

Florida TaxWatch

Governor's Transition Decision Handbook

2018-19



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Dear Governor-Elect,

First off, congratulations and thank you for your service to the taxpayers of Florida. On behalf of Florida TaxWatch, we are honored to present to you the 2018 Governor's Transition Decision *Handbook*.

The *Handbook* is a unique effort that recognizes and supports the overwhelming demands placed upon you, as Florida's Governor-Elect, and your transition team. The *Handbook* is neither a comprehensive procedure for the transition process for the incoming administration nor a duplication of other information already provided to you as part of the official government procedures. It is instead meant to provide insight on some of the key functions and challenges of the job, based in fact but directed from the perspective of those who have been there before.

The *Handbook* is, at its core, a compilation and translation of knowledge and experience from some of the few people who have been through the extraordinary and unique endeavor which you are about to undertake. It includes some perspective on key duties and functions of the Governor and the transition period, a brief synopsis of some of the key policy issues that face your administration, and – maybe most importantly – advice directly from past office-holders, from Governors and Lieutenant Governors dating back to the 1970s and other state leaders. Needless to say, this work has been undertaken at great effort and expense by people dedicated to the best interest of Florida and to your successful navigation of this process. Of course, all decisions are yours alone; we hope this information is helpful to you in coming to your best decisions.

Florida TaxWatch published the first Governor's Transition Decision *Handbook* in 1998, before it was known who would win the election, and then distributed it to Governor-Elect Bush and Lieutenant Governor-Elect Brogan. Likewise, TaxWatch generated a second edition of the *Handbook* in great cooperation with the outgoing administration and distributed to Governor-Elect Charlie Crist and Lieutenant Governor-Elect Jeff Kottkamp. The third edition of the *Handbook* was prepared in 2010 to offer guidance to Governor-Elect Rick Scott and Lieutenant Governor-Elect Jennifer Carroll. In the same spirit, this new edition of the *Handbook* is presented to you and your new administration.

We are now honored to provide you with the fourth edition of the *Handbook*. We hope this *Handbook* will be useful to you and your team. With best wishes and sincerest congratulations!

Sincerely,

Dominic M. Calabro
President & CEO

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About Florida TaxWatch

For almost 40 years now, Florida TaxWatch has been providing the credible quality research and policy recommendations that have made a significant difference in government performance, productivity, and accountability throughout Florida.

Florida TaxWatch is a statewide nonpartisan, nonprofit government watchdog and taxpayers' research institute ---your eyes and ears in Tallahassee. 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 Florida taxpayers, helping to reduce inefficiencies and prompting responsible improvements in the management and expenditure of taxpayers' hard-earned dollars.

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 taxpayers.

The high quality economic and fiscal research and recommendations of Florida TaxWatch are widely distributed to elected state officials and policymakers, and regularly cited in and reported on by statewide news media.

Now more than ever, Florida TaxWatch is ever-present to ensure that taxes are fair and equitable, that the public benefits and costs are weighed, and that government agencies are more responsive and productive in their stewardship of taxpayer funds.

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Introduction

“They don’t have schools for a Governor, so I’m learning the hard way as I go along.”

GOVERNOR REUBIN O’D. ASKEW

Florida’s 37th Governor

One of the most enduring symbols of American democracy is the smooth and orderly transition from one elected official to the next, which requires early and informed planning to be successful. The two-month time frame between Election Day and the inauguration will be one of the most challenging yet fundamentally rewarding periods for the Governor-Elect as he undertakes the Herculean task of shifting roles from a candidate garnering votes to a newly-elected Governor assuming the myriad duties and responsibilities of governing the great State of Florida.

Between now and January 8, 2019, an entire administration must be assembled; agency heads appointed; executive staff hired; an inauguration planned and executed; a legislative agenda prioritized; and important relationships built with the Legislature, the Judicial Branch, the Cabinet, the media, and, most important, the people of Florida. It is a time to coordinate the development of the policies, the team, and the tone of the new administration. This period will be also characterized by the inundation of voluminous manuals of information on government programs, protocol, and specifics along with numerous requests by a variety of people and organizations to meet with the Governor-Elect to provide information and assistance in managing the transition and developing policies.

The major goal of any transition is the proper and smooth transfer of power to the new Governor. The transition is foremost the sum of activity, attitudes, and actions shaped by the concern for both change and continuity in government. The transition affords the new Governor the opportunity to establish a firm foundation for a successful administration.

Transitions of power present many demands and challenges. Perhaps the greatest challenge faced by the Governor-Elect and his developing team is in the reality of the short period of time (9 weeks) between the election and inauguration. During the transition, an overwhelming assortment of decisions and tasks must be completed with all due diligence for the Governor to assume his or her duties and communicate interests and directions between the old and new administrations and within the new.

As a contribution toward an assurance of success, key members of previous gubernatorial transitions have generously given their advice on the following important considerations and decisions that should be made to assist in the implementation of a smooth transition:

- Establish a Transition Office. Request the outgoing Governor make sufficient space available in the Capitol for the new Governor’s transition team to operate.
- Designate an Executive Director of the Transition. The Executive Director serves as the single point of contact for all transition-related activities, and should be responsible for making sure the Transition Office is adequately staffed, equipped, and up and running. Particular attention should be given to:
 - Establishing a process for the receipt, review, and routing of mail, including the thousands of resumes from prospective job seekers;

- Establishing a process to recruit key staff, fill key vacancies, and make appointments to boards and commissions;
- Screening candidates for agency head and other high-ranking positions in state government; and
- Establishing Issue Teams, comprised of subject matter experts and persons knowledgeable about state government operations. The Issue Teams will be responsible for collecting and reviewing transition documents prepared by the outgoing administration to identify and understand critical issues facing each state agency.
- Designate an Executive Director of the Inauguration. This is a person who is responsible for coordinating all logistics and festivities associated with the new Governor's inauguration.
- Request briefings from the outgoing Governor's staff on (at a minimum):
 - The state budget and economy (including long-range economic forecast, revenue forecasts, budget forecast, and critical spending needs);
 - Current and pending litigation and major legal issues facing the state;
 - Key legislative initiatives and issues;
 - Newly-passed legislation and constitutional amendments that the new Governor will be responsible for implementing;
 - Current laws that will sunset and adversely affect the state; and
 - The ability of the state to respond to and recover from large-scale natural and man-made disasters.
- Select talented individuals to fill the following key staff positions:
 - Chief of Staff;
 - General Counsel;
 - Communications Director / Press Secretary;
 - Budget Director;
 - Policy Director;
 - Legislative Director;
 - Scheduling Director;
 - Appointments Director; and
 - Director of Administration.
- Assemble and review information from reputable sources, including the official Florida transition manuals, the National Governors Association transition planning guide, and this *Handbook*. Listen to those "who have been there," because they can provide valuable advice and act as a sounding board.
- Make sure the transition budget is enough to do the job but be mindful that it is the people's hard-earned tax dollars.
- Develop your message to the state. Review the roles of the Governor and how they lend to the promotion of your vision.

- Choose the personal management style you will pursue and develop internal office policies and procedures.
- Develop a process for interacting (directly and indirectly) with the media and the public.
- Review Florida ethics laws and distribute a “Transition Code of Conduct” to each Transition Team member. Limit the potential for situations that can reflect poorly on the Executive Office of the Governor and Florida.
- Establish clear lines of communication and delegate authority for making decisions. Designate those with the authority to speak for the Governor in discussion with the media, the Legislature, the Cabinet, and state agencies.

“Tell people what you are going to do – and then do it. People are yearning for authenticity in their lives, in their leaders and in their country.”

GOVERNOR JEB BUSH
Florida's 43rd Governor

“There is no greater testament to our nation's democracy than the people's ability to choose their leaders.”

GOVERNOR CHARLIE CRIST
Florida's 44nd Governor

Roles and Duties of the Governor and Lieutenant Governor of Florida

“The supreme executive power shall be vested in a governor, who shall be commander-in chief of all military forces of the state not in active service of the United States. The governor shall take care that the laws be faithfully executed, commission all officers of the state and counties, and transact all necessary business with the officers of government. The governor may require information in writing from all executive or administrative state, county or municipal officers upon any subject relating to the duties of their respective offices. The governor shall be the chief administrative officer of the state responsible for the planning and budgeting for the state.”

— Florida Constitution, Article IV, Section 1

Appointments are the most far-reaching of the Governor’s many duties (See Appointments Section). During a single term, the Governor will make several thousand appointments to executive agencies and departments, judicial postings, and state and local boards, in addition to appointments to fill vacant elected offices.

As Chief Administrative Officer, the Governor promotes a vision for Florida, submits the Governor’s Budget Recommendation to the Legislature, and reports the State of the State to the Legislature and the taxpayers. Serving as the Commander-in-Chief of the state’s National Guard, the Governor may call upon the military and any law enforcement in a time of emergency to preserve order or quell violence. The Governor may also be called to represent Florida before the United States Congress, negotiate interstate compacts, and be named as the plaintiff/defendant in lawsuits against the state.

The Governor may also call the Legislature into Special Session; suspend state or county officers who are not subject to impeachment for a variety of malfeasances and misfeasances (subject to review by the Senate); suspend elected municipal officers indicted for a crime (subject to reinstatement if the officer is acquitted) or remove such officials found guilty of misconduct; and decide whether or not persons will be extradited from Florida to another state. But probably above all is the power of the veto: both the veto of bills and the line-item veto within the appropriations act. The veto is both a political and policy decision, and a decision that a new Governor will certainly face within the first six months in office.

However, the Florida Constitution does not enumerate all of the duties of the Governor; the Governor serves in many leadership roles created by law, circumstances, or traditions. During his term, the Governor must balance the demands that each of these roles present.

As the head of the Executive Branch, the Governor is the de facto chief executive officer of an organization with approximately 100,000 employees. Of course, most of these public servants (approximately 70,000) are part of the Career Service workforce and many more occupy professional positions that will not necessarily turn over with the start of a new administration. In this unique leadership role, the Governor takes on the challenge of both managing and leading a huge workforce – not just setting the direction but also setting the tone. Recognizing excellence and extraordinary effort within any large workforce is both important and difficult.

Fortunately, Florida has a unique public-private partnership that has recognized excellence in public employees for 30 years, and the Governor – while not eligible for an award – plays an important role in this

program. The TaxWatch Productivity Awards program, run by Florida TaxWatch, honors hundreds of state employees each year for their work above and beyond the call of duty. The government does not pay for nor is it responsible for this program, but it is vital that the Governor and his key administration officials promote the program to their employees and encourage participation in the competitive awards process. Everyone benefits – the employees, the elected and appointed officials, and especially the taxpayers – when the public side of this public-private partnership makes recognizing employee excellence a top priority. The Governor's active participation in promoting the program and encouraging nominations is a highly visible acknowledgment of his administration's commitment to excellence in public service.

The Governor is Florida's head of state and the representative of the people of Florida at various public events and on domestic and international trips. The Governor also serves as the Chair of quasi-public organizations, like Enterprise Florida, Inc. The Governor also serves on multi-state boards, including the Southern Regional Education Board and the Southern States Energy Board, and represents Florida in the National Governors Association. With Florida's influential national presence in the political spectrum, because of the state's relatively high population, the Governor provides political leadership as its highest state elected official.

Where there is uncertainty about the powers and duties of the Governor, the Constitution allows that the Governor "may, at any time, require the opinion of the Justices of the Supreme Court, as to the interpretation of any portion of this Constitution upon any question affecting his executive powers and duties, and the justices shall render such opinion in writing." (Art. IV, Section 1(c)). This is a unique power, as generally judicial decisions are only rendered in adjudication of actual controversies.

Lieutenant Governor

According to the Florida Constitution, the Lieutenant Governor is first in line to assume the Governorship for the remainder of the term should the office become vacant.

"It is important for the Lieutenant Governor to be part of the transition... should anything happen, this person will be the Governor of Florida."

LIEUTENANT GOVERNOR FRANK BROGAN
Lieutenant Governor 1999-2003

On a day-to-day basis, the Lieutenant Governor may perform duties as the Governor assigns as the Governor's second-in-command. The range of duties and roles the Lieutenant Governor may assume varies from Governor to Governor, but one of the common roles for past Lieutenant Governors was acting as a powerful liaison and surrogate to the Legislature, agencies and departments, and the public. Representing the Executive Office and its policies and priorities, the Lieutenant Governor plays a key role in communicating the administration's position at meetings and events that the Governor cannot attend. The Lieutenant Governor also plays a key role in developing relationships across state government and can be effective in 'closing the deal' and adding pressure where needed to further the administration's agenda.

The Lieutenant Governor may also play official roles within an administration. During his second term as Lieutenant Governor, Governor Wayne Mixson was appointed by Governor Bob Graham as Florida's Secretary of Commerce.

“Make full use of your Lieutenant Governor. His [or her] knowledge, his [or her] experience, his [or her] expertise, his [or her] relationships in government and with the public are invaluable. He [or she] should be one of your top counselors in policy making. He [or she] should have instant access to the Governor at any time without going through any intermediary...

“Demands for access to the Governor will be greatest in the early months of his administration. These demands will come from legislators and other elected officials and from people expecting a responsible hearing. A designated team could help with this crunch, and smooth relations. I would suggest that the Lieutenant Governor, the Chief of Staff, and the Communications Director meet regularly to screen and divide these chores.”

GOVERNOR WAYNE MIXSON

Lieutenant Governor 1979–1987

& Florida's 39th Governor

Additionally, the Lieutenant Governor has traditionally served as the Chairperson of the TaxWatch Productivity Awards Program – the public-private partnership that recognizes excellence and extraordinary effort from state employees. This Lieutenant Governor's active participation with the program is a highly visible acknowledgment of an administration's commitment to excellence in public service.

“You have asked this person to change their life and be a part of this unique and amazing experience with you. They are your partner. Always include them in policy decisions, even if they disagree internally and insist that the Lieutenant Governor be at agency head meetings and other key meetings. You decide what kind of responsibilities the Lieutenant Governor has and it's best to be clear with them about what they are suppose to be doing up front. You will need to have a conversation with them early on about what their specific duties will be.”

LIEUTENANT GOVERNOR TONI JENNINGS

Lieutenant Governor 2003-2007

Florida's Public Record & Sunshine Laws and Code of Ethics for Public Officials and Employees

Florida is nationally recognized for its strong leadership in promoting ethical standards for public officials, access to governmental meetings and records, and the protection of the public trust against abuse. The Florida Constitution guarantees that all citizens have the right to access information about what decisions their government and its officials make and how taxpayers' dollars are spent. Therefore, the principle of open government must guide everything the state government does for the public. The new administration should fully commit to upholding the spirit and letter of the public records, sunshine, and ethics laws when conducting the state's business.

This *Handbook* only presents a broad introduction to Florida's public notice and Sunshine and ethics laws. The Governor-elect and members of his transition team and future administration should carefully review the language for a better understanding of these laws. An online workshop on the Code of Ethics, Sunshine Law, and Public Records Law is available through the Commission on Ethics. The Attorney General's Office also compiles a comprehensive guide of Florida's open government laws. Additionally, the Governor-elect should designate or appoint an expert counsel with a complete understanding of the laws to assist in implementation and any interpretations.

Public Records

Florida's public records law (Ch. 119, F.S.) applies to all records made or received in the official course of business by any agency (or employee thereof) which are used to perpetuate, formalize, or communicate knowledge. This includes e-mails, appointment records, schedules, calendars, text messages, instant messages, social networking messages, telephone calls and voice mails, transition records, photographs, films, and sound recordings. All such materials are subject to public disclosure if they are related to public business unless the Legislature has created a specific statutory exemption (e.g., social security numbers) from disclosure. It does not matter whether the communication was made from a personal device (such as a personal computer or cell phone) or a personal email account as opposed to a state-owned instrument or official state-issue account – if it has a public purpose or is related to public business, it should be treated as a public record.

Sunshine Law

The Sunshine Law (s. 286.011, F.S.) applies to gatherings of two or more members of a state or local public board when those members meet to discuss any matter on which foreseeable action may be taken. All such meetings must be noticed and open to the public, unless the Legislature has created an exemption.

Meetings between the Governor and the Speaker of the House or President of the Senate are covered and must be public. Article III s. 4(e) of the Florida Constitution states that “any prearranged gathering... between the Governor, the President of the Senate, or the Speaker of the House of Representatives, the purpose of which is to agree upon formal legislative action... shall be reasonably open to the public.”

The broad scope of the Sunshine Law generally precludes private meetings between the Governor and any Cabinet member to discuss public business. Any meetings between the Governor and any Cabinet member to discuss any issue which foreseeably could come before the Governor and Cabinet for discussion or action at a

Cabinet meeting, including issues such as appointments of Cabinet agency heads, must be noticed and open for the media and public to attend.

Advisory bodies are also subject to the Sunshine Law, as are commissions and boards created by Executive Order, even if their powers are limited to making recommendations. It is important to ensure that meetings of these groups are noticed to the media and the public.

The law applies immediately after election to public office. Accordingly, as soon as the Governor-Elect wins the election, the Sunshine Law applies to any discussions between him and those persons who the election as Cabinet Members that relate to matters which could come before the Governor and Cabinet once they assume office. It is vital that the transition team and scheduling office are aware of the application of the Sunshine Law and the requirements of public notice and availability.

