the earlier an item has entered the process the better—turkeys tend to show up later in the appropriations process. Usually, almost all conference-added items receive the turkey designation. Florida TaxWatch carefully considers allowing for some legislative flexibility if a project is truly beneficial statewide and was added due to unique and/or special circumstances, such as authorization to spend federal money that may have become available late in the appropriations process and therefore would not be utilized otherwise. The unique circumstances of this budget year led to a greater allowance for legislative discretion than in past years.

In further recognition of legislative prerogatives, Florida TaxWatch usually does not designate items that were funded in both the House and Senate final budgets as turkeys, except under special circumstances, such as bypassing an established competitive process for local projects.

After a list of potential turkeys is developed, each item is researched and the relevant state agency is contacted. First questions ensure and confirm that the agency did not include the item in the agency's legislative budget request. For the most part, an item requested by an agency is not a turkey. The agency also provides information as to whether the appropriation is consistent with the agency's mission, if the agency has been involved with the appropriated item previously, and if any proviso language unnecessarily restricts the agency or the item's options. Florida TaxWatch also establishes whether the agency funds similar programs to the item(s) in question and, if so, how those projects are selected.

Information can also be obtained from the Governor's Office, the Legislature, and the potential recipient of the funds.

10-YEAR TURKEY HISTORY

Year	Number of Items on Florida TaxWatch List	Amount	Number & % Governor Vetoed*	Amount & % Governor Vetoed*
2009	10	\$15 million	Still to Come	Still To Come
2008	132	\$110 million	1 (0.8%)	\$840,000 (0.8%)
2007	505	\$256 million	301 (60%)	\$141 million (55%)
2006	489	\$295 million	306 (63%)	\$151 million (51%)
2005	413	\$240 million	252 (61%)	\$125 million (52%)
2004	227	\$202 million	133 (59%)	\$129 million (64%)
2003	0	0	n/a	n/a
2002	450	\$297 million	198 (44%)	\$69 million (23%)
2001	528	\$283 million	302 (57%)	\$179 million (63%)
2000	281	\$222 million	206 (73%)	\$159 million (72%)
1999	526	\$235 million	415 (79%)	\$159 million (68%)

*Of Florida TaxWatch Recommendations

BUDGETING WITHOUT DISCIPLINE: A FINAL THOUGHT

Just as the Rule of Law is critically essential in a civil society, so is the integrity, transparency and accountability of the budget process to ensure the highest and best use of the taxpayers' hard earned money.

About Florida TaxWatch

Florida TaxWatch is a statewide, non-profit, non-partisan research institute that over its 25 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: since 1979, policy makers and government employees have 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.

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 to bring about a more effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, 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 that government agencies are more responsive and productive in the use of your hard-earned tax dollars.

The Florida TaxWatch Board of Trustees is responsible for the general direction and oversight of the research institute and safeguarding the independence of the organization's work. In his capacity as chief executive officer, the president is responsible for formulating and coordinating policies, projects, publications and selecting the professional staff. As an independent research institute and taxpayer watchdog, 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

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