

1991 TURKEY WATCH

*Taxpayers get a
"Turkey Break"
this year*

May 22, 1991

Updated to include May 28, 1991 Governor's vetoes.

Florida
TaxWatch
Inc.



Turkey History and Turkey Thoughts

For the first time since Florida TaxWatch began its annual in-depth TurkeyWatch report, no turkeys have been found. Florida taxpayers have won a battle in the ongoing war on waste in government.

Figure 1 shows a five-year history of turkeys in the Florida budget. In 1987, TaxWatch identified \$100 million in turkeys; 1988, \$150 million; 1989, \$125 million; 1990, \$112 million; and, 1991, \$0.

Five-Year Turkey History
Total Turkey Dollars by Year

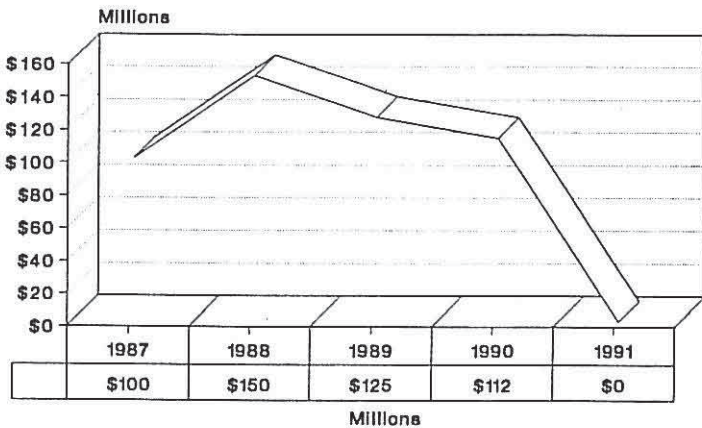
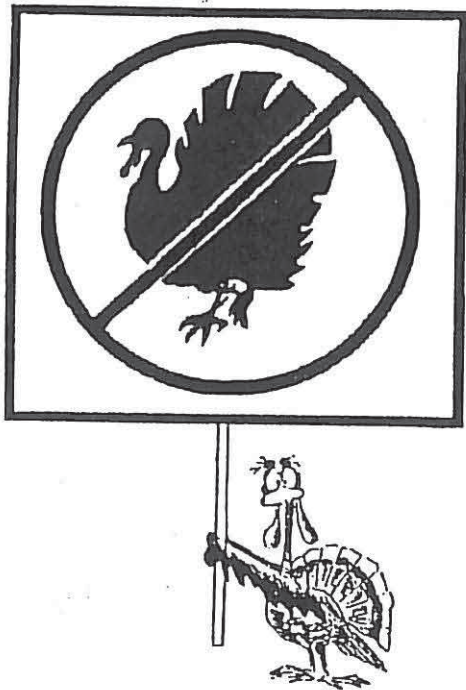


Figure 1

Figure 2 shows the cumulative cost of turkeys to Florida taxpayers during these five years: a total of \$487 million (not adjusting for inflation).

Floridians can take pride in their lawmakers who refused to load up this year's budget with turkeys. Just last year, every person in Florida paid an average of \$8.41 to cover the costs of pernicious spending practices. In 1989, the cost was \$9.60, \$11.85 in 1988, and, \$8.14 in 1987. This year, of course, the cost of turkeys for every Floridian was zero dollars.

Which is the way it should be. Now is the time for lawmakers to make this turkey-free budget not the exception, but the norm. The taxpayers of Florida expect, demand, and deserve no less.