Code of Ethics

The leading goals of Florida's Code of Ethics are to protect the public interest and avert unnecessary barricades to public service. The Code constructed a framework identifying appropriate and ethical actions so that public officials can conduct themselves properly. Broadly, the Governor-Elect and members of the administration or transition team should:

- Not solicit or accept anything of value (e.g., a gift, loan, reward, favor, or service) based upon an understanding that it will influence actions, or if the recipient knows it was given to influence actions.
- Not obtain special privileges through the use of a public position or property.
- Not benefit from the use or disclosure of information not available to the public.

When in doubt, the Governor-Elect should request an advisory opinion from the Florida Commission on Ethics.

The Florida Cabinet

The Governor and Cabinet serve as the collective decision and rulemaking entity for certain functions of the executive branch. Some powers generally thought to be in the sole purview of the Governor require consent of the Cabinet, such as pardons (or clemency). In Florida, the power to grant full or conditional pardons, or commute punishment are vested in the Governor only with the consent of two Cabinet members.

The Governor and Cabinet collectively comprise several executive boards, commissions, and departments while each Cabinet officer also oversees a different area of responsibility independently by heading a specific department. The Cabinet system consists of the following boards and commissions:

Departments Headed by the Governor and Cabinet:

- Department of Law Enforcement
- Department of Highway Safety and Motor Vehicles
- Department of Veterans' Affairs
- Department of Revenue

Commissions and Boards with the Governor and Cabinet Sitting as Head:

- Board of Executive Clemency
- Financial Service Commission, which houses the Office of Insurance Regulation and the Office of Financial Regulation
- Florida Electrical Power Plant and Transmission Line Siting Board
- Administration Commission, which also houses the Financial Management Information Board
- Board of Trustees of the Internal Improvement Trust Fund
- Land and Water Adjudicatory Commission

Boards headed by Governor, Attorney General, and Chief Financial Officer:

- State Board of Administration
- Division of Bond Finance

The Governor and Cabinet meetings are the most visible, public forum for issues to be discussed and provide the officers with the prime opportunity time to act in the best interest of the state. Courtesy, professionalism, and collegiality are key ingredients that make the Cabinet system work.

Each Cabinet member has equal footing with the Governor on matters that come before the Governor and Cabinet; however, in the event of a tied vote, the deciding vote is the vote cast by the Governor.

The Appointment Process

The power of appointments may be the most far-reaching power provided by the Governor by the Constitution. It may also be the most often used and most complex power. Appointments range from Executive Staff, to vacancies in state and county elected offices, to heads of Departments and Agencies, to Advisory Councils and Governing Boards with authority over a broad spectrum of economic and social life. Some appointments are for a set-term, some are to fulfill vacancies until the next election, and some appointees serve at the pleasure of the Governor; some are subject confirmation by the Senate or consent of the Cabinet; some include specific statutory qualifications to be met or processes to be followed.

This power is a significant tool to advance the agenda and policies of an administration that extends beyond the Governor's term of office. Many appointments, especially judicial appointments, can long outlast even a two-term Governor's tenure.

In addition to the thousands of appointments that a Governor will make during a term to dozens of boards and councils, some appointments need to be ready on day one, such as key positions in the Executive Office of the Governor and agency or department heads. Finding the right people to serve Florida can be daunting, and an objective, transparent, and thorough vetting and application review process should be in place. During the transition, the immediate and overwhelming challenge is to identify and appoint agency heads and senior staff. Not only is the number of appointments that must be made daunting, so too is the search for qualified people, the review of applications, the performance of critical background checks, the interview process of potential candidates, and the preparation for Senate confirmations. Creating an Appointments Office composed of professional and well-organized staff, and maintaining an objective thorough review process, are essential to finding and appointing the best people to run the state of Florida.

Many appointments require specific protocol, subject area expertise, unique qualifications, and personal skills to effectively run the agency, department, division, or bureau. Remember, while agencies are critical to the state and its people, if issues are mishandled in some agencies there can be grave consequences.

Additionally, appointments made by an outgoing Governor that are subject to Senate confirmation and that has not occurred may be withdrawn by the incoming Governor, another aspect of appointments that may be key to carefully review during the transition period.

“The people of Florida sent me to Tallahassee to do a job, and I believe that the men and women who will work with me in the positions should share the philosophy and goals of my administration”

GOVERNOR BOB MARTINEZ
Florida's 40th Governor

Judicial Appointments

The Governor also has the power to shape the courts by extensive gubernatorial appointment of judges and justices to judicial vacancies without confirmation by the Senate. Currently there are more than 900 judgeships that may potentially be appointed by the Governor should there be a vacancy.¹

“Take full advantage of your ‘honeymoon period’ – there will only be one.”

SENATE PRESIDENT KENNETH PRUITT

President of the Florida Senate 2006-2008

Article V, Section 11(c) of the Florida Constitution governs the judicial appointments process. Florida uses 27 judicial nominating commissions to fill vacancies within the court system. There is one judicial nominating commission for the Supreme Court; five for each of the appellate court districts; 20 for each of the district courts (and the county courts within each district); and one for judges of compensation claims courts. The judicial nominating commissions for the Supreme Court, appellate courts, and circuit courts are made up of nine members, each of whom is appointed by the Governor. The judicial nominating commission for judges of compensation claims consists of 15 members, five appointed by the Governor; five appointed by the Board of Governors of the Florida Bar; and five appointed by majority vote of the other 10 members. The Governor must select a candidate from the commission's list of nominees within 60 days of receiving the list.²

Although many judicial appointees are subject to a merit retention election after a set term, very few judges fail to achieve the needed votes to retain the position, making judicial appointments some of the most important appointments a Governor makes.

There is a special (although not unique) issue in judicial appointments this year regarding the replacements for three retiring Supreme Court justices (Justices Barbara Pariente, Fred Lewis, and Peggy Quince). While this issue has been recently decided by the Supreme Court, there is conflicting precedent of which the Governor-Elect should be aware. It has been well-publicized that in January 1999, then-Governor Lawton Chiles and then-Governor-Elect Jeb Bush cooperated in interviewing nominees and agreed to appoint Justice Quince to the Supreme Court; however, in earlier such situations, the incoming governor selected the new justices.

A Florida Bar News article provides details of those instances:³

“There are also earlier actions on filling Supreme Court vacancies than the Chiles-Bush cooperation on Quince’s appointment. There were two vacancies coming up on the court as Gov. Bob Graham was ending his term in 1987. In both cases, the justices served to the end of their terms and Graham’s successor, Gov. Bob Martinez, made the final picks. Graham, however, had ordered the JNC process started and the commission’s nominees were ready before inauguration day.

Similarly, another retirement vacancy occurred at the end of Martinez’ term and in that case it was Chiles who selected the new justice. In neither case was any question raised about who would fill the vacancies.”

1 “Methods of Judicial Selection: Judicial Selection in the States.” American Judicature Society, 2010. Available at http://www.judicialselection.us/judicial_selection/methods/selection_of_judges.cfm?state=.

2 Pleus v. Crist, Supreme Court of Florida Opinion SC09-565, July 2, 2009. “We conclude that the Governor is bound by the Florida Constitution to appoint a nominee from the JNC’s certified list, within sixty days of that certification. There is no exception to that mandate.” Available at <http://www.floridasupremecourt.org/decisions/2009/sc09-565.pdf>.

3 Scott initiates JNC process for replacing retiring justices. Gary Blankenship. <https://www.floridabar.org/news/tfb-news/?durl=%2F-divcom%2Fjn%2Fjnnews01.nsf%2F8c9f3012b96736985256aa900624829%2F63095fc899910e21852583120042899d>

Although Governor Rick Scott publicly said he expects to work with his successor to choose the three new justices, the Supreme Court Order issued October 15, 2018 states that the “governor who is elected in the November 2018 general election has the sole authority to fill the vacancies that will be created by the mandatory retirement of Justices Barbara J. Pariente, R. Fred Lewis, and Peggy A. Quince, provided the justices do not leave prior to the expiration of their terms at midnight between January 7 and January 8, 2019, and provided that the governor takes office immediately upon the beginning of his term.”⁴ The Order goes on to state that the “sixty-day period after nominations have been certified within which the governor is required to make appointments, as set forth in article V, section 11(c), of the Florida Constitution begins to run only when the governor with the authority to appoint has taken office.”⁵

At the direction of Governor Scott, the Supreme Court Judicial Nominating Commission (JNC) has begun the process of forming a list of candidates; however, the Supreme Court has voided Governor Scott’s deadline of November 2018 for the JNC to certify its list and is reviewing, but has not ruled on, a deadline for certification of its nominations.⁶

Agency and Department Heads

Appointing Executive agency and department heads is an important yet daunting task for the Governor-Elect to face during the transition. The people you appoint to these posts will represent and carry out your vision and priorities through their leadership. They need to be the most qualified, competent, and respected candidates you can find, regardless of political affiliation. First, assess current agency structure. Learn what performance and institutional knowledge may be lost before terminating anyone and communicate your decisions quickly with current employees. Determine immediately if and which key positions will be asked for resignations in order to appoint new personnel. The review of the qualifications, requirements, and background for each appointment needs to be thorough and timely to conform to the confirmation time frame during which certain appointments must be made.

All appointments within the Executive Office of the Governor serve exclusively at the pleasure of the Governor, including the Director of the Division of Emergency Management. Most agency and department heads serve at the pleasure of the governor, but their appointment is subject to confirmation by the Senate. Such agencies and departments include the Agencies for Health Care Administration and Persons with Disabilities; and the Departments of Business and Professional Regulation, Children and Families, Corrections, Economic Opportunity, Elder Affairs, Environmental Protection, Health, Juvenile Justice, Lottery, Management Services, State, and Transportation. Generally, these agency and department heads choose their deputies and division directors with the advice of the Governor’s office but without additional oversight from either the Senate or the Cabinet; however, the selection of the Director of the Division of State Lands within the Department of Environmental Protection (DEP) is made by the Secretary of the DEP, who serves at the pleasure of the Governor, but is subject to confirmation by the Governor and Cabinet sitting as the Board of Trustees of the Internal Improvement Trust Fund. While this specific example may be unique in state government, such nuances and complications are common in the appointments process generally.

⁴ League of Women Voters of Florida, Et. Al., v. Rick Scott, Governor, Et. Al., SC18-1573, Supreme Court of Florida, October 15, 2018.

⁵ Ibid.

⁶ Ibid.

Policymaking Boards & Commissions

Additionally, the Governor makes appointments to a number of boards or commissions that either serve as the head of a department or agency or make the selection of the chief executive. Some of these appointments are subject to Senate confirmation, while others are not; however, most of the appointments are for specific terms and some have subject matter or professional requirements of the appointees. Some such boards and commissions include:

Florida Board of Governors. The Florida Board of Governors is comprised of 17 members, 14 of whom are appointed by the Governor; the remaining three are the Florida Commissioner of Education, the Chair of the Advisory Council of Faculty Senates, and the President of the Florida Student Association. The Board appoints a Chancellor, who serves as the System's chief executive. The Board of Governors also appoints the remaining five of the 13 members of each University's Board of Trustees (with the other six appointed directly by the Governor).

Florida Citrus Commission, which governs the Florida Department of Citrus. "The Florida Citrus Commission is the agency head and serves in the capacity of a Board of Directors for the Department of Citrus. The Commission consists of 12 members appointed by the Governor and confirmed by the Senate for three-year terms. Seven members of the Commission must be growers; three members must represent the processing industry; and two of the commissioners must be fresh fruit shippers."⁷

Florida State Board of Education, which governs the Florida Department of Education. The Governor appoints seven members to staggered four-year terms subject to confirmation by the Senate. The Commissioner of Education is appointed by the State board and serves as the agency's chief executive.

Florida Commission on Human Relations (FCHR). The FCHR is comprised of 12 members appointed by the Governor, subject to confirmation by the Senate, for terms of four years. According to statute, "members of the commission must be broadly representative of various racial, religious, ethnic, social, economic, political, and professional groups within the state; and at least one member of the commission must be 60 years of age or older." (Florida Statutes, 760.03(2)) The Commission selects one of its members to serve as chairperson for terms of two years and chooses the executive director.

Florida Fish and Wildlife Conservation Commission (FWCC). "The fish and wildlife conservation commission is governed by a board of seven commissioners, appointed by the governor and confirmed by the Senate, to serve five year terms on a staggered basis".⁸ The Commissioner selects one of its members to serve as chairperson and chooses the executive director.

Appointments to Cabinet Departments and Commissions

Other executive branch Departments and Commissions are under the authority of the Governor and Cabinet. For these organizations, the head is the Governor and Cabinet with authority delegated to an Executive Director, Director, Secretary, or Commissioner, who is appointed by and serves under the direction and supervision of the Governor and Cabinet, and is subject to removal for any reason by appropriate vote, and whose appointment may or may not be subject to Senate confirmation. These entities are: The Departments of Administrative Hearings, Law Enforcement, Highway Safety and Motor Vehicles, the Revenue, and Veterans Affairs. Additionally, Commissioners who sit on the Florida Commission on Offender Review (formerly the Parole Commission) are appointed by the Governor and Cabinet and subject to confirmation by the Senate.

⁷ Allen Morris. The Florida Handbook 2010.

⁸ Ibid.

Finally, the Florida State Board of Administration (SBA) is governed by a three-member Board of Trustees (Trustees), comprised of the Governor as Chair, the Chief Financial Officer and the Attorney General. The Trustees, in concert with legislative directives, have ultimate oversight. They delegate authority to the Executive Director/Chief Investment Officer to carry out the strategic direction in the day-to-day financial investments and operations of the organization.

In addition to the Executive Director/Chief Investment Officer, the Trustees appoint:

- nine members for serve four-year terms to the Investment Advisory Council;
- three members to serve four-year terms on the Audit Committee;
- six members to serve four-year terms, subject to confirmation by the Florida Senate, to the Participant Local Government Advisory Council;
- nine members to the Florida Hurricane Catastrophe Fund Advisory Council (which must consist of an actuary, a meteorologist, an engineer, a representative of insurers, a representative of insurance agents, a representative of reinsurers, and three consumers); and,
- twelve members to the Florida Commission on Hurricane Loss Projection Methodology, which is administratively housed within the SBA.

Other Boards, Councils, Committees, Task Forces, and Advisory Boards

The Governor makes appointments to certain bodies that are non-governmental but are created by statute and aligned with governmental interests. For examples, The Governor (or his designee) serves as the Chairperson of the Board of Enterprise Florida and appoints six members to four-year terms subject to Senate confirmation (and certain other criteria outlined in s.288.901(5)). Those same six members also serve statutorily on the Space Florida Board, along with the Governor or his designee, who serves as Chairperson (s.331.3081). Similar and related economic development bodies include the Florida Film & Entertainment Advisory Council, of which seven of the 17 members are appointed by the Governor.

Additionally, there are dozens of other Boards, Council, Committees, Task Forces, and Advisory Boards appointed in part or in whole by the Governor, some subject to statutory requirements for appointees, such as CareerSource Florida – the Governor appoints board members subject to s.445.004 – and others that require confirmation by the Senate – such as Volunteer Florida. These bodies range from the Board of Trustees of State Colleges, to the Council on Licensed Midwifery to Government Efficiency Task Force to the Alzheimer's Disease Advisory Committee to the Technology Advisory Council, Citizens Property Insurance Corporation Board of Governors, Commission on Ethics.

“The Governor puts men and women on State commissions for licensing and regulation of certain professions and occupations. Among these are: physicians, dentists, nurses, architects, building contractors, cosmetologists, sanitarians, and watchmakers. He also selects the members of boards for such local public services as hospitals, libraries, seaports and airports, sewers, fire protection, drainage, zoning, housing, tax adjustment, and mosquito control.”

ALLEN MORRIS
Florida Historian

The Washington Office and Federal Revenue

Florida Statute provides for an Office of State-Federal Relations for the State of Florida, located in Washington, D.C.⁹

The office serves as a full-time, Washington-based representative for Florida's interests. Better known as the "Washington Office," it represents both the executive and legislative branches in the nation's capital. The office enables state government to be kept fully and accurately informed, to develop federal legislative strategy for state concerns, and to coordinate activities with the Florida Congressional delegation. The office also serves state officials and program managers by getting clarification on federal regulations and provides assistance to state officials on business travel in the Washington area as well.

The Governor directly holds the power to set the duties of the Washington Office in consultation with the Speaker of the House and President of the Senate. The Governor appoints the director of the Washington Office.

In recent years, there has been less focus on the Washington office, possibly contributing to a loss of federal funding flowing to Florida. Traditionally, Florida has never fared well in terms of getting a 'fair share' of federal funds in comparison with other states. Currently, Florida is considered a 'donor state', where more taxpayer dollars are paid to the federal government than are collected by the state through federal programs, grants, and services.

Florida TaxWatch has produced several reports examining how Florida fares, relative to other states, in receiving grants and aid from the federal government. In 1998, Florida ranked 49th among the 50 states in terms of federal grants received per capita. A 2011 report showed Florida had increased its relative share of federal aid slightly, rising to 48th. Florida also fares poorly when grant receipts are viewed relative to federal taxes paid. Relative to its portion of total federal taxes paid, Florida pays \$1.58 in taxes for each dollar returned in aid. Considering that federal funds make up more than one-third of the state's FY2018-19 budget, more energy should be placed on its importance in advancing the Governor's agenda and recruiting federal dollars and programs to the state.