\$487 Million Worth of Turkeys
Cumulative Five-Year Turkey History

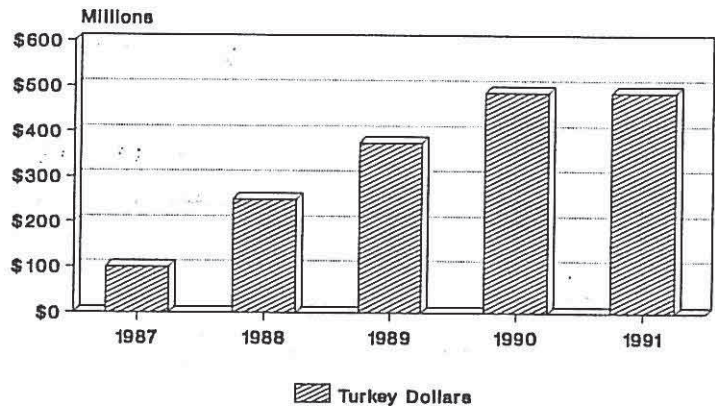


Figure 2

1991 Turkey Watch

Taxpayers Get a Break From Budget Turkeys This Year

In Florida, 1991 was definitely not the year to talk turkey. Turkeys, or legislative appropriations of less than statewide benefit that circumvent the legislatively mandated prioritized planning and budget review process, have traditionally been the oil that greases the wheels of political dealing. They are the goodies that legislators bring home to their districts to impress constituents. Turkeys. Pork. Gravy. Icing on legislators' cakes. No matter what you call them, in addition to diminishing citizens' confidence in government, these items divert limited state tax dollars from vitally needed public services and programs to questionable or special interest spending items.

But this year was different. It was a year that saw gubernatorial candidates actively campaign against turkeys. Once elected, Governor Chiles vowed that turkeys hatched in 1991 would have a close encounter with his veto pen. Florida TaxWatch, which has been identifying turkeys since 1983, and the media have focused attention on turkeys. This has helped the public become more sensitive to the problems caused by a process which allows - even encourages - special interest appropriations.

The legislative leadership, like the new administration, recognized a change in the public's perception of turkeys. Formerly viewed with a cynical humor, turkeys now bore a more pernicious image typifying the crass, self-serving agenda of some short-sighted office holders.

In response to repeated calls by Florida TaxWatch, the House and Senate adopted a joint "special project" review process designed to ensure public scrutiny of all appropriations, establish pre- and post-audit requirements and enhance controls and management of state funds spent under contract with non-state agencies. The legislative leadership, citing lack of funds for some legitimate state needs, asked lawmakers to show restraint in requesting special projects.

The requirement that all appropriations undergo a public debate and review was, by itself, enough to weed out most turkeys. The appropriations committees scheduled hearings to take up members' special project requests. However, when the number of requests rose to well over 800, it became apparent that there would not be enough time, let alone money, to consider these requests. The meetings were cancelled, thereby all but killing this year's turkey crop.

This is the year when the Legislature heard the public and responded. The result: a significant reduction if not elimination of budget turkeys. And for this the Legislature must be commended.

"This session, turkeys are going to be an extinct species. We're going to make sure we don't see those kinds of projects in our budgets."

Senate President Gwen Margolis
at Florida TaxWatch Annual Meeting
March 4, 1991

Florida TaxWatch is pleased to report that it did not find any turkeys that conform to our strict criteria in the 1991-92 budget. This is certainly not to say that the budget is perfect. It does say that the Legislature was true to its word of doing all it could to eliminate special interest appropriations that bypass the established budgeting process. There are items in the budget with which individuals or groups, including Florida TaxWatch, do not agree (see attached: "Issues for Review and Action by the Governor and Legislature"). However, these are areas of legitimate disagreement with legislative actions, not just instances of lawmakers trying to sneak in pork barrel projects.

About the closest thing to a traditional turkey is proviso language in the Department of Labor and Employment Security's budget earmarking \$500,000 of Job Training Partnership Act funds to a specific, private, for-profit dropout prevention organization. The proviso was added in conference committee. However, at the last minute the language was changed from "\$500,000 shall be utilized . . ." for this program to "\$500,000 may be utilized . . ." This change renders the measure virtually meaningless, thus avoiding the TaxWatch turkey label.

So, can this be the end of turkeys in Florida? Does this year's dearth of turkeys represent a legislative change of heart or just a temporary practice that will discontinue when the state has more money? Only time will tell. In the meantime, Florida TaxWatch will continue its vigilance to prevent the kind of egregious scramble for special interest projects that marked recent legislative sessions. Lawmakers should adopt by law the same kind of discipline and higher standards which occurred in 1991.

"A lot of you are becoming spineless enough that you are letting TaxWatch and the news media dominate us. Down the road, if we raise some additional revenue, then I'm going to be wanting to carry some special projects home with us."

Representative Sam Mitchell
quoted in the Miami Herald
April 30, 1991

TURKEY CRITERIA

- 1. Projects or programs that did not go through any review process allowing for proper evaluation: agency budget requests, Governor's recommended budget, or legislative committee hearings.*
- 2. Subsidies to private organizations, councils or committees which can and should obtain funding from private sources.*
- 3. Local government projects benefitting local area residents but lacking significant local funding support and/or overall benefit to the state as a whole.*
- 4. Projects having no empirically demonstrated public benefit, and are, instead, of benefit to some special interest.*
- 5. Low priority projects that get funded over higher priority items.*
- 6. Fiscally offensive appropriations - e.g., only partially funded with a large annualized cost in subsequent years, funded from inappropriate funding source, duplicative of existing program, etc.*

Issues for Review and Action by the Governor and Legislature

Public Education Capital Outlay Program --- While Not a Turkey, Requires Veto Action

TaxWatch released a Budget Watch report on April 18, 1991 recommending that the 1991 Legislature save/avoid over \$400 million by adopting the Commissioner of Education and the Governor's proposal to fund PECO at a nine year level amount of \$706.8 million per year. When compared to a shorter level funding period of four or five years (\$836 - \$950 million per year), the Commissioner's plan will save more than \$400 million while providing better planning for future capital facilities needs. Unfortunately, the Legislature funded PECO at \$936.5 million for 1991-92. This is an ill advised and unnecessarily high funding level; more than 50% higher than the 1990 level of PECO funding and the highest in the state's history (see charts on next page). Florida TaxWatch urges the Governor to veto any and all PECO projects in excess of \$800 million (providing a generous level over the Commissioner's and Governor's level).

Implementing Bill to the 1991-92 General Appropriations Act --- Bad Practices that Undermine the Budget Process

Various sections of the Implementing Bill override Florida Statutes. Florida TaxWatch is concerned that the Implementing Bill, intended to operationalize the current year Appropriations Act, is being misused by extending its provisions to prior year appropriations. In the area of Educational Facilities funding, sections 18, 19, 21, 22, 23 and 31 set aside the provisions of Florida Statutes § 216.181 concerning the reversion of Educational Capital Facilities projects that are not under contract within 21 months of the original appropriation. Section 25 adds a new Capital Facility project, while sections 33 and 67 change the purpose of Capital Facility projects. Section 34 waives a matching funding requirement (\$1.8 million) on Vocational-Technical projects funded by the 1990 Legislature.

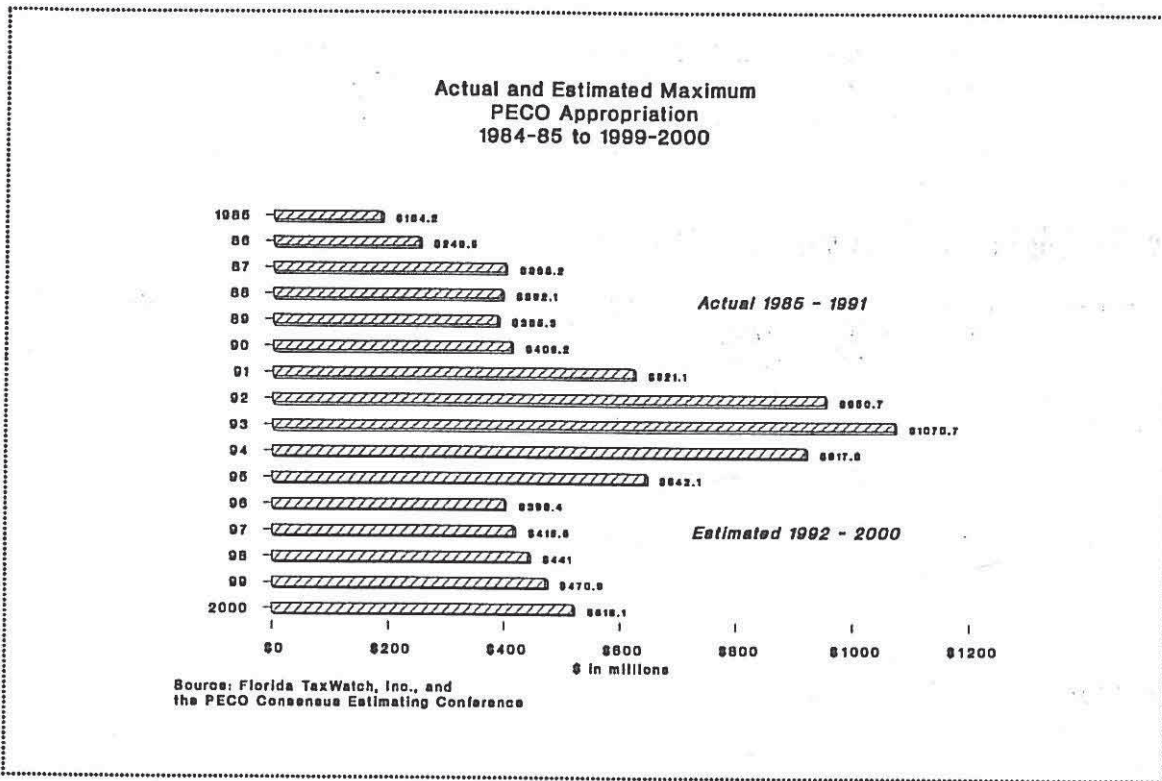
In addition to the sections that pertain to Educational Facilities, Section 28 also removes the reversion requirement in law for the Veterans' Memorial Park/Wall South Escambia County. Section 49 waives the statutory employment qualifications for Division Directors in the Department of Agriculture. This may be an appropriate change of law, however, this should have been changed in law, not by the Implementing Bill.

Florida TaxWatch finds these to be inappropriate practices which the Legislature should discontinue.

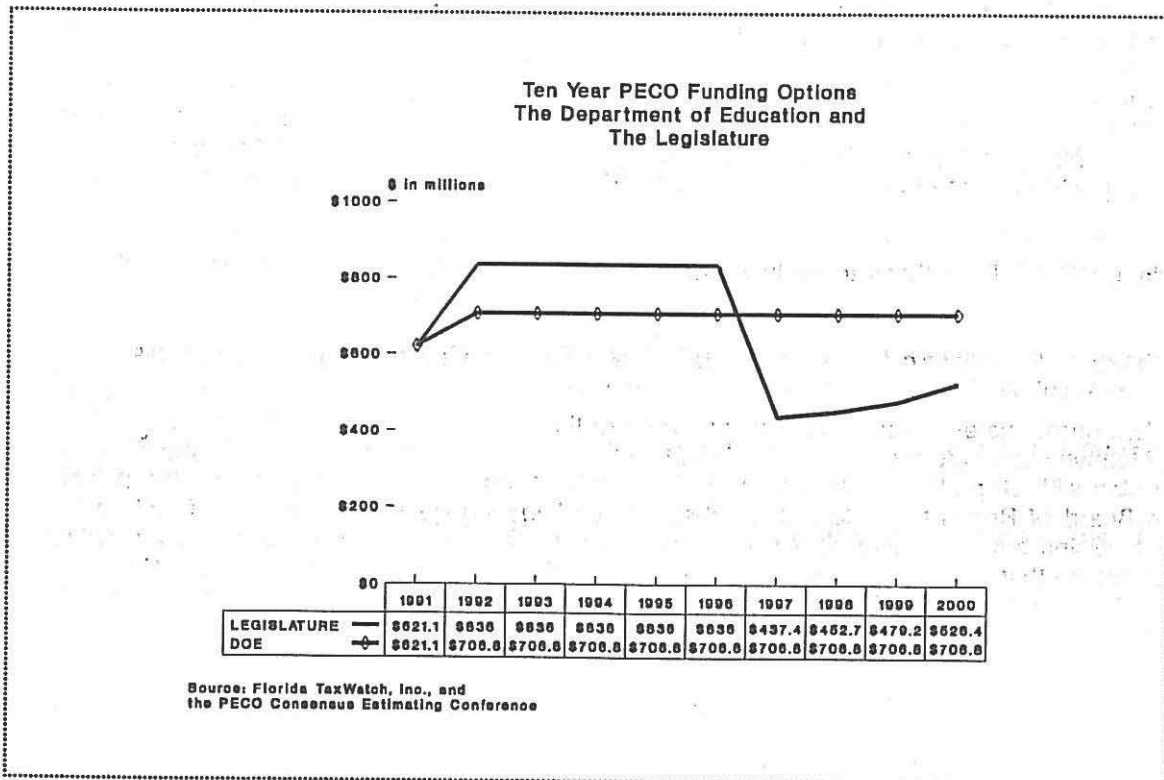
Purchase of the Allstate Building --- While Not a Turkey, Questions Need Answers

Sufficient questions exist concerning the purchase of the Allstate Building, and its inclusion in the National High Magnetic Laboratory project at Florida State University, such that the Governor should hold a public discussion with all parties-at-interest. The high ideals of the "Mag Lab" project, and the diligent efforts of the Board of Regents should not be obscured by lingering questions about the fiscal impact of the project. Given the information about the needs, time, location and logistical constraints, further analysis would ensure that this state purchase is the most practical and cost effective option. This project is of historic importance to the educational and scientific resources of Florida, consequently, all actions should be taken to remove any impediments to the project's realization.

Public Education Capital Outlay (PECO) Funding Options



The above chart reflects the extreme variation in potential PECO appropriations if the maximum amount of revenues available are bonded (1992 - 2000). This "uncontrolled" flow of funds for school construction projects will hinder prudent facilities planning and management practices. A level funding of the PECO appropriation would be more efficient and effective.



The above chart compares the Commissioner of Education's nine year level funding plan of \$706.8 million per year to the Legislature's five year plan of \$836 million per year. The Commissioner's plan facilitates prudent planning and construction practices, while saving more than \$400 million.

Governor's Veto Update

Following Florida TaxWatch's release of this report, Governor Lawton Chiles on May 28 issued his veto message. The Governor concurred that there were no turkeys in the budget, but still vetoed 19 items worth \$106.3 million. He addressed two TaxWatch concerns, one of which was a recommendation to reduce to \$800 million the funding for PECO, Public Education Outlay (see page 5). The Governor's veto of \$98 million represented 75 percent of TaxWatch's recommended level. TaxWatch estimated that by the Governor's action the state will save \$60 million of extra cost that would have been incurred at the higher PECO funding level.

Florida TaxWatch also recommended that the proposed purchase of the Allstate Building -- for use in conjunction of the National Magnet Laboratory project -- be readdressed. Many questions persisted regarding the financial details involved in the transaction (see page 5). While Florida TaxWatch did not recommend a veto, the Governor opted to veto the purchase. In his call for the June 6, 1991 Special Legislative Session, the Governor cited the need for necessary and appropriate funding of the Mag Lab project.

On June 6, 1991 the Legislature met in special session to address the \$151 million General Revenue shortfall for the balance of the 1990-91 fiscal year. In addition, five items vetoed by Governor Chiles in the 1991-92 General Appropriations Act totalling \$18.8 million were reappropriated. This included up to \$14 million to purchase the Allstate Building. The net effect of these reappropriations reduced the Governor's vetoes to \$87.5 million

The Florida TaxWatch Research Team

Dr. Neil S. Crispo
Director of Research
and Operations

Kurt R. Wenner
Senior Research Analyst

Michael Walsh
Senior Research Analyst

John Hall
Senior Research Analyst

Ken Marshall
Research Analyst

Robert A. McNeely
Research Analyst

Catherine M. Haagenson
Director of Communications

Maria K. Khader
Research Intern

Tom Griffin
Research Intern

Dominic M. Calabro President & Chief Executive Officer



Florida TaxWatch is the only statewide organization entirely devoted to state taxing and spending issues in Florida. Since its inception in 1979, Florida TaxWatch has become widely recognized as the watchdog of citizens' hard earned tax dollars. The nationally distributed *City and State* magazine last year published its poll of the nation's statewide taxpayer research centers. Based on this poll, the publication cited Florida TaxWatch as one of the six most influential and respected taxpayer assistance institutes in the nation.

Florida TaxWatch is a private, non-profit, non-partisan research institute supported entirely by voluntary, tax-deductible membership contributions and philanthropic foundation grants. Membership is open to any organization or individual interested in supporting a credible research effort that promotes positive change. Florida TaxWatch members, through their loyal support, help Florida TaxWatch to bring about an effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers—homeowners, small business, large corporations, professional firms, associations, individuals and philanthropic foundations—representing a wide spectrum of Florida's citizens.

Florida TaxWatch is well-known and respected for its empirically sound research products which recommend productivity enhancements and explain statewide impact of economic and tax and spend policies and practices. Without lobbying, Florida TaxWatch has worked diligently and effectively to build government efficiency and promote responsible, cost effective improvements that add value and benefit taxpayers. This diligence has yielded impressive results: three out of four of TaxWatch's cost saving recommendations have been implemented, saving taxpayers \$1.5 billion. That translates to nearly \$300 for every man, woman and child in Florida.

With your help, we will continue our 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 their use of public funds.

Copyright © 1991 Florida TaxWatch, Inc.

Florida
TaxWatch
Inc.



1114 Thomasville Road
P.O. Box 10209
Tallahassee, FL 32302
Phone: (904) 222-5052
FAX: (904) 222-7476

NON-PROFIT
ORGANIZATION
U.S. POSTAGE
PAID
TALLAHASSEE, FL
PERMIT NO. 409

Fax

Name: Bud Gardner
Organization: [Of]
Fax: 1-407-639-8986
Phone: [Phone]
From: Mike Walsh
Date: 10/12/99
Subject: 1991 Turkey Watch Rpt
Pages: 9

Comments:

Bud:

Per Spessard, attached is our 1991 Turkey Watch Report.

Thanks.

Mike