Florida House

Located on Capitol Hill, Florida House serves as the only state embassy in Washington, D.C. Florida House staff work to connect Floridians to Washington, D.C. and vice versa through educational, cultural, economic, and social resources that engage students, visitors, guests, our Congressional Delegation, Floridians, and Floridians-at-heart. As a nonpartisan, non-profit organization, Florida House is funded solely through private donations and provides a welcoming space for all of its visitors. The vision of the late former First Lady Rhea Chiles, Florida House has for more than 40 years been of service to Floridians and their guests, a home-away-from-home in the nation's capital.

9 Section 14.23, F.S.

Customer Service Delivery

Government performance matters. Citizen interaction with the government is vitally important as it shapes the way the Governor and his or her administration is viewed by the public. Each public employee and the type of interaction citizens have with them reflect on the leadership and ability of the new administration. When customer service delivery is not a priority, it can hinder or deter citizen and business cooperation and involvement with the government, which makes customer service delivery and dispute resolution an important part of forming and shaping the Governor's relationship with the public.

When citizens contact the government, it is because they need something. It is the government's job to assist the taxpayers in solving their problem in an efficient, friendly, and satisfactory manner. People who have a positive experience with the government tend to tell others about the experience, which can create an infectious change in attitude about dealing with the government bureaucracy overall. Floridians' view of interacting with the government can change rapidly if customer service improvement becomes a priority of the new administration.

Florida Statutes mandate proper customer service and complaint resolution under the "Florida Customer Service Standards Act." Passed by the Legislature in 2001, this statute requires agencies to develop a complaint resolution system and designate an employee or employees to resolve customer complaints. State agencies are also required to track complaint resolutions and collect data for use when conducting management and budget activities and preparing annual reports.

Given the large number of agencies, departments, and other government entities with a lack of a common complaint resolution system, there exists duplication for the same service with many adhering to disparate, and sometimes conflicting, procedures and policies to process and deliver government services. This confusion can make interactions with state government difficult and frustrating to resolve complaints or receive services in a timely manner.

A survey by the Pew Center on the States echoes this sentiment. The survey reported that Floridians are more likely to say their elected leaders waste their money and could more efficiently deliver services than to complain that state government is too big. Clearly, it is important for the new administration to immediately focus on developing and delivering well- managed and efficient customer service to Floridians within state agencies, departments, and other entities with which taxpayers frequently interact.

There are several ways to better the current system through the use of common technology, consolidated service delivery departments, and streamlined communications. Presented here are some recommendations for improved communication and customer service delivery in government that have been popular in other states and private industry:

- Create leadership teams that embrace the mission of the agency and the people it serves with the purpose of finding ways to be more effective and efficient in providing services and problem resolution. Identify agencies with the most troublesome and immediately-affected constituencies and use the teams to motivate these agencies to thoroughly implement their delivery of customer service policies. Make sure customer service is a requirement, not an option.

- Replace electronic switchboards with live customer service representatives who will direct citizens to the appropriate area and person for their particular problem. Many public and private organizations have done this with great success in improving customer satisfaction and efficient problem solving.
- Consolidate call centers within departments or over all departments, agencies, and programs. A Florida TaxWatch report, *Report and Recommendations of the Florida TaxWatch Government Cost Savings Task Force to Save More than \$3 Billion*, found that consolidating call centers in the state would decrease costs while improving services. Consolidated call centers can reduce redundant calls to multiple numbers, call center transfer costs, and staff hours spent handling routine requests. A central facility would allow for cross training of customer service representatives across departments and agencies and reduce the overall number of staff.
- Establish one telephone number to contact all of state government. With so many departments and agencies, some of which operate within similar policy areas, it is difficult for the average citizen to know where to go to receive help. A consolidated phone number would help to direct citizens to the proper area, reduce confusion and dissatisfaction, and relieve the redundancy and staff time utilized when citizens call the incorrect department or agency.
- Implement high quality telephone and internet service delivery mechanisms to accommodate the unique challenges of service delivery and help citizens obtain information and track requests. Those without access to the internet should have the same quality of services available to them over the telephone.
- Expand the range of hours that customer service representatives are available. Typically, state government working hours are held within the average working day leaving citizens who call before and after regular business hours without assistance. 'Flex hours' and 'flex schedules' could be implemented for state employees so that early morning and evenings are available for service.
- Create a division of customer 'champions' within department and agencies to create a point person to handle and coordinate any problems and issues and provide accountability for customer service. Establish a group of these customer service champions within all agencies and departments.
- Ask the private sector for advice and best practices of customer service delivery in an ever-changing market. Private industry is typically willing to lend advice to improve communication and services with the government.
- Apply performance measures to customer service both electronically and over the phone. Short surveys should be asked of all callers and case studies should be performed by the academic institutions across the state to evaluate effectiveness and efficiency in customer service delivery.

The First 100 Days

After the eight week transition, the first 100 days will be some of the busiest and most important of the new administration. In that time, the new Governor will need to make hundreds of appointments and work with the Senate to secure confirmations, prepare for the legislative session, craft and present a budget, and deliver the State of the State Address.

The Fiscal Year 2019-20 Legislative Budget

The new Governor will be required to submit budget recommendations to the Legislature by February 3, 2019 (i.e., 30 days prior to the beginning of the 2019 Legislative Session). Former Governors and transition staff consistently label the creation of the first executive budget recommendations as one of the most critical and daunting tasks during the first few months of a new administration.

“Creating the Governor’s proposed budget is the most important first act of the new administration and it all has to be pulled together within a very short period of time. The sooner the Governor-Elect gets over the initial ‘sticker shock,’ the easier it will be for the Governor to focus decision making and set priorities realistically.”

JIM ZINGALE, PH.D,
Executive Director, Department of Revenue

The Governor’s Budget embodies the administration’s priorities. In future years, the process will generally involve months of work by the staff of the Office of Policy and Budget in the Executive Office of the Governor and key leaders from every agency and department, who make budget requests that are painstakingly analyzed and compiled into the Governor’s Budget Recommendation. However, this process may be significantly truncated in the first year.

During the transition, it is important for key transition decision-makers to be knowledgeable about basic state budgeting, including key budget categories, federal requirements, areas of flexibility, and revenues. Transition staff should analyze the previous fiscal year’s General Appropriations Act and seek input from trusted experts knowledgeable about the workings of individual agencies and departments. When constructing the budget strategy, the transition team may consider consulting the available knowledge of authoritative resources, including former Governors and budget directors, state oversight organizations such as agency Inspector General offices, the Office of Program Policy Analysis and Government Accountability (OPPAGA), and independent non-partisan, non-profit research institutes such as Florida TaxWatch.

The Governor-Elect and key transition and administration staff may wish to review the previous year’s Governor’s Budget Recommendations for priority compatibility – where the priorities do not correspond with the Governor-Elect’s vision for the state, adjustments can be made without having to start from scratch.

It is generally considered wise for the new Governor to begin contacting legislators and constituency groups for support of the Budget Recommendations as soon as possible.

“A first year administration should stay focused on some fundamentals, including (1) setting priorities and limiting the agenda, (2) making sure the Governor’s first budget numbers add up and can be credibly defended, (3) fighting the paralysis of paranoia some have about rank and file staff who served in the previous administration, (4) respecting the legislative process and working with members and staff to pass key legislation and the Governor’s first budget and (5) soliciting citizen and business support for Administration initiatives in the Session.

It is essential that the Governor and his Administration accept and embrace the responsibility to define high priority issues and set forth policy and budget solutions. State government’s Board of Directors, the Legislature, normally expects the Chief Executive to make proposals. The Governor’s Office is uniquely positioned to look across state agencies and bring multiple agencies, other levels of government and private groups to the table. Also as the state’s top political official, the Governor is positioned to forge political coalitions to help define and support issue resolutions.”

GLENN ROBERTSON

*Budget Director for Governors Graham,
Mixson, and Martinez*

“Get a continuation budget from the previous Governor’s staff as soon as possible. Get acquainted with as many legislators as possible before the Session and appoint legislative liaison staff early.”

JOE CRESSE

Budget Director for Governor Askew

“The extent to which your recommendations become appropriations is determined by the collaborative efforts of the Governor and the Legislature.”

SPEAKER JON MILLS

Speaker of the House, 1987-88

2019 Legislative Session

Preparing for the Legislative Session has consistently been identified by Governors and staff members as one of the most critical aspects of any successful transition. From inauguration on January 8, 2019, there are just eight weeks – 56 days – until the beginning of the Legislative Session (March 5, 2019).¹⁰

While the Florida Constitution vests “supreme executive power” in the Governor” who “shall take care that the laws be faithfully executed,” it is the Florida Legislature, comprising a Senate with 40 members and a House of Representatives with 120 members, that is vested with “the legislative power of the state.”

During the transition, the Governor-Elect and key transition leaders should meet with the legislative leadership and members. The Governor-Elect should dedicate time and energy to familiarizing himself with members of both chambers and learning their priorities. Some individuals familiar with the organization, traditions, and staff of the Senate and House of Representatives should be selected for the transition team and should work closely with the Governor-Elect in preparing for the 2019 Session.

The Governor-Elect should clearly identify staff members who are responsible for executing the administration’s legislative agenda — both substantive and appropriations – and clearly identify which staff members are authorized to speak for the new administration in dealings with the Legislature.

The transition team should put in place a communication system that will be prepared to disseminate timely and accurate information on legislative issues to the Governor and key administration staff; however, the Governor should be prepared to keep the lines of communication open between himself and legislative leaders, while also ensuring a system of communication with all Members of the Legislature and key constituency groups.

The Florida Constitution provides the Governor with the power to sign or veto legislation, including appropriations. The Governor will be presented every bill passed by the Legislature. Former executive staff members recommend that each piece of legislation be evaluated using a procedure and criteria developed by the Governor and his staff. Ideally, the process should be established and key staffers identified during the transition.

‘New technologies, new economies, and new social strains are facing Florida’s leaders.’

GOVERNOR JEB BUSH
Florida’s 43rd Governor

Some considerations when evaluating whether to sign or veto legislation:

- Review the legislation for potential constitutional infringements.
- Consider the implications of public versus private interests and geographic areas.
- Determine whether the legislation advances the Governor’s vision for Florida by achieving important economic, social, or environmental priorities for Floridians.
- Calculate the tax impacts of the legislation or if required funding is available.

¹⁰ The Florida Legislative Session begins on the first Tuesday after the first Monday in March of each even-numbered year and either on that same timetable or as set by the Legislature for each odd-numbered year and cannot exceed 60 days, unless extended by a three-fifths vote of both chambers. Art III, Section 3(b). Note: Amendment 10 (2018) if passed will set the start date as the first Tuesday after the first Monday in January of each even-numbered year.

Some consideration when evaluating whether to sign or veto specific line-item appropriations acts:

- Determine if non-recurring (one-time) revenues will be used for recurring purposes as this creates a budget “hole” in the next budget cycle.
- Ensure revenues required to fund the Appropriations Act are appropriately balanced in terms of taxpayer burdens and returns.
- Establish a clear understanding with the Legislature in advance of the Session concerning the integrity of the budget process and what would constitute unacceptable appropriations or a “budget turkey”.

During the legislative evaluation, the Governor can review information provided by reputable organizations, like Florida TaxWatch. Since 1997, Florida TaxWatch has produced the Turkey Watch Report, an annual review of the state budget passed by the Legislature. It highlights appropriations items that were determined to bypass the proper appropriations review process. Florida TaxWatch uses the following criteria to evaluate potential “Turkeys”:

- A project that circumvents established review and selection processes or has completed the established process but is funded ahead of higher priority projects (as determined by the process). Examples of projects that have an established budget review process include: the transportation work program, education facilities construction (PECO), local parks (FRDAP), aquaculture, beach nourishment, and historical preservation, arts and cultural grants.
- Appropriations that are inserted in the budget during conference committee deliberations, meaning they did not appear in either of the final Senate or House budgets.
- Appropriations from inappropriate trust funds; duplicative appropriations; and appropriations contingent on legislation that did not pass.

Government Efficiency Task Force

One of the first tasks facing the new governor is the appointment of five members to the 15-member Government Efficiency Task Force. The Task Force, mandated by Article III, Section 19(i) of the Florida Constitution and Florida Statutes 11.9005, convenes every four years to develop recommendations for improving governmental operations and reducing costs. The 15 members should be appointed in January 2019 with five members appointed by the Governor, five appointed by the President of the Senate, and five appointed by the Speaker of the House of Representatives.

The Task Force will complete its work within one year and submit its recommendations to the joint Legislative Budget Commission, the Governor, and the Chief Justice of the Supreme Court. The final report of the 2015-16 Government Efficiency Task Force includes 29 recommendations which, if implemented, will significantly improve the efficiency of government operations and will reduce the costs of government. The appointment and staffing of this Constitutional Task Force will be one of the first actions of the new administration, and these appointments should reflect the vision of the Governor-Elect.

State of the State Address

The Governor is required at least once in each regular session to inform the legislature concerning the condition of the state, propose such reorganization of the executive department as will promote efficiency and economy, and recommend measures in the public interest.¹¹

This State of the State Address is usually given by the Governor at the start of the Legislative Session – i.e., on March 6, 2019.

Confirmation of Key Staff

By the end of the first 100 days, the Governor's team should be in place and operational. Many of the Governor's agency heads, appointments, and key staff will require confirmation by the Senate.

¹¹ Article IV, Section 1(e), Florida Constitution.

Prominent Issues Facing Florida

As the Governor creates and promotes his vision for Florida, TaxWatch researchers have identified general, non-exclusive governmental issues that are prominent in Florida and the United States.

Florida is a very different place than it was eight years ago. In the time between 2010 and 2018, Florida has begun to and is still recovering from one of the worst recessions in modern history. The issues facing the new Governor and his administration are different from the issues faced by Governor Scott. In the remainder of this Guide, TaxWatch has identified a number of significant issues that the new Governor will have to face head-on. This is by no means an exhaustive list, but it does reflect significant issues by TaxWatch as a result of its public policy research.

Affordable Housing

The combination of hurricanes, stagnant wages, and a growing separation of wealth has created a shortage of affordable housing units in Florida. The shortage of affordable housing represents a huge barrier to Florida's economic stability. Housing is considered to be "affordable" if the cost of the mortgage or rent plus utilities is equal to or less than 30 percent of a household's total income. Households spending more than 30 percent of their total income on mortgage or rent plus utilities are considered to be "cost-burdened" and households spending more than 50 percent of their total income on mortgage or rent plus utilities are considered to be "severely cost-burdened." According to the University of Florida's Shimberg Center for Housing Studies, 36 percent of Florida households are cost-burdened, and 18 percent are severely cost burdened.

Housing represents the largest monthly expenditure for most Florida households. The more a household spends on housing, the less money the household has for other recurring expenses such as food, transportation, education, and healthcare. There is also less money available to be placed into savings, retirement, and investments. Having an adequate supply of affordable housing units is also important to businesses. For Florida business owners looking to grow their business, a limited supply of affordable housing units limits the business owner's ability to recruit and retain qualified employees, especially in lower-paying positions. For companies considering expanding or relocating to Florida, the availability of affordable housing plays an important role in their siting decisions.

To help fund affordable housing, the Florida Legislature enacted the William E. Sadowski Affordable Housing Act in 1992, creating a dedicated revenue source by increasing the documentary stamp tax paid on the purchase price of all residential and commercial deeds.

These moneys are deposited into the State Housing Trust Fund and used to fund the state's two major affordable housing programs:

- State Housing Initiative Partnership (SHIP) --- Designed to serve low, moderate, and very low-income families, SHIP provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing.
- State Apartment Incentive Loan Program (SAIL) --- Designed to serve very low-income families, SAIL provides low-interest loans on a competitive basis to individuals, public entities, not-for-profit or for-profit organizations that propose the construction or substantial rehabilitation of affordable multi-family units.

In crafting the fiscal year 2018-19 state budget, legislators “swept” the State Housing Trust Fund, diverting more than \$180 million to the General Revenue Fund to pay for other legislative priorities. Since 2001, more than \$2 billion has been diverted from the Fund for other non-related expenditures. Over the last 10 years, the Legislature has swept \$1.5 billion from the State Housing and Local Government Housing trust funds. This is more than the \$1.1 billion actually appropriated from the funds for affordable housing.

It is important that the new Governor work with legislative leaders to make sure that Sadowski Act funding is used for what it was intended, and not to fill gaps in other budgets or for other spending priorities. In a 2014 briefing entitled “Putting the Trust Back in Trust Funds, TaxWatch recommended that, when the Legislature wants to sweep a trust fund, it should be required to introduce a separate general bill for each trust fund sweep. Like other bills, a staff analysis should be developed that compares what would be funded with and without the sweep and the associated costs and benefits. The analysis should also address the current tax or fee structure that funds the trust fund and determine if the current levels are appropriate. Where appropriate, an economic impact estimate using dynamic scoring by the Revenue Estimating Conference should be included.

Criminal Justice and the Courts

Even though Florida's crime rate and the number admitted to Florida prisons has declined over the past decade, Florida's prison population has remained steady at approximately 100,000 inmates. Mandatory minimum sentences and other sentencing requirements keep inmates incarcerated longer, offsetting any reductions in the number of persons sentenced to prison. As a result, Florida's incarceration rate is more than 20 percent higher than the national average, costing Florida taxpayers \$2.55 billion annually.

Several Florida laws dating back to the tough-on-crime era of the 1980s and '90s have led to the flow of low-level offenders into the prison system and keeping them longer once they're in. The majority of people going to prison are low-level offenders. Two-thirds of individuals sent to Florida prisons in 2016 were admitted for a nonviolent offense, and 48 percent of new court commitments in 2016 had no current or prior violent conviction on their record.¹² As prisoners age, they put a severe strain on the state budget, largely due to the high costs of providing health care to long-term, elderly, and infirmed inmates. Florida's current criminal justice policies tie the hands of the DOC and keep the taxpayers of Florida financially responsible for housing and caring for infirmed inmates incarcerated after they are no longer a threat to public safety.

12 Crime and Justice Institute, “Data-Driven Solutions to Improve Florida's Criminal Justice System,” February 2018.

Operational Review of FDOC

The constitutionally-mandated 2016 Government Efficiency Task Force recommended the Legislature establish an inter-branch, bipartisan criminal justice task force of stakeholders from both inside and outside of state government to conduct an operational review of the Florida Department of Corrections (FDOC). The task force would publish and deliver a report to the Governor, Legislature, and Supreme Court on its findings and recommendations.

Develop Risk / Needs Assessment and Cost Analysis Tools for Sentencing

While evidence-based approaches to reducing recidivism have been most commonly associated with prison and community-based programs, states, in response to this frustration and their troubling re-offense rates, have been developing policies and practices that address risk at the time of sentencing so that the sentence is most appropriate to the individual defendant's risks of recidivating.¹³ The Government Efficiency Task Force recommended that Florida create a risk/needs assessment tool that allows judges access to offense/offender-specific cost and recidivism estimates and enable them to use evidence in order to develop sentencing options best targeted to individual offenders. This will reduce the overall prison population over time, and help Florida save money without jeopardizing public safety.

The Governor should take the lead in developing a similar tool for purposes of illuminating sentencing options, defendant risk reduction and sentencing costs, which would improve the justice system and ensure public safety while reducing costs to the taxpayers.

Expand Work Release Programs

The Government Efficiency Task Force recommended the Legislature increase access to work release programs to permit more inmates to begin their transition back into the community sooner. This transition will be less expensive to the state and will likely result in improved outcomes (e.g., reduced recidivism) for the inmates. Florida offers transitional community work release for selected low-risk inmates to work at paid employment in the community while living in work release centers outside of prison. While in work release, the inmate earns money and a portion must be set aside for when the inmate is released. The inmate learns skills, which increases their chances of finding jobs after their release. The majority of participants' earnings in work release programs is used for restitution, child support, subsistence in the facility, and savings.

The public supports alternatives to the policies adopted in the eighties and nineties. National polls, consistently since 2002, have demonstrated a dramatic shift in public opinion regarding sentencing and incarceration – from an emphasis on punishment to an emphasis today on treatment and rehabilitation. Through smart executive and legislative criminal and juvenile justice reforms, Florida can save hundreds of millions of taxpayer dollars while reducing crime and holding offenders accountable for their actions.

Courts Funding

Adequate funding of Florida's courts is necessary to ensure justice for all Floridians. An overburdened and underfunded system can fall behind in honoring the constitutional requirement for a speedy trial for criminal cases, and delays in civil cases can stretch over years. The courts in Florida are funded by the Legislature and the counties – an expense that accounts for less than 1 percent of the state budget. Florida's courts typically generate about \$1 billion a year, which is more than what is needed to support court operations; however, a

¹³ Ryan J. Reilly, "Holder Suggests New Approach on Prison Reentry," Mainjustice.com, July 14, 2010; www.mainjustice.com/2010/07/14/holder-calls-for-new-approach-on-prisoner-reentry/ (retrieved July 19, 2010).

significant portion is spent on non-court programs and services. The State Courts Revenue Trust Fund was created to give the courts a dedicated funding source, with revenue from court filing fees; however, the trust fund relied heavily on foreclosure filing fees for revenue. Unpredictable swings in foreclosure filings make the judicial branch budget susceptible to volatility beyond its control. Because of this market uncertainty, general revenue was then used as a primary funding source for the courts, though court users continue to pay for the courts system through court-related revenue flowing into the general revenue fund. Although general revenue now pays for more than 75 percent of the courts system's budget, the judicial branch continues to experience fiscal instability.¹⁴

The Office of the State Courts Administrator has published seven basic principles to address the current revenue decline and to stabilize court funding with a focus on maintaining access to the courts and levying reasonable fees. Among them are the reduction of costs through improved efficiency and the inclusion of leading technology such as the expansion of electronic case filing and streamlining other services. The Governor-Elect and the new administration should pursue and support these types of initiatives to promote a self-sustained, well-functioning judiciary.

Juvenile Pre-Arrest Diversion

Florida's juvenile pre-arrest diversion (JPAD) programs have been effective in keeping juveniles from deeper involvement in the juvenile and criminal justice systems, leading to a decrease in recidivism and improved odds of success in their adult lives. These programs also save significant taxpayer dollars that can be better invested elsewhere. Inconsistencies in eligibility and application around the state have created a system where a juvenile offender in one county may receive an alternative referral for services while another in a neighboring county may be arrested for the same offense. The new Governor must work with legislative leaders and existing JPAD programs to create a graduated system of JPAD sanctions with consistent eligibility standards across the state.

Economic Development

Florida has one of the most robust economies in the nation. With a Gross Domestic Product larger than many countries, Florida has become a global economic power and must continue to attract new and expanding businesses to maintain that standing. Florida's favorable tax climate, weather, infrastructure, and educated workforce, by themselves, are no longer sufficient to attract new jobs to Florida. If Florida is to remain competitive with other states, a robust economic development incentives portfolio, focused on those incentives that provide the greatest benefits to the taxpayers (i.e., greatest ROI, most jobs created, and greatest capital investment), coupled with strategies to grow Florida businesses from within and promote tourism, is critical.

Attracting New Businesses to Florida

The competition among states in attracting businesses is fierce, because convincing a large company to relocate or build an office, manufacturing plant, etc., in a state can lead to tens of thousands of jobs, and billions of dollars in capital flowing through that state's economy. Historically, Florida has used economic development incentives targeted to specific industries and investments to attract qualifying businesses to bring

¹⁴ The Florida Bar, "Board Issue Paper – State Court Funding," revised March 8, 2017.

high-wage jobs to the state and to diversify the state's economy. These incentives include: (1) tax-based incentives, which provide companies various forms of tax relief (e.g., exemptions, credits, and refunds); and (2) cash-based incentives, which provide companies grants, low-interest loans, and a variety of repayment options.

Critics of business incentives allege that they give an unfair advantage to some companies over others, often don't deliver the promised jobs, frequently go to the well-connected instead of the most deserving, and generally are a misuse of government funds. Although these important incentives have been shown to generate positive returns, funding for many of these incentives has recently been greatly reduced or eliminated. It is important that the new Governor evaluate the role of economic development incentives programs in creating new jobs and attracting new businesses to Florida.

Growing Florida Businesses

Most of Florida's business and job growth is occurring in small businesses, those with fewer than 100 employees. This is also where the new jobs are being created. As many of the small businesses survive their start-up and move successfully into the next growth stage, the need for programs like GrowFL and FloridaMakes to help them continue to grow becomes paramount.

Job creation in Florida is accomplished by either enticing new businesses to relocate to Florida or by expanding existing Florida businesses. Reduced funding for economic development incentives to attract qualifying businesses to bring high-wage jobs to the state has placed Florida at a competitive disadvantage compared to other states when it comes to enticing new businesses to relocate to Florida. This makes programs designed to grow and expand small businesses in Florida, in the absence of other economic development incentives, even more critical in sustaining Florida's economic and population growth.

One of the roles a Governor can play beyond actual administration of government is convening stakeholders to develop innovative solutions to address systemic challenges that may not be best answered by the governmental sector. Creating ways for Florida's small business economy to compete for talent by finding economies of scale that help small-business employees save for their family's financial future may be one of those areas, as it both increases Florida's economic competitiveness by strengthening small business climate and supports long-term prosperity for lifelong Floridians, increasing the percentage of their years in which they are positive economic contributors.

Tourism

Governor Scott recently announced that Florida set another tourism record in 2017 with 116.5 million visitors. This represents a 3.6 percent increase over 2016. Tourism statistics for the first quarter of calendar year 2018 look even better --- Florida had an estimated 33.2 million visitors from January through the end of March, a 7.4 percent increase over the same period in 2017 (a record number for any quarter).

To maintain its share of the global tourism market, Florida must compete for visitors with other states, primarily California and Texas. Critics of Florida's tourism agency, VISIT FLORIDA, maintain that tourists will come to Florida whether VISIT FLORIDA advertises or not, and have tried to cut the agency's marketing funds. It is true that the large theme parks and attractions will continue to advertise, but there are thousands of small tourist-dependent businesses that will get lost in the shuffle if VISIT FLORIDA's advertising and marketing budget is reduced.

Maintaining VISIT FLORIDA's funding and removing restrictions that hinder its operations will not only keep tourists and revenue flowing into Florida, it will preserve the jobs of the 1.4 million Floridians who count on tourism for their paychecks.

Education: PreK-12

Florida has improved its national rankings over the past few years. According to the most recent (2017) National Assessment of Educational Progress (NAEP) results, Florida was the only state to increase its scores significantly on 3 of the 4 assessments (Grade 4 Math, Grade 8 Reading and Grade 8 Math). Florida's student performance ranks in the top 10 states nationally on several measures. The 2015 NAEP assessment showed that Florida's low-income fourth-grade students were the highest-performing low-income students in the nation and, in 2013, Florida was the only state to reduce the gap between white and black students in both Grade 4 and Grade 8 Reading and Math scores. The recently released 2017 NAEP results for Grade 4 Math show that Florida's Hispanic, black, students with disabilities, and students eligible for free or reduced priced lunch outscored all other states and ranked number one based on their average scale score. Florida high school students recently ranked first in the nation for participation on Advanced Placement (AP) examinations and fourth in the nation in performance on AP examinations.¹⁵

Florida also has made substantial progress supporting struggling schools. As a result, 71 percent of the low-performing schools for which turnaround plans were presented before the State Board of Education in July 2016 improved to a "C" or greater the following year. Furthermore, without any change to the grading system, the number of "F" schools decreased by more than half (61 percent) during this same period, dropping from 111 schools in 2015-2016 to only 43 of more than 3,200 schools in 2016-2017.¹⁶

ESSA Plan

The federal Every Student Succeeds Act (ESSA) narrows the responsibilities of the federal government and cedes more control and accountability to the states. ESSA requires each state to submit a plan demonstrating how the state will achieve the goals and standards laid out in ESSA. ESSA retains the annual standardized testing requirements of the No Child Left Behind Act but leaves it to the state to determine the standards students must meet. As of July 2018, Florida was the only state without a U.S. Department of Education approved ESSA plan.

Per-Student Funding

K-12 public education makes up a significant part of state and local budgets. As a barometer for K-12 spending, government officials use the measure "per-student spending." For the 2018-19 school year, the Florida Legislature appropriated \$7,408 per student, the largest per-student appropriation in Florida history. This money is appropriated through the Florida Education Finance Program (FEFP), the primary means of funding the operating costs of Florida school districts. But this figure can be misleading since it does not reflect total spending per student --- there are other categories of expenditures (e.g., debt service, capital outlay, etc.) necessary for the operation of public schools that are reported separately from FEFP funds.

¹⁵ Florida Department of Education, "Every Student Succeeds Act (ESSA) State Plan (April 20, 2018).

¹⁶ Ibid.

School Choice

Florida offers several quality public and private educational programs that provide parents and students an alternative to traditional public schools. Charter schools are public schools of choice and, as such, provide Florida parents an opportunity to pick the school most suitable for their child's educational well-being. Aside from charter schools, Florida also provides for scholarships that allow students in PreK-12 to attend privately operated schools. The largest such program is called the Florida Tax Credit Scholarship. Most recently, the legislature created "schools of hope" that will turn failing traditional public schools into charter schools that are privately run but publicly funded. Hope scholarships permit public school students who are the victims of bullying or violence on campus to use the funds toward private school tuition or a smaller amount for transportation to a different public school. The recent growth of charter schools and other school choice programs is seen by advocates of traditional public schools as an attempt by the legislature to divert education funds to private (corporate) interests, thus creating an unlevel playing field.

Accountability

The standardized testing system established by Governor Bush, the Florida Comprehensive Assessment Test, was succeeded a few years ago by the Florida Standards Assessment.

The new test is longer and tougher than its predecessors. Students are required to think more critically and demonstrate a variety of higher-order skills. And students who have historically performed well on Florida's standardized tests may not perform as well on the new test. The new test brings with it uncertainty and resistance to change.

Educators have expressed concerns about the over-importance of test scores and the way in which the scores are used to measure student achievement. Critics say too much time is being spent taking the assessments and not enough time is being spent learning. Legislators continue to look at the testing process, considering a number of options to reduce student anxiety, reduce the amount of time testing, and making sure a student receives a year's worth of learning in a year's worth of time.

Teacher Shortage

There is a shortage of qualified K-12 teachers in Florida. The Florida Education Association reported almost 1,500 vacancies on January 2018. More than 17,000 elementary school and 120,000 secondary school students began their second semester without a regular teacher. More than 28 percent of Florida's K-12 teachers have only one or two years' experience.

School Safety

The tragic and senseless shootings at Marjory Stoneman Douglas High School have focused attention on school safety and security. Legislation passed after the shootings requires every school to have a sworn school safety officer or one or more trained "guardians," and appropriates \$165 million for this purpose. Few people believe that the \$165 million appropriated will fully fund the extra expenses for compensation and benefits associated with this increased staffing. Senate President-elect Galvano has suggested the need to revisit and expand the school safety policies during the 2019 legislative session.

Education: Public Higher Education

U.S. News and World Report ranks Florida's system of higher education as #1 in the nation.¹⁷ This ranking was determined based on several factors, including the time it takes Florida students to complete two and four-year higher education programs, the cost of tuition and fees, and the burden of debt for college graduates. This is the second year in a row U.S. News and World Report has ranked Florida #1.

The Florida College System (FCS) is the primary access point to undergraduate education for more than 800,000 Floridians, including approximately 63 percent of recent high school graduates and returning adult students. The 28-member colleges of the FCS provide low-cost, high-quality educational programs designed to meet the regional workforce needs of employers. Ninety-nine percent of all FCS students come from within Florida. FCS institutions provide a wide range of classes and programs to fit the busy schedules of our students, who are often caring for dependents and working full time. While governed by local boards of trustees, the colleges are coordinated under the jurisdiction of Florida's State Board of Education.

The State University System of Florida is a constitutional body led by the 17-member Board of Governors. The system has 12 universities and more than 345,000 students, making it the second-largest public university system in the nation. Responsibilities of the Board include defining the distinctive mission of each institution and managing the system's coordination and operation. The Board appoints a Chancellor who serves as the system's chief executive.

Access

Demand for access to Florida public higher education will continue to increase due to the growing number of interested and qualified students, the exponential expansion of knowledge, and the greater sophistication of employer demands and resulting specialization needed in the workplace. In light of the increased demand, as well as the need for greater baccalaureate degree production, it is prudent to evaluate Florida's existing postsecondary delivery system to ensure that an optimal structure exists to meet the projected needs.

State universities have prioritized the coordination of academic program delivery in order to optimize resources, to expand efficiencies, and to respond to workforce demands for graduates with specific knowledge and skills. Specifically, university goals are being set to increase the number of graduates with degrees in the STEM (science, technology, engineering, and math) fields. While some unproductive academic programs are being re-tooled or terminated, targeted programs are being expanded or established to provide the knowledge, innovation, and commercialization ventures needed to boost production and growth in Florida's businesses and industries.

Workforce Development

One of the major problems facing employers in Florida is finding the talent needed to fill available job vacancies. The Florida Chamber's Small Business Index Survey consistently lists "finding qualified employees" as the top priority for Florida employers. Florida's colleges must play a major role in closing the talent gap by preparing students to be part of the workforce of tomorrow. Florida's colleges also play an important role (along with others in public-private partnerships) in retraining and retooling current workers (including older workers) in a rapidly evolving workforce environment. This will require a continued investment in the form of increased funding for the 28 institutions making up the Florida College System.

¹⁷ U.S. News and World Report, "Best States for Higher Education," retrieved from www.usnews.com/news/best-states/rankings/education/higher-education, October 13, 2018.

According to the Georgetown Center on Education and the Workforce, there are 30 million jobs in the United States that pay an average of \$55,000 per year that do not require a bachelor's degree. Parents want the best for their children and high school graduates have been encouraged to go to college and get a bachelor's degree. The financial return of a bachelor's degree has been diminishing while the cost, and student debt, have been increasing. As a result, there are high-paying jobs that require shorter and less-expensive training that are unfilled. This has helped to create a shortage of skilled trade workers. Improving the delivery of career and vocational education must be a priority of the new Governor.

Performance Funding

Florida colleges and public universities are eligible to receive performance-based incentive funding, which is appropriated by the Legislature. Colleges and universities are evaluated and ranked against established performance criteria and benchmarks. Colleges and universities with higher rankings receive a greater proportional share of the state's investment. Those with lower rankings not only lose eligibility for any of the new allocations, but may risk losing a portion of their base allocations. Critics allege that the current model, which pits institutions like the University of Florida, a major research university, against New College, a small liberal arts school, is fundamentally flawed. The new Governor can expect to see legislation aimed at addressing these perceived flaws.

Emergency Management

Every year, Florida faces the possibility of numerous disasters – a hurricane, act of terrorism, hazardous spill, flood, fire, or medical epidemic. In times of emergency, Florida's Governor must provide strong leadership to successfully respond to and recover from crisis and disasters. The key is early and proper preparation. Chapter 252, Florida Statutes, outlines the state's emergency management protocol and provides detailed work plans for public and private networks of response, recovery, and mitigation.

As this *Handbook* was being written, Hurricane Michael made landfall in the Florida Panhandle. A Category 4 hurricane with winds of 155 miles per hour, Michael's path of death and destruction extended from Panama City Beach to the state of Virginia. Michael was the third-most-intense continental U.S. landfall by pressure and fourth-strongest by maximum sustained winds on record. Michael was also the most-intense Florida Panhandle landfall on record, the first Category 4 hurricane to do so in records dating to the mid-19th century.¹⁸ The damage reports and death tolls increase daily, and the full extent of Michael's devastation will not become apparent for some time. Recovery and rebuilding operations are expected to take up a considerable amount of the new Governor's time.

Funding

The assistance provided by the Federal Emergency Management Agency (FEMA) through a Presidential Disaster Declaration is subject to a cost share. The Federal share is not less than 75 percent of the eligible costs; however, if actual Federal obligations, excluding administrative costs, meet or exceed a qualifying threshold, FEMA may recommend an increase up to 90 percent. The Federal cost share for Emergency Work may be increased in limited circumstances if warranted.

¹⁸ The Weather Channel, "Hurricane Michael Recap: Historic Category 4 Florida Panhandle Landfall: Swath of Wind Damage and Flooding Into the Carolinas, Mid-Atlantic," retrieved from <https://weather.com/storms/hurricane/news/2018-10-11-hurricane-michael-recap-gulf-coast-southeast>, October 15, 2018.

The new Governor will need to work closely with legislators to appropriate the state's share of eligible costs, and with state and local emergency management agencies to make sure reimbursement for eligible expenses is timely and covers all eligible expenses.

Lessons Learned

As Hurricane Michael approached the Florida coast, the state's Emergency Management Director expressed concerns to legislators that local officials were not adequately preparing for the storm. The new Governor must ensure that a thorough assessment is done to determine the preparedness of the state prior to and of response and recovery operations in the aftermath of Hurricane Michael making landfall, to make sure public health and safety will be protected during the 2019 hurricane season and beyond.

Building Codes

The building codes that govern construction in the Florida Panhandle are less stringent than the building codes in South Florida. Since 2001, structures built statewide must be designed to withstand minimum wind speeds of 111 miles per hour. In South Florida, however, new structures must be built to withstand minimum wind speeds of 170 miles per hour. It may be time to revisit Florida's building codes in light of the catastrophic damage inflicted on the Florida Panhandle by Hurricane Michael.

Florida's Environment

Florida's climate and vast array of natural resources contribute significantly to the state's economic well-being. Florida tourism, commerce, agriculture, and recreational activities depend heavily on clean air and water, and plenty of open space.

The Everglades

Currently more than eight million South Florida residents, almost one-third of the state's population, directly rely on the Everglades system for freshwater supply. Without a steady flow of clean water, the Everglades becomes too dry and salinity levels in Florida Bay spike, causing sea grass to die. Historically, water would flow over the banks of Lake Okeechobee south into the Everglades and eventually into the Florida and Biscayne bays and the Gulf of Mexico. As the water flowed south, it was naturally filtered and purified by marsh plants and organic soils of the Everglades. The intense development of Central and South Florida has changed the timing of water runoff, has increased the levels of nutrients and pollution in its waters, and has caused a major crisis affecting both the natural systems and those who depend on them.

When stormwater runoff causes water in the Lake Okeechobee to rise to high levels, the U.S. Army Corps of Engineers discharges large volumes of water west into the Caloosahatchee River and east into the St. Lucie River. Nutrient-laden contaminated water flowing from Lake Okeechobee results in explosive growth of certain aquatic plants and algae.¹⁹ During these algal blooms, the density of algae in the water prevents sunlight from reaching submerged aquatic vegetation, resulting in plant death and the accompanying loss of habitats for aquatic organisms—both in Lake Okeechobee and the Caloosahatchee and St. Lucie Rivers.

¹⁹ It Takes Two to Tango: When and Where Dual Nutrient (N & P) Reductions Are Needed to Protect Lakes and Downstream Ecosystems. Paerl, H. W., Scott, J. T., McCarthy, M. J., Newell, S. E., Gardner, W. S., Havens, K. E., Wurtsbaugh, W. A. (2016). Environmental Science & Technology, 50(20), 10805-10813.

Additionally, algal blooms in these waters lead to periods of low dissolved-oxygen concentration in the water, which causes fish kills and additional damages to the ecosystem.²⁰ The high volume of freshwater also disrupts the salinity levels within the estuaries and causes additional negative effects.

The solution to these problems is to reroute the water flow. Instead of discharging it from Lake Okeechobee east and west, it needs to be sent south where it can be stored and cleaned before sending it to the Everglades and Florida Bay when it is needed during the dry season. The Comprehensive Everglades Restoration Plan is a partnership between the state and federal governments to cost-share water infrastructure projects to reroute the flow of water from the current harmful practice to one that is more beneficial by sending it south. It is the largest ecosystem restoration project in the world.

Conservation Lands

The Department of Environmental Protection manages more than 12 million acres of state-owned lands. A large portion of these conservation lands has been acquired and managed through the Preservation 2000 Program and its successor, Florida Forever. In 2014, Florida voters approved a constitutional amendment that dedicated 33 percent of documentary stamp taxes to finance or refinance acquisition and improvement of land, water areas, and related property interests. Several environmental groups filed suit challenging the implementation of the amendment, alleging that funds were improperly diverted and used to fund existing operating expenses instead of purchasing new conservation lands. In June 2018, a judge decided the trust fund could only be spent on management, restoration, or improvement of land acquired after July 1, 2015. Since none of the challenged expenditures involved the purchase of new land or the management, restoration, or improvement of newly acquired land, the judge ruled in favor of the environmental groups. The order has been appealed.

Water Supply and Quality

Every region of the state faces challenges related to water quantity and supply. As Florida continues its explosive population growth, the demand for water will also increase. With increasing demand, the state's traditional freshwater sources may not be enough to inexpensively meet future water needs. Effective water supply planning, including water conservation and the development and use of alternative water supplies (e.g., reclaimed water, desalination, etc.) will be necessary.

Florida's five water management districts are responsible for water supply, water quality, flood protection and floodplain management, and protecting the natural systems within their geographic boundaries. The water management districts have been delegated authority to implement state regulatory programs designed to manage the consumptive use of water, well construction, and environmental permitting. Governing board members are appointed by the Governor and subject to Senate confirmation.

Red Tide

Compounding Florida's water supply and quality problem is the seasonal occurrence of the algal bloom of "red tide." Red tide is common in Southwest Florida but the current outbreak has persisted for almost a year and is now impacting almost 150 miles of Florida coastline, including the Atlantic coast (a rare occurrence). Red tide produces a neurotoxin that paralyzes marine life, preventing them from breathing. The neurotoxin can go airborne, which increases the danger to humans.

20 It Takes Two to Tango: When and Where Dual Nutrient (N & P) Reductions Are Needed to Protect Lakes and Downstream Ecosystems. Paerl, H. W., Scott, J. T., McCarthy, M. J., Newell, S. E., Gardner, W. S., Havens, K. E., Wurtsbaugh, W. A. (2016). *Environmental Science & Technology*, 50(20), 10805-10813.

No one argues that solutions to these issues may be costly and complicated, but the fact of the matter is, each day Florida waits to solve these problems, the solution becomes more expensive. While the price tag to address these issues may be a shock to the system, the cost of inaction could be far more devastating to the state of Florida and its hardworking taxpayers. Over the next four years, the Governor will need to work closely with the Legislature, state and federal environmental protection agencies, water management agencies, and other stakeholders to implement an effective plan to meet Florida's projected demands for water.

Gaming

Seminole Gaming Compact

In 2007, one day before a deadline established by the U.S. Department of Interior, then-Governor Crist signed a 25-year gaming compact with the Seminole Tribe of Florida. The Legislature filed suit, claiming that the Governor had exceeded his authority in approving the compact, which permitted the Seminole Tribe to offer Vegas-style slot machines, blackjack, and other table games. The Florida Supreme Court agreed with the Legislature.

In 2009, legislation was enacted that permitted the Seminole to keep the games they were currently offering and authorized the Governor to renegotiate the compact between the state and the Seminole Tribe. A new 20-year compact was signed in 2010, under which the Seminole Tribe would continue to offer table games at its casinos. In return, the state would receive 10 percent of net revenues.

In 2014, the state gave formal approval to pari-mutuel facility card room operators to offer player-banked card games, or "designated player games", in which the bank revolves among the players. The state was persuaded by the card room operators that, like poker, the players were playing against a designated player, and not against the house.

In 2015, the Seminole Tribe sued the state, claiming that the state's authorization of player-banked card games at state-regulated pari-mutuel facilities violated the 2010 compact which gave the Seminole Tribe an exclusive right to operate banked card games. The state counter-sued, claiming the agreement authorizing the Seminole Tribe to operate banked card games expired in 2015, and that by continuing to offer these games, the Seminole Tribe was violating the 2010 compact.

The U.S. District Court sided with the Tribe, concluding that the state had violated the compact when it authorized pari-mutuels to offer player-banked card games. The judge ordered that the Tribe be permitted to offer banked card games through the remainder of the 20-year compact (through 2030).

The state appealed the ruling and, until recently, the dispute went unresolved. In July 2018, the state and Seminole Tribe reached an agreement that will permit the Tribe to continue offering banked card games through 2030. In return, the state will receive more than \$220 million that has been held in escrow and the Tribe will resume its regular revenue-sharing payments to the state under the compact. The state has also agreed to enforce the exclusivity provisions governing banked card games under the compact.

The regular monthly revenue-sharing payments will be made through the 2018 legislative session, provided that the state takes "aggressive enforcement action" to stop the banked card games offered by pari-mutuel facilities.

Over the next four years, the Governor will need to work closely with legislators, state regulators, the Seminole Tribe, pari-mutuel operators, and other stakeholders to enforce the terms of the compact to ensure that state continues to receive the revenue-sharing payments authorized under the compact.

Health and Aging

Medicaid

Medicaid provides a medical safety net for nearly 3.9 million low-income families and individuals. One-half of those in the program are children, but the elderly account for most of the spending.

Medicaid is a federal-state partnership where states administer the program under federally-approved plans. In 2011, the Florida Legislature created the Statewide Medicaid Managed Care program. The program is administered by the Agency for Health Care Administration and uses a managed care delivery system to provide long-term care services and acute care services. Services are delivered through enrollment in managed care plans.

Both levels of government pay for the program and the costs are massive. Medicaid makes up about one-third of the total state budget (\$29.6 billion) for fiscal year 2018-19. This represents 39 percent of the total cost, with the federal government picking up the remaining 61 percent. Medicaid expenses are expected to increase by 16 percent over the next four years, reaching \$30.5 billion by fiscal year 2023-24. The Office of Economic and Demographic Research projects the federal government's share to increase to 62.8 percent by fiscal year 2023-24, reducing the state's share to 37.2 percent.

Over the next four years, the Governor will need to focus on developing innovative ways to more effectively manage the program to control its soaring costs. The Governor will need to work with staff to improve the efficiency of the program, reduce Medicaid fraud, and find other ways to reduce costs while maintaining services. The Governor will also have to work with the Legislature, the Florida Congressional Delegation, and the Governor's Washington Office to address the long-term Medicaid tidal wave through thoughtful reforms and innovations.

Certificate of Need

Florida law requires that, before a health care facility may offer new or expanded services, the facility must gain approval by the state through the Certificate of Need (CON) program. Health care facilities subject to CON review include hospitals, nursing homes, hospices, and intermediate care facilities for the developmentally disabled. Critics argue: (1) that states without CON laws have lower per unit healthcare costs and their residents tend to spend less overall on health care; and (2) by making it harder for hospitals to expand and add services, CON laws add to the rising costs of health care.

Elderly Care

Florida's elderly population continues to grow at a rate faster than the national average. Florida's hospitable climate, a relaxed tax burden, a lower cost of living, and a multitude of recreational opportunities make it the nation's top destination for retirement as seniors. As the baby boomer generation begins to enter into retirement age, the state will experience a substantial increase in elderly residents. It is important to note that older Floridians bring significant economic benefits to the state as consumers, investors, employers,

entrepreneurs, employees and taxpayers. Florida's elderly residents will require vastly different and more costly forms of health care, such as long-term care for chronic conditions, more frequent examinations and follow-ups, and services and care for cognitive and mental impairments.

Not only do seniors demand different types of health care, but meeting these needs will cost more, as nearly half of lifetime healthcare costs are accrued during the senior years. Despite the large elderly population, Florida lags in long-term services and support for the elderly, currently ranking 46th in the nation. To prepare for the future long-term care needs of the elderly, it is crucial for Florida to look for ways to control costs (including exploring innovative ways that technology can help deliver care more efficiently) and improve quality of life for our senior residents. Programs like PACE (Program for All-Inclusive Care for the Elderly) provide needed care at a lower cost. Florida's Department of Elder Affairs and the AARP are working with local communities to think about how to make their communities easier places in which to age in place, not only shifting the cost of care from institution to community but also forestalling the need to seek care (particularly long-term care) in the first place. The degree to which the next governor will prioritize this age-friendly community effort will be a significant decision.

Opioids

The National Institute on Drug Abuse reports a dramatic increase in the number of opioid-related overdose deaths in Florida. The rate of opioid-related overdose deaths has increased from 2.6 per 100,000 persons in 1999 to 14.4 opioid-related overdose deaths per 100,000 persons in 2016, an increase of more than 500 percent. Legislation passed during the 2018 session places limits on prescriptions that doctors can write for treatment of acute pain. Florida and several other states have filed lawsuits against pharmaceutical companies, saying it's time the drug makers pay for the pain they have caused.

Insurance

As more and more people move to Florida's coastal and flood-prone communities, it will be critical that the Governor work closely with the insurance industry and key stakeholders to ensure that a comprehensive and stable insurance market for Floridians will continue to carry the risk. Issues the new Governor is likely to face include the following.

Property and Casualty

Florida has more property and more residents exposed to risk from hurricanes and coastal flooding than any other state. The Florida Chamber of Commerce estimates that the current total value of insured coastal property is \$2.8 trillion. This represents almost 80 percent of the state's total property insurance risk. As demonstrated during the 2017 hurricane season, the damage from hurricanes can be catastrophic. Hurricane Irma, which made landfall as a Category 4 hurricane, caused an estimated \$50 billion in property damage, making it the costliest hurricane in Florida's history.

After Hurricane Andrew (1992), the state established the Florida Hurricane Catastrophe Fund (FHCF) to maintain a healthy insurance market by reimbursing insurers for a portion of their hurricane-related losses. The FHCF represents a source of low-cost reinsurance for residential property insurers that is funded by a surcharge on most property and casualty insurance policies. As a state-run insurance fund, the FHCF has the ability to use assessments to finance securitized bonds for immediate access to capital. Administered by the

State Board of Administration (SBA) and funded by a surcharge on most property/casualty insurance policies issued in Florida, the projected maximum claim paying capacity of the FCHF (as of December 31, 2017) was \$17 billion.²¹

In 2002, the state established Citizens Property Insurance Corporation (CPIC) as a government-run insurer of last resort for property owners who are unable to find coverage in the private insurance market. CPIC is funded by policyholder premiums, and now insures applicants who are quoted by private insurers with rates fifteen percent higher than the premium CPIC would charge for similar coverage. As of June 30, 2018, CPIC reports insuring more than 452,000 buildings/properties, with a total insured value of \$112.7 billion.²² Today, CPIC is no longer the insurer of last resort but one of the largest property insurers in the state.

CPIC's premiums have been kept artificially low, which has led to an insurance system prone to costly shortfalls as a result of actuarially unsound rates and a systematic reliance on assessments to fund them. The potential shortfall from a major storm would be financed with assessments on all lines of insurance in the state, which will have a substantial immediate and long-term negative impact upon Florida's business climate.

Damages from recent storms around the country have raised many important questions about Florida's potential taxpayer risk exposure when another storm hits Florida. In the wake of Hurricane Michael, coastal residents can expect higher insurance premiums. It will be critical for the new Governor to find ways to achieve a balance in the competing goals of limiting taxpayer exposure and facilitating insurance policies that ensure more residents are protected.

Assignment of Benefits

An assignment of benefits (AOB) is a document signed by a policyholder that permits a third-party (e.g., contractor, plumber, roofer) to file a claim, make repair decisions, initiate lawsuits against the insurer, and collect payment from the insurer without the involvement of the insured. AOB has become more high-profile in recent years as a result of increased claims by contractors and their lawyers, especially claims for water damage to homes. The insurance industry contends that the AOB process is fraud riddled, and that the increased litigation drives up premiums for policyholders. Efforts by the House and Senate during the 2018 legislative session to reduce the number of AOB-related lawsuits failed. Without a legislative remedy, homeowner premiums will continue to increase, and the high numbers of AOB-related lawsuits will force insurers to stop writing or renewing policies in certain areas.

Workers Compensation

Most Florida employers are required to carry worker's compensation insurance to cover injuries suffered by employees while on the job. The premiums Florida employers pay for workers' insurance are based upon a system in which employers are categorized into groups called *classifications*. Florida is one of 35 states and District of Columbia that has adopted the classification and rating system developed by the National Council on Compensation Insurance (NCCI).

21 Claims-Paying Capacity Estimates. Florida Hurricane Catastrophe Fund, https://www.sbafla.com/fhcf/Portals/FHCF/Content/AdvisoryCouncil/2017/FHCF_May2017_BondingCapacity.pdf?ver=2017-05-22-082303-150, August 23, 2018.

22 Retrieved from <http://www.citizensfla.com/documents/20702/93064/20180630+Business+Overview.pdf/e1db318e-5642-4252-af96-941e09a49764>, August 23, 2018.

Two recent lawsuits have the potential to dramatically increase workers' compensation insurance rates for Florida employers. In *Westphal v. City of St. Petersburg*, the Florida Supreme Court (Court) directed that the term of eligibility for temporary benefits be extended from 104 weeks (two years) to 260 weeks (five years), consistent with a prior Florida law. In *Castellanos v. Next Door Company*, the Court determined that the enactment of a mandatory attorney's fee schedule by the Florida Legislature in 2009 is unconstitutional and authorized judges to award fees outside the established fee schedule if adhering to the schedule yielded unreasonable results. After these rulings, NCCI requested a 19.6 percent increase in workers' compensation rates. The state finally approved an overall combined statewide average rate increase of 14.5 percent.

Personal Injury Protection

Florida is one of 10 states that has no-fault personal injury protection (PIP) automobile insurance. Injured drivers receive up to \$10,000 in immediate medical coverage instead of having to go to court to establish fault. PIP is intended to reduce delays in payment and reduce the use of the court system. Instead, more than 60,000 PIP-related lawsuits were filed in 2017, an increase of about 50 percent over 2016. PIP-related fraud costs Florida taxpayers hundreds of millions of dollars. As a result, Florida's top 25 car insurers have raised PIP rates up to 54 percent since the start of 2017.

Taxation

Florida's tax and fee system produces \$48 billion annually for the state government. Without a personal income tax, the state system is highly dependent on transaction taxes, especially the general sales tax, which raises \$28 billion annually. The next biggest revenue sources are motor fuel taxes (\$2.8 billion), documentary stamp taxes (\$2.6 billion), and corporate income taxes (\$2.4 billion).

Fueled by the \$31 billion property tax, local governments raise more revenue in total than the state. In fact, Florida has the second highest reliance among all states on local governments to fund total government services (53 percent). Other major local tax sources come from local option taxes authorized by the Legislature including sales taxes (\$2.7 billion), public service taxes (\$1.2 billion), tourist development taxes (\$1.1 billion), and motor fuel taxes (\$1.0 billion).

Florida continues to be a low tax state as the Legislature has been cutting taxes every session since 2010. Prior to the Great Recession, Florida was becoming a moderate tax state: its combined per capita state and local tax rank reached 22nd in 2006; however, the recession hit Florida hard, as the state experienced an unprecedented decline in tax collections for three consecutive years. Florida per capita tax ranking now stands at 46th.

Business Rent Tax

When examining Florida's tax landscape, the Business Rent Tax (BRT) stands out as a tax that creates a clear competitive disadvantage for the state's businesses. Florida is the only state that levies a statewide sales tax on commercial rents. This creates a government-mandated increase in occupancy costs of up to 7.7 percent (5.7 percent state sales tax and up to 2.0 percent local sales tax), which does not exist in other states. Occupancy costs are one of the top factors cited by executives and site selection consultants in making location decisions.

There has been broad, bipartisan support in the Legislature for eliminating/reducing this tax, and the last two sessions have resulted in reductions in the BRT—from 6.0 percent to 5.8 percent in 2017 and from 5.8

percent to 5.7 percent in 2018; however, elimination of tax would have to be a long-term process since it provides \$1.8 billion in revenue to the state.

A reduction in the BRT would be broad-based, benefiting all businesses that rent commercial real estate, regardless of their profitability or financial shape. Reducing the sales tax would help be a significant help to struggling companies. It would also help new businesses, who may find that other startup costs rule out purchasing real estate as an option.

Collecting the Sales Tax on Remote Sales/E-Fairness

Remotely conducted sales has been the most significant tax compliance and collection issue facing Florida for many years. Several court decisions, including 1992's *Quill Corp. vs. North Dakota*, have held that states cannot require vendors without a physical presence (nexus) in their state to collect sales and use taxes on sales to their residents. While remote sales use to be only mail and phone sales, the 21st century brought on an ever-increasing amount of internet sales, creating significant lost tax revenue for states. While remote sellers do not have to collect the tax, the tax is still legally owed to the state by the Floridians making the purchase; however, few Florida residents know that they are required to pay the sales tax owed on remotely conducted transactions directly to the Florida Department of Revenue (DOR), and even fewer actually make such payments. Estimates of the amount of lost revenue to Florida have ranged from a few hundred million to well over \$1 billion annually.

In June 2018, the U.S. Supreme Court handed down a ruling that helps pave the way for a successful resolution to this issue. The Court (*South Dakota v. Wayfair, Inc., et al*) ruled that states can apply reasonable requirements for remote vendors to collect sales and use taxes on sales to residents even if the vendor does not have a physical presence in the state.

It must be noted that the Court ruling does not give blanket approval for states to begin collecting sales taxes from remote sellers. Essentially, the major effect of this ruling is the elimination of the physical presence requirement of the substantial nexus test regarding the Commerce Clause, but there are many other considerations that Florida, or any state looking to enact a law pursuant to this decision, would need to consider. While the Court remanded the decision as to whether a state's law was constitutional to the lower courts, it implied approval of South Dakota's law due to features such as, sales thresholds (200 sales or \$100,000 in sales into the state), no retroactive application, and the state being a member of Streamlined Sales & Use Tax Agreement (SSUTA).

The Florida Legislature will now have to examine how our state's sales tax law fits into the Court's decision and what changes are needed to better ensure its constitutionality. That should begin immediately but the necessary time needed to do it right must be taken. State leaders must ensure that this tax, which has always been legally due, is collected and to ensure that it is done in a way that optimizes the benefits to taxpayers while not being too onerous for businesses – significantly raising the cost of doing business or stifling innovative companies. The state now has the chance to modernize its most important revenue stream, end years of unfair treatment of Florida bricks-and-mortar retailers, help Floridians avoid—often unwittingly—breaking the law, and empower the state to better the collection of millions of dollars that are currently owed to Florida. The incorrect perception of some that this would be a tax increase or that voters would perceive it as such must be overcome. Moreover, the collection of these taxes does not have to be a windfall for

government. The additional revenue could be used to lower the sales tax rate so all taxpayers benefit or burdensome taxes, such as the Business Rent Tax could be reduced/eliminated.

Corporate Income Tax

The passage of the federal Tax Cuts and Jobs Act created challenges for state governments, as almost every state in the nation is currently grappling with how to handle the impact of federal tax reform on their tax revenues. Florida corporations use their federal taxable income as the starting point to calculate their Florida corporate income tax (CIT) liability. This helps compliance and administration of the tax for both taxpayers and the state. All states with a CIT do this to some degree. To maintain conformity with the Internal Revenue Code (IRC), every year the Legislature passes a bill to adopt the code as it exists on January 1. This is known as the “piggyback” bill.

The impact these significant federal changes will have on Florida’s important CIT revenue stream is unknown. Due in part to all the tax planning opportunities available to companies, corporate income taxes are already perhaps the hardest revenue source to forecast and their growth is much more erratic than the rest of state tax base. These major federal tax changes further complicate the issue. Generally, the federal tax law increases the tax base and lowers the tax rate. Since Florida doesn’t piggy back on the federal rates, conforming with the tax base changes would likely result in an increase in state tax collections, creating a tax increase for Florida corporations.

This last session, the Legislature passed a piggyback bill that adopts all the changes to the federal code, with the exception of bonus depreciation provisions. Florida had done this several times, the net effect is that the benefit is spread out over seven years. Taxpayers have to add-back the bonus depreciation deduction to their taxable income. Then they can subtract (1/7) of the deduction for the current taxable year and the following six taxable years. The Revenue Estimating Conference is not sure if tax collections will increase or decrease in 2019, but it does predict there will be an unknown increase in future years.

In addition, the piggyback bill requires the Department of Revenue to conduct public workshops on how the tax act will affect the state corporate income tax and the businesses that pay the tax, and submit a report by February 1, 2019, to the Governor and Legislature. The report will include a comprehensive discussion of the potential effects of federal tax reform on the state corporate income tax structure and revenues, options for changes the Legislature could make which may be needed to integrate state and federal law and estimates of potential fiscal impact of each option.

The bill requires an automatic downward adjustment of the corporate income tax rate if the actual net collections for fiscal year 2018-2019 exceed the forecasted net collections by 7 percent. This lower rate would be in effect for the 2019 tax year and last for one year. The 2019 Legislature is required to consider the DOR report to determine whether adjustments to the automatic tax rate adjustment are needed. There is no provision for if revenue fall short of the forecast.

It has been estimated that states will experience an expansion of their tax bases by between 8-14 percent, with Florida falling at the higher end – 13 percent. Capital intensive industries (transportation, utilities, information, and real estate) will see the largest expansion of their tax bases. Labor intensive industries (retail, services and financial) will see the smallest. Manufacturing’s base expansion will fall in between those two extremes.

The passage of the Tax Cuts and Jobs Act did not end tax reform, it just shifted it to state capitals. All states with a personal or corporate income tax have begun, or soon will begin thinking about adjusting their tax systems. At least three states, Georgia, Idaho, and Missouri have already reduced their tax rates. Florida has delayed that analysis a little bit but now it must begin in earnest.

Single Sales Factor Apportionment

Each state with a corporate income tax allocates net income to the state for tax purposes using an apportionment formula. Florida's current apportionment formula considers three factors: sales (50 percent) property (25 percent), and payroll (25 percent). Florida TaxWatch has recommended adopting an elective single sales factor (SSF) apportionment formula—under which a corporation's income would be apportioned to Florida based only on its Florida sales—as a way to encourage investment of capital and jobs. Florida has already acknowledged the benefit of emphasizing sales in its apportionment factor when it chose a double-weighted sales factor when most states had an equally weighted three factor formula; however, as more states have moved to double weighted and SSFs, Florida has lost its advantage and is facing an increasing competitive disadvantage. In 2011, the Legislature made a small move towards a SSF, when it allowed corporations that invest at least \$250 million in qualified capital expenditures to choose SSF apportionment. The high threshold has limited SSF's use, and therefore its benefit. Lowering that threshold would allow more corporations the option of using SSF, removing the tax disincentive to make capital investments in Florida. Businesses will always sell in Florida, but they don't have to locate here.

Taxpayers' Rights Advocate

The 2018 Legislature enacted a new law—recommended by Florida TaxWatch—that should improve: the state's tax system; the treatment of taxpayers; voluntary compliance; and taxpayer perception and confidence in the Department of Revenue. The law increases the independence of the Taxpayers' Rights Advocate by having her or him appointed by the state Chief Inspector General (CIG) instead of the Executive Director of the Department of Revenue (DOR). The Advocate can only be removed from office by the CIG.

In addition, to improve the transparency, accountability and effectiveness of this taxpayer safeguard, an annual report from the Advocate is required. The report must contain information including the number and nature of taxpayer complaints, an examination of the most common problems, and recommendations to improve taxpayer services and DOR responsiveness. Now care must be taken to ensure this new law's potential is achieved. The Advocate's annual report must not become another one that “sits on the shelf.” The governor and the legislature should pay close attention to its findings and recommendations.

Property Tax Equity

Florida's property tax system significantly favors homestead properties at the expense of all other properties in the state (including new homeowners). This is largely due to the Save Our Homes (SOH) amendment which was passed in 1992 and was implemented in 1994. SOH limits the annual growth in homestead assessments to the lesser of 3 percent or inflation, and has created an inequitable property tax system in Florida. Not only can similarly situated homeowners have very different tax bills, but SOH also shifted billions of dollars in taxes from homestead to non-homestead property. This is because SOH does not really limit total taxes, it only limits assessments on one segment of taxpayers. This is especially true during times of rapid property value growth, such as the period from 2002 to 2007. During this time, the total market value of homestead property in Florida nearly doubled. However, with low inflation, the SOH cap ranged from 1.6 percent to 3.0 percent, limiting the growth in assessments. This resulted in a five-fold increase in the SOH taxable value

differential, growing from \$82 billion in 2002 to \$433 billion in 2007. Based on the statewide average total millage rate, the SOH differential was worth \$7.8 billion in property taxes in 2007 and a cumulative \$28.5 billion over the six years. But SOH did not reduce property tax collections, which more than doubled from \$14.3 billion in 2000 to \$30.4 billion in 2007, a staggering 112.8 percent increase. This property tax increase was borne almost entirely by non-homestead properties (along with new homeowners and homeowners that moved). The Great Recession and plummeting property values reduce the tax shift, but values are rising again and so is the magnitude of the shift.

Past attempts at property tax reform have tended to make the inequities worse, including proposed Constitutional Amendment 1 (on the ballot in November 2018) which creates an additional \$25,000 homestead exemption for some homeowners. Another amendment on the ballot (A2) would make permanent the current 10 percent assessment cap on non-homestead properties which is set for repeal in 2019. Passage of A1 would make a bad situation worse, but if Amendment 2 were to also fail, the result could be catastrophic for some taxpayers. Should non-homestead properties lose the only protection for rising assessments that have (even if it is only a limited one), there will be an outcry for tax relief from many property owners, which would face an immediate tax increase that could total as much as \$700 million statewide.

Tax Expenditures

Florida's tax system contains numerous tax exemptions, deductions, and credits that reduce the taxes paid by Floridians, as well as the revenue to the state. Most of these are justified and even valuable, but others may not be or may have outlived their usefulness. There is an often-repeated claim that Florida's sales tax exempts more than it taxes. This is very misleading. The "exemptions" label is being misused to describe billions of dollars in transactions that are either not within the purview of Florida's sales tax at all (services), barred by the U.S. Constitution or other controlling law from taxing, or avoid pyramiding and duplicative taxation. Of the remaining true sales tax exemptions, most of the dollar value is attributed to necessities, which help reduce the regressivity of the tax, such as groceries, residential rent, power and heating, prescription drugs, and hospital meals and room. Many others are intended to spur economic development, capital investment and jobs. Still, tax exemptions, like any other law, should be reviewed from time to time to make sure they are still in the state's best interest. Any review should not include a wholesale "sunsetting" of exemptions, as has been proposed before. This would mean exemptions would be automatically repealed without being re-enacted by the Legislature. This is dangerous and could result in unintended consequences and create economic uncertainty. Taxes should not be raised without an affirmative vote of the Legislature.

Communications Services Tax

Florida's state sales tax rate is 6 percent and the average combined state and local sales tax rate is 6.8 percent. However, when Floridians purchase taxable communications services, such as cell phone service, they pay an average tax rate of more than 14 percent. The local CST varies considerably between local governments. Florida has one of the highest tax rates on communications services in the nation and that rate is much higher than the sales tax rate on other retail purchases in Florida. This raises questions about the fairness of the tax rate, its economic neutrality, its effect on the competitiveness of Florida businesses and the attractiveness of Florida's economic climate.

Technology

FLAIR / PALM

The Florida Accounting Information Resource (FLAIR) system is a 30+ year-old general ledger accounting system which is used to perform the state's accounting and financial management functions. State agency activities related to payments for payroll, retirement, unemployment compensation, expenses, and public assistance are processed through FLAIR.

FLAIR and its attendant Cash Management System (CMS) operate on outdated and obsolete architecture, which is no longer supported in the marketplace. As a result of the growth of the state's budget, coupled with new record-keeping and reporting requirements, FLAIR and CMS can no longer meet the state's needs.

The DFS is in the process of replacing FLAIR with a modern enterprise resource planning solution. The new financial management system is the Planning, Accounting, and Ledger Management (PALM) system. This multi-year, multi-phased project is expected to take up to 15 years to fully implement, at a total cost of more than \$600 million. The transition from FLAIR and CMS to PALM has begun and continued funding from the Legislature will be required to successfully transition from FLAIR and CMS to PALM, and to minimize risk to the state.

Agency for State Technology

The Agency for State Technology (AST) affords state agencies an opportunity to look at all technology projects on an enterprise-wide level, with a view toward consolidation and standardization. The establishment of the AST in 2014 marked the third time in the past 15 years that the state had tried to make an enterprise-wide information technology (IT) agency work. Successfully implementing the AST will result in significant cost and risk avoidance and a significant increase in government efficiency as a result of more consistent enterprise technology policy for the state and more effective oversight of large IT projects.

The AST has come under fire from members of the House of Representatives in recent legislative sessions. In response to a negative audit report and what some legislators saw as increasing costs incurred by AST in the management and oversight of the state's data center, a proposal that would have transferred the state data center to the Department of Management Services, renamed the AST as the Office of Technology and Data Solutions, and stripped the AST of its enterprise rulemaking authority, was approved by the House but taken out of the state budget during conference negotiations.

Transportation

By the year 2035, it is expected that more than 25 million people will call Florida home. This growth will put tremendous pressure on the state's intermodal transportation system and challenge our ability to safely and efficiently move people and goods from one region of the state to another. Many urban and interregional highway corridors will experience heavy congestion, and not just during peak hours. Many of Florida's airports and seaports will operate at or near capacity. The number of intercity trips is expected to increase to nearly 200 million trips in 2020, and to 320 million trips in 2040.

Roadways and Bridges

The physical condition of Florida's state highways and bridges is among the best in the nation, reflecting decades of ongoing maintenance. Although in good physical condition, the state's roadway network is heavily congested, causing slower speeds, longer trip times, and increased queuing. Nearly one-half of Florida's major urban highways are congested. Florida's population growth and economic prosperity have created additional demands to move people and freight from one economic region to another. Florida's existing road system simply does not have the capacity necessary to meet this demand.

Florida's Turnpike is a 483-mile system of eight limited access toll roads. The Turnpike System is operated by Florida's Turnpike Enterprise (FTE), which functions as a separate business unit of the Florida Department of Transportation (FDOT). The FTE is responsible for the operation of every state-owned and operated toll road and bridge. This includes planning, constructing, maintaining, repairing, and operating the turnpike system. The toll roads are primarily self-financed, generating about \$1 billion annually, and the tolls collected generate the revenue to build, operate, and maintain the roadways. The Executive Director of the FTE reports directly to the Secretary of FDOT. Expressway authorities have been established as independent agencies of the state in major urban areas to bring roadway projects on-line faster by using non-conventional funding. Toll revenues are collected by the Authorities and reinvested into their respective regional transportation systems to increase capacity and connectivity.

Public Transportation

Improved public transportation is crucial to expanding travel choices for Florida residents and visitors. Existing levels of transit service make it unattractive as an alternative travel mode for most Floridians except for those who do not have other means of travel. Existing transit services can fairly be characterized as marginal due to limited service hours, infrequent service, and lack of service to many employment, commerce, education and recreation centers.²³

Airports

Florida has 128 public use airports, including three of the busiest airports in the U.S. --- Miami International (#12), Orlando International (#13), and Ft. Lauderdale/Hollywood International (#21). Florida's airports are getting more crowded as direct flights to far-away cities are added and tourism numbers surpass levels that existed prior to the economic downturn. Half of Florida's visitors arrive by air. Florida's role as a global transportation hub requires efficient and reliable connectivity for trade and visitors. This will require longer runways and expanded terminals at Florida's airports to accommodate the projected growth in passenger and

²³ Florida Department of Transportation, "Transit 2020," retrieved from <http://www.fdot.gov/transit/pages/transit2020plan.shtm>, August 23, 2018.

freight activity. Additional investments to expand capacity of Florida airports will be necessary to safely and efficiently move air passengers and cargo.

Seaports

Florida's 15 public seaports are strategically positioned for global trade. Florida's seaports create economic prosperity from waterborne commerce, supporting nearly 900,000 jobs throughout the state, and handling over 107 million tons of cargo. The world's top three cruise ports are in Florida,²⁴ and Florida's seven passenger cruise ports represent the world's largest cruise market with 19 cruise lines handling over 15.5 million revenue passengers in 2016. Florida's 15 public seaports create economic prosperity from waterborne commerce, supporting nearly 900,000 jobs throughout the state, and handling over 107 million tons of cargo.

Florida's role as a global transportation hub requires efficient and reliable connectivity for trade and visitors. The state must continue to invest in facilities and processes that improve access and capacity at Florida's seaports to attract and handle the increasing variety of ships and cargo types that carry the basic commodities and valuable products which provide the necessities and niceties to support the prosperity and well-being of Florida's businesses, residents and visitors.²⁵

Rail

There is strong public support for improved intercity passenger rail service as a way to reduce highway congestion and provide travelers with an additional means of transportation. Improved rail service is an integral component of the state's intermodal transportation system planning efforts. Projects like All Aboard Florida's "Brightline" will provide, at no cost to taxpayers, benefits to the state in the form of reduced traffic congestion, job creation and labor income, improved air quality, and improved health and safety. Unlike other high-speed rail projects, this project does not require public grants or operating subsidies. Ridership risk will be borne 100 percent by the private sector. Florida TaxWatch believes such enterprises should be encouraged rather than discouraged.

Funding

Transportation made up almost 13 percent (\$10.85 billion) of the state budget for fiscal year 2017-18. Florida's transportation funding comes from a variety of sources, including federal, state, and local money generated from a number of different taxes. Although there are a number of sources of funding, the state motor fuel tax accounts for the majority of state transportation revenue. Available funding will not be sufficient to pay for needed improvements to the transportation system – and the funding gap is likely to grow as travel demand increases and new initiatives are launched.

Transportation infrastructure improvements are necessary to reduce traffic congestion, which costs Florida taxpayers time and money. Businesses need a safe and efficient transportation system to get their employees to work, to get their products to market, to move materials and supplies from one economic region to another, and to get customers to their business. Transportation infrastructure improvements also create construction and construction-related jobs for Floridians.

24 2016 Florida Seaport System Profile (April 2017). retrieved from [http://www.fdot.gov/seaport/pdfs/2016 percent20Florida percent-20Seaport percent20System percent20Profile percent20\(April percent202017\).pdf](http://www.fdot.gov/seaport/pdfs/2016%20Florida%20Seaport%20System%20Profile%20(April%202017).pdf), August 23, 2018.

25 Ibid.

The 2020 Census

The U.S. Constitution has required a census of the nation's total resident population (citizens and non-citizens alike) every 10 years since 1790. The next census is scheduled to be taken April 1, 2020. To ensure an accurate headcount, the U.S. Census Bureau mails a questionnaire to each U.S. household. If the questionnaire is not returned, a second questionnaire is mailed and phone calls are made. If there is still no response, census workers visit the household.

Why is an accurate headcount so important? Because census data are used to determine how congressional seats are apportioned and how state and federal dollars are distributed. Legislators use census data to draw congressional district boundaries and state legislative boundaries. Census data are used to define local boundaries, such as school board districts and city council districts. Census data help ensure that every community has the proper number of representatives in government and, since representation is based on population, having an accurate census count is critical. Census data are also used to guide the equitable distribution of public funds. The distribution of state and federal funds for infrastructure, healthcare programs (e.g., Medicaid), education, and other vital programs is based on population, so having an accurate census count is critical for this as well. Businesses, researchers, and policymakers rely on accurate census data to make important decisions.

The reinstatement of a citizenship question on the 2020 census has prompted concerns that asking respondents if they are U.S. Citizens will prompt many immigrants who are in the country illegally and minorities who are uncomfortable answering census questions not to respond, resulting in a substantial undercount. The implications of an undercount are far-reaching. Since the 2010 census, Florida has become the third most-populated state, and stands to gain congressional seats after the 2020 census. An undercount of the population could result in Florida not getting the proper number of congressional seats. Florida would also stand to lose out on millions of dollars of public funding for roads and bridges, schools, hospitals, and other vital social programs.

Veterans

Florida has the third-highest veteran population in the nation. With more than 1.5 million veterans, previous Governors have worked hard to make Florida the most veteran-friendly state in the country. Florida voters continue to hold U.S. active service military and veterans in high esteem. WalletHub ranks Florida as #1 among the 50 states and District of Columbia for military veterans to reside.

The transition from military to everyday, civilian life poses significant challenges for Florida veterans. Finding civilian employment, educational opportunities, and adequate health care, poses the greatest challenges.

Florida's business climate is robust and there are ample job opportunities for veterans. The skills veterans learned while in the military can be applied to any number of Florida industries. In addition, Florida's business tax climate and the availability of business incubators provides substantial support to veterans looking to start their own business. The Economics Daily reports that veterans aged 18 and older made up 7.3 percent of Florida's total labor force. Unemployment among Florida veterans aged 18 and older in 2017 (annual average) was under 3.0 percent.

Florida has top-ranked colleges and universities, many of which have on-campus centers dedicated to the academic well-being and success of veterans. These centers help with everything from making sure the veteran take full advantage of their GI Bill benefits to securing available scholarships. Legislation has been passed to ensure that all veterans, regardless where they are from, pay in-state tuition rates.

Veterans experience myriad healthcare issues --- mental health disorders, substance use disorders, post-traumatic stress, and traumatic brain injury --- at much greater rates compared to their civilian counterparts. Twenty or more veterans commit suicide each day and a large segment of America's homeless population is made up of veterans.

Less than one-half of the current total veteran population is enrolled in the Veterans' healthcare system. This means veterans are relying more heavily on civilian healthcare facilities, even though civilian health care providers are not well-versed in health issues that are specific to veterans. Last year, the U.S. Senate passed a bill authorizing seven new Veterans' Administration facilities in Florida. Located in Daytona Beach, Jacksonville, Ocala, Tampa, Lakeland, and Gainesville (2), these facilities will make it easier for Florida veterans to receive much-needed mental health and outpatient services.

Over the next four years, the Governor will need to work with the Legislature, the Florida Congressional Delegation, and the Governor's Washington Office to continue to meet the complex needs of a vast veteran population.

Messages from those who have been there

Florida TaxWatch has asked past Governors, Lt. Governors, and other elected leaders for their experiences and advice for our next Governor-Elect for more than 20 years now. What follows is what was shared with us by:

Governor Rick Scott (45th)

Governor Charlie Crist (44th)

Governor Jeb Bush (43rd)

Governor Buddy MacKay (42nd)

Governor Lawton Chiles (41st)

Governor Bob Martinez (40th)

Governor Wayne Mixson (39th)

Governor Bob Graham (38th)

Governor Reubin Askew (37th)

Governor Claude Kirk (36th)

Governor Farris Bryant (35th)

Lt. Governor Jeff Kottkamp

Lt. Governor Toni Jennings

Lt. Governor Frank Brogan

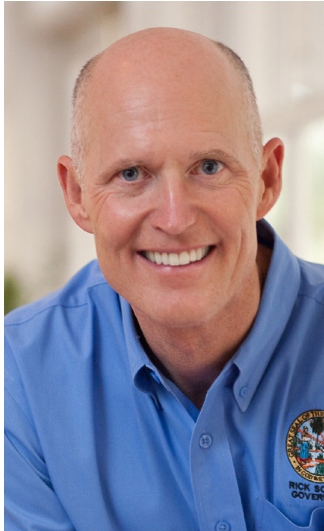
Senate President Ken Pruitt

Senate President Phil Lewis

THOUGHTS FROM

Governor Rick Scott

Florida's 45th Governor (2011-2019)



When I took office, I made it my number one mission for Florida to be the best place in the world for job creation. I'm proud to say that since 2010, Florida businesses have created nearly 1.6 million private-sector jobs. Our economy has completely transformed, with diverse job growth across industries, hundreds of thousands of current job openings and record numbers of visitors and new residents to our state. This incredible turnaround story should serve as a blueprint for the rest of the nation.

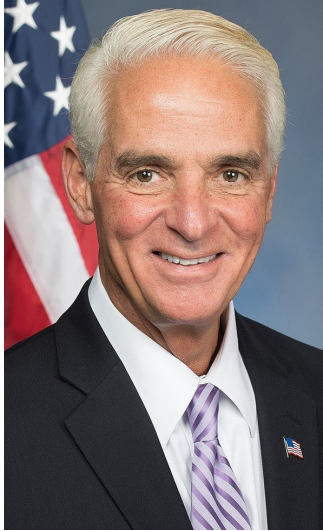
If you cut taxes, eliminate burdensome regulations and invest in the priorities that matter most to families like education, transportation and our environment – families, businesses and communities across the state will prosper and grow. Over the past eight years, thousands of companies across the world have decided to make Florida their new home, entrepreneurship is growing and small businesses are booming.

Florida is the third largest state in the nation, home to more than 20 million people and continues to grow as more than 800 people move to Florida every single day, all year long. Our world-class business environment draws families from all over the country and all over the globe. We are the state of opportunity and innovation.

As you take office, remember that each new job created is an opportunity for a Florida family to live the American dream. With record tourism and the lowest unemployment rate in more than a decade, Florida continues to be the best place in the world to live, learn, work, play and do business.

THOUGHTS FROM

Governor Charles “Charlie” Crist, Jr.

Florida's 44th Governor (2007-2011)

There is no greater testament to our nation's democracy than the people's ability to choose their leaders. The people of Florida have spoken, and they have chosen you to serve as Florida's chief executive for the next four years. In return, you must fulfill the sacred trust to "protect and defend the Constitution of the United States and the Constitution of the State of Florida."

Those words from the Governor's oath of office may seem lofty and philosophical before election night; however, by the time your hand rests on the Bible on Inauguration Day, you will fully appreciate the significance of the oath and be humbled by its considerable responsibility.

In spite of the pomp and circumstance of Inauguration Day, you will also be keenly aware that a countdown clock is ticking. You will have four years at the helm of the ship of our Florida – four years filled with hard work and critical choices.

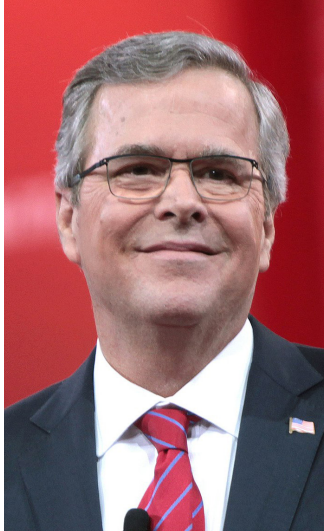
The people of Florida deserve for their Governor to work harder and smarter than he or she ever has. And because their Governor is a public servant, the people also deserve for your work to be done with the utmost openness and transparency. The people of Florida have the right to see the inner workings of their government and to hold it accountable when they disagree with its direction. Remember to listen to the people of Florida – to the criticism, as well as to the praise.

You will do well to gather together an Executive Team of leaders who are fully committed to working equally hard and maintaining complete integrity, without regard for partisan politics and the bickering and gridlock that comes with it. Florida families, businesses and communities deserve to be your team's top priority, not politics as usual. As our state and nation continue to recover from the most turbulent economy since the Great Depression, the people of Florida deserve no less than your complete dedication to fulfilling your sacred trust to them.

THOUGHTS FROM

Governor John Ellis “Jeb” Bush

Florida’s 43rd Governor (1999-2007)



“Leaders need to embrace change to possess the times or the times will possess them.”

In this post-modern world, the only constant is change. Leaders need to embrace change to possess the times or the times will possess them. Five principles helped guide me through life before, during and after my service to the state of Florida.

First, tell people what you are going to do – and then do it. People are yearning for authenticity in their lives, in their leaders and in their country.

Second, establish aspirational goals – and then create a plan to achieve them. People want to be inspired to greatness and setting a lofty expectation organizes them around a common purpose. But people also want that goal to be realistic, meaningful and achievable. So it is important to have a plan to attain the objective, objectively measure progress and report the outcome. The popularity of press conference promises is fleeting. In the long run, good results provide lasting rewards.

Third, ask “why not?” – over and over and over again. When the wonks get in the weeds, raise your head and ask the simple question, “If we were going to start from scratch today, how would we do it?” Why not change? Why not try a different way?

Fourth, communicate – clearly, concisely, consistently and constantly. For many people, change – even change they agree with – can be frightening. The bigger the idea, the greater the need for communication.

Fifth, stick with it. Success is never final and reform is never finished. Most often, it doesn’t come easy. You need to work at it every day. Transformational reform is even harder in this age of immediate gratification, the 24-hour news cycle and perpetual campaigning. You’ve got to persevere and plow through the criticism, the opposition and sometimes even the personal attacks.

Challenging times can provide great opportunities for reform-minded leaders. With that perspective, you will have many enjoyable and joyful days as Governor.

THOUGHTS FROM

Governor Kenneth “Buddy” MacKay

Florida's 42nd Governor (1998-1999)



Set your own priorities.

Be prepared for the immediate crush of people with ideas, all of whom want to be heard and all of whom know that to have impact they must be heard early in the process. It is important to set your agenda and priorities so you don't get rolled by the trivia. There will be people who will try to push and create pressure for their own agenda and priorities.

Create a disciplined way to set aside blocks of time to talk about major strategic issues. Creating this for the transition will also serve as a good method to carry forward into the administration. Figure out the problem and get the correct people there to talk with them.

Arrange for briefings from both current and former legislative staff. No matter what party these staff members belong to, they all have the same interest – a good start for the new administration. This is particularly true in regards to budget matters. Set up task forces of people who aren't all necessarily government insiders to take a fresh look at all areas of government.

A problem can arise moving from campaigning to governing. There are quality campaign people who believe they are also good at governing. There will be hurt feelings. It is important to differentiate and to deal with this issue in a disciplined way.

The question of setting an administration's priorities can also be difficult. There are constituent groups pushing their issues. But if an administration takes on more than three or four issues it won't work. Stick with the major issues of the campaign and carry those forward.

Make a major effort to tackle Florida's weaknesses and make them strengths. With so many volunteer and appointed boards across the state, in a highly decentralized system, these could be considered a weakness, but could also become a strength. You can do this by presenting the program from the Executive Office of the Governor and engaging them as members of the team.

When appointing people, decide what the vision is for the program, so that when you interview the applicants, you can communicate your priorities clearly and confirm that they understand the vision and that they will work to carry out that vision. This can also affect their decisions for who they will, in turn, hire to work in and run the programs.

It is critical to employ a budget director who is experienced in Florida budgeting and have them on board immediately. There are very basic questions of budgeting that all transitions should ask. Look at items that do not show up on the budget such as Florida's off balance sheet liabilities. For example, ask if all of Florida's municipalities are in sound financial state since this could potentially affect Florida's bond rating.

Make decisions for the legislative session within a month after the election. The Legislature can tell the Governor-Elect his campaign issues will not be passed. Florida has a strong legislative body and a structurally weak Governor. The fight is whether the Legislature will “run” the executive branch. You have to be strong and understand Florida government so you don't lose that battle in the first year.

THOUGHTS FROM

Governor Lawton M. Chiles

Florida's 41st Governor (1991-1998)



“As you face difficult decisions, it is vital that you listen with an open mind and consider all perspectives before you act.”

1. Do right. Listen to your conscience, or what I think of as my inner voice. The only decisions you will regret are those you made before you were ready and those that didn't feel right to you to begin with. You have to be able to look yourself in the mirror every day and feel good. While many will come to you with a narrow interest in a specific problem, you are called to be the Governor of all the people, and they depend on you to bring their perspectives to your decision-making.

2. Stay close to the people. Get out of Tallahassee and travel the state so you personally understand the concerns of the people. Tallahassee doesn't solve problems, communities do. Visiting the people will improve your instincts for governing and help people to understand the direction you are leading them.

3. Listen. It was lonesome when I started walking the Panhandle, and I found people would walk with me if I listened rather than talked. And I learned a great deal when I listened. As you face difficult decisions, it is vital that you listen with an open mind and consider all perspectives before you act. You can learn from everyone. I have often learned more from my critics than those who offered me only praise.

THOUGHTS FROM

Governor Robert “Bob” Martinez

Florida's 40th Governor (1987-1991)



“Don’t forget the memories of meeting people just because you won the election.”

After the time you have spent campaigning across Florida, you should have a good sense of how people feel in different areas and from the diverse demographics of our state. Don’t forget the memories of meeting people just because you won the election. The question is now, how do you frame your policy and advocate those things that are important to the people of Florida.

The Governor-Elect (GE) should establish three committees to assist in taking the reins of government. The members of the committees should philosophically compliment the GE and should consist of individuals outside of government and some familiar with state government.

The GE should participate with the committees from time to time and talk with the committee chairs on a scheduled basis. The first committee would work on developing a body of information dealing with personnel and staff positions appointed by the Governor. Have someone who has experience with top level candidates and can identify top-level candidates.

The committee would develop ideas on how to encourage people with good credentials to apply for positions, a procedure to make staff selections, and to identify potential top staff for the Executive Office of the Governor and the top staff for agencies. In addition, identify appointments to boards, commissions and judicial openings that will occur in the near months after inauguration.

The Governor-Elect needs to quickly start making decisions on who is going to serve in the Executive Office of the Governor. He can gain assistance from the people who he knows; often this comes from his campaign staff, such as Chief of Staff and personal assistant. The budget team needs to be named as quickly as possible and cannot wait until January.

There is also a sitting team there. Decide if you want to keep them and let them know immediately. Do not let anxiety build within the agencies. Respectful communication needs to be sent quickly if you are going to replace them.

The second committee should have a good understanding on how state government functions.

This committee would work with the transition material provided by the current administration, agency representatives, legislative leaders and informed citizens to get a real feel for government operations. The GE must board a rolling train on inaugural day and we don’t want to see him miss it. Thus, the GE needs to know where the state government is and where it will be by the time the legislature convenes. The same due diligence should apply to the Governor/Cabinet executive body.

continued

The third committee is responsible for the inauguration. The GE will provide guidance on the breadth of inaugural activities. With the GE's guidance, the committee will develop and carry out the inaugural activities. The committee should also be of assistance to the First Family's relocation needs in their move to Tallahassee.

The incoming Governor should pay attention to the instant news capability that now exists.

The demand for information has increased so much, and with this, the demand for accurate information has also become more critical, both in releasing and receiving information. The Governor-Elect shouldn't be rushed to make a statement or decision before they are ready to do so. Be deliberate and thoughtful. There are some missteps you can take when you are new.

Inauguration through the Legislative Session

Reach out quickly to the Senate President and Speaker of the House to establish a relationship.

They will be sworn in before the Governor and already immersed in committee work. It's a good time to develop these relationships as well as those with members of the cabinet.

The GE and staff must be quick learners on how to work with the Legislature and the Governor/Cabinet. As soon as practical, start building next year's budget. This will be the first budget the new Governor and his staff completely prepare for submission to the legislature. Also, the administration should start to develop the legislative agenda that will support the budget goals.

The budget and legislative bills will demonstrate what the GE and the people of Florida talked about during the election. Review all programs and budget items that have been under development for submission to the state legislature by the previous administration so final decisions can be made. Identify all appointments subject to Senate confirmation in the coming legislative session so recommendations can be made to the legislature.

First Full Fiscal Year Administration

Prior to the legislative session, develop a procedure to evaluate legislation. This will allow the Governor, in the event of a veto during or after the legislative session, to explain the action taken.

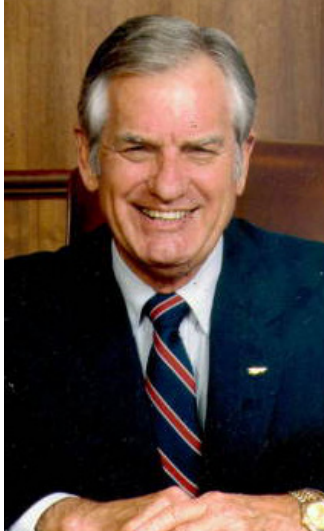
The Governor and legislative leaders should meet to critique the working relationship between the Governor's Office and the Legislature.

The Governor should evaluate how well the administration's team performed and, if necessary, make modifications.

THOUGHTS FROM

Governor Wayne Mixson

Florida's 39th Governor (1987) & Lieutenant Governor (1979-1987)



Make full use of your Lieutenant Governor. His knowledge, his experience, his expertise, his relationships in government and with the public are invaluable. He should be one of your top counselors in policy making. He should have instant access to the Governor at any time without going through any intermediary.

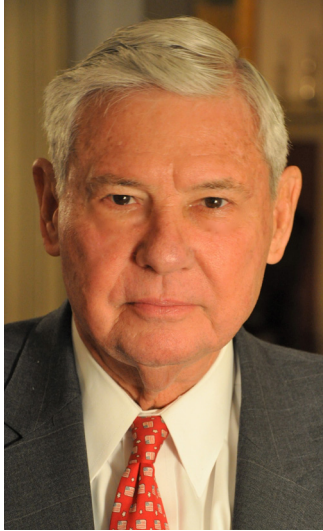
Choose a chief of staff who has great knowledge of state government programs and with as broad relationships and experience as possible in the field. Avoid any temptation to make a Chief of Staff from campaign workers.

Demands for access to the Governor will be greatest in the early months of his administration. These demands will come from legislators and other elected officials and from people expecting a responsible hearing. A designated team could help with this crunch, and smooth relations. I would suggest that the Lieutenant-Governor, the Chief of Staff, and the Communications Director meet regularly to screen and divide these chores. This cannot be left to career employees for routine response.

THOUGHTS FROM

Governor Robert “Bob” Graham

Florida’s 38th Governor (1979-1987)



“Be on guard to carefully select the people who will serve you and Florida.”

You have just spent a number of years and a lot of money getting elected. Many people worked very hard to help you succeed. You owe them your sincere gratitude, but you do not owe them a position in your administration. The skills that helped make a successful campaign do not necessarily translate to skills required to govern.

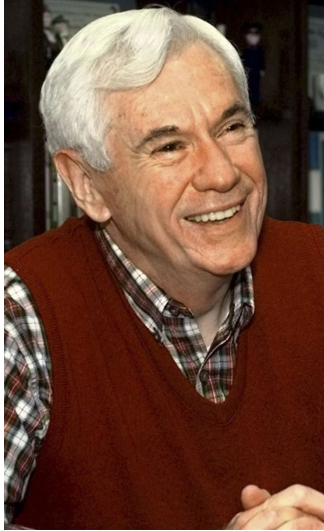
Immediately after the election, you enter the most dangerous time of your public career. Between the evening of your victory and the end of your first Legislative session, you will face your greatest challenges.

First and foremost, select no more than six (6) priority issue areas for your first term in office. Hundreds of issues may have drawn your interest during the campaign. Unfortunately, spreading yourself too thin detracts from being successful in the highest priority areas. Focus quickly on your first year’s priorities.

Secondly, be particularly mindful of making good appointments. Many supporters and others will want to serve in your Administration. Some will be particularly qualified, having the skills and expertise you need to succeed. Others will be well-intended but unskilled in grappling with complex questions and forging resolutions to tough issues. Some will have your interests and Florida’s interests in mind. Others will have personal agendas that drive their desire to be in your administration. Some people will see you as a neophyte and try to take advantage of the situation. Be on guard to carefully select the people who will serve you and Florida. Keep high standards during the selection process. Try hard to find the most qualified people at the beginning of your first year, not at the end of it.

Third, select a well-regarded, but independent Inspector General. You must be able to rely on this person to protect you from unintended or intended breeches of your standards of integrity and expectations for performance.

THOUGHTS FROM

Governor Reubin O'D. Askew**Florida's 37th Governor (1971-1979)**

“Watch the expectations you create. The campaign is over and you will need to start from scratch.”

The first judgment of the governor is if you continue and extend the campaign or if you take the role of Governor serious, regardless of what you promised on the trail.

Transition needs to be respected for what it is and there is room for a lot of mistakes. Understand that you cannot do it all at once. Look at the areas where the previous administration had problems and learn from them.

Watch the expectations you create. The campaign is over and you will need to start from scratch.

In your camp, assign someone to wind down your campaign for you. Try to avoid the pomp and circumstance after the election and focus on setting your agenda, making appointments, and reflecting on the larger issues at hand. You'll be amazed at the time you can spend doing “thank you's” and other favors for your campaign supporters. Don't see everyone after your campaign. You'll want to thank everyone

and they should be thanked but this takes far too much time than you have to give during the transition period. Assign people in your office or in the campaign to do it for you.

In the beginning, don't lock yourself into any one appointment or priority. This will clear the deck and lend you time and flexibility.

The first two things you will be judged on are the inauguration and the budget. After that, you'll figure it out. Don't wait until the last moment for either of these things.

Close your office door. Let no one stampede you. Take the time to find the centrality of state issues. Don't let other people's priorities dictate your time.

Always set aside appropriate time for your family; make a clear commitment of quality time for them.

Don't negotiate away all your options.

Don't hurry with appointments. It is easier to take the time to find well qualified, proper appointees than the time it takes to get rid of poor appointments. Don't rush into the feeling that you have to replace everyone. Learn what performance and knowledge you will lose before firing anyone.

Make sure your appointments are men and women of high integrity. Integrity and diversity are essential. You do not need “yes” people.

Hire your Chief of Staff and Communications Director first. Your most important appointment is your Chief of Staff because he or she is pivotal to the administration of government.

You're the party head and need to take those into consideration when making appointments but do not make only political appointments.

THOUGHTS FROM

Governor Claude R. Kirk, Jr.

Florida's 36th Governor (1967-1971)



"If you personally remember to "love" all the folks of Florida every day... chances are...one day, they will "appreciate you!"

Greetings Governor, I can't imagine that you had the temerity to seek this office from the people of Florida hoping to find this book to tell you how you should act...add to that, you sought no advice from me during the campaign...so, why would I expect you to respect my advice NOW...and much less, NOW follow my seriously studied and carefully written thoughts, cautions, and urgings.

Well...OK...First, UNDERSTAND you are no longer a candidate...you are Governor...the Chief Executive...so, ask any of your contributors that are too full of greed and avarice...what amount they contributed...and would they like their money back? If they do, call me and I'll arrange to pay them out of your way and hair.

Now...that you are your own person...be the CEO and visit every department before inauguration and make them tell "what" they do and "why"...after inauguration, act to improve what you see needs change by executive "push" (this means cabinet offices too)...reward success... replace those that fail after the push.

Make sure every Florida child IS educated...and does GRADUATE from the 12th grade...job ready! Call me if you don't know how to make the teachers' union "come to the crusade!"

Assign other bad problems to selected separate civilian volunteers for six months action periods.

Make sure every Inspector General does their job better!

Never...Never...have a "one-on-one" discussion without your own security witness.

Good success for you and Florida!

THOUGHTS FROM

Governor C. Farris Bryant

Florida's 34th Governor (1961-1965)



“...make a clear distinction between your obligations to your friends (which are great and honorable) and your oath of office (which is superior).”

Ethics: In total privacy (except for your wife) make a clear distinction between your obligations to your friends (which are great and honorable) and your oath of office (which is superior). These obligations will often conflict, but if you wait and try to make that decision on an item by item basis, you will be torn apart.

Accountability: Have the state auditor make an audit of your office at least annually during and at the end of your term. Make this procedure publicly known. Knowledge that this procedure is in place will discourage careless abuse of power by your office and will protect you from unfounded attacks from political opponents.

Access: A wide circle of friends and trusted advisors must have telephone access to you. This is the only way in which you can control your own access to and knowledge about emerging and current issues.

THOUGHTS FROM

Lieutenant Governor Jeff Kottkamp

Florida's Lieutenant Governor (2007-2011 - Crist Administration)



The tone of your first term in office will be defined by your first legislative Session as Governor. It is extremely important that every day of transition be used to prepare for Session.

You should select Transition Team members who have no state business. Have each Agency independently reviewed and establish a timeline for the Transition Team to brief you on their findings. It would be helpful if the Transition Team is prepared to provide you with specific policy recommendations during those briefings.

Your first budget will be due less than 30 days after you are sworn in. Therefore, you will want to have your budget staff in place as soon as possible. It will be a difficult budget year. Your transition team should be prepared to make budget reduction recommendations for the Agencies which can be built in to your initial budget.

You will also want to use the transition period to develop your policy priorities for the upcoming Session. You will want to reach out to the Legislature as soon as possible. During the Transition (and throughout your term) try to keep in touch with the Presiding Officers and make sure your staff maintains a good working relationship with the Legislative staff. You should also schedule some time to meet with each House and Senate member. This is important if you hope to pass your policy priorities.

Your goal is to hit the ground running on Day One of the Administration. The Transition gives you almost two months to make that goal a reality.

Serving as Governor of this great state is a tremendous privilege. The people have put their trust in you. Develop your vision for the future of Florida—and talk to people from the heart about where you want to lead the state—and people will follow.

THOUGHTS FROM

Lieutenant Governor Toni Jennings

Florida's Lieutenant Governor (2003-2007 - Bush Administration)



First and foremost, the campaign is over. Now it is about running the state. Take 2 or 3 of the initiatives you talked about on the campaign and make them the cornerstone of where you start and build your administration.

You have four years. You don't have to do it all in the first start-up but make sure to prioritize in order to address the most important issues first.

Be careful not to swallow the whole apple all at once or you'll choke. Take small bites and, in the end, the apple will still be gone but you won't have choked to death.

If you stay around long enough, the same issues keep coming back. Keep experienced people around you who have the institutional knowledge to help guide your decisions and agenda setting.

People will look to you for advice on all aspects of every issue and hold you accountable for them, even if you're not in control of them. Assemble a good team to help you with this. There will be bumps along the way but don't let that get in the way of good governance.

Newly elected Governors have the tendency to feel compelled to change everything. You have many existing programs and policies at your disposal to help you enhance economic development, crisis management, job and industry creation, and education enhancement, among others. These programs are a toolkit; utilize the resources they offer to further your agenda and initiatives. Look first at what these programs are actually doing. Ask if they are doing what they need to be doing and if they are meeting their original goals before you change programs and policy.

On the Lieutenant Governor:

You have asked this person to change their life and be a part of this unique and amazing experience with you. They are your partner. Always include them in policy decisions, even if they disagree internally and insist that the Lieutenant Governor be at agency head meetings and other key meetings.

You decide what kind of responsibilities the Lieutenant Governor has and it's best to be clear with them about what they are suppose to be doing up front. You will need to have a conversation with them early on about what their specific duties will be.

Utilize the Lieutenant Governor to close the deal and act as a specific liaison to entities with which they have a specialty or to other various task forces.

The Lieutenant Governor should coordinate their schedule with the Governor's so that he or she can attend meetings, conferences, or events that the Governor is unable to attend.

THOUGHTS FROM

Lieutenant Governor Frank T. Brogan

Florida's Lieutenant Governor (1999-2003 - Bush Administration)



"A Great transitional process and transition team can set the tenor for the administration and set a real course for the future."

The transition will only impact a tiny segment of Florida government. The vast majority of state government employees are there when you get there and a vast majority will be there when you leave. The transition should be structured to change for the better the course of the organization, but with the realization that 99 percent of people were there before the new administration.

At the end of the day, bureaucrats care far less about politics and more about the job. The transition has a limited amount of time. The Governor-Elect needs to have his transition team ready to begin work immediately.

Put together a transition team that is beyond reproach. Find someone to lead the team, who knows how to run a business, and find team leaders. Make sure they are all of high quality, and do not base your selection on political patronage. Select the right kind of person for the transition team. Finding transition team members is like finding agency heads; they have to be as clean as a whistle. The press will look at them under a microscope. If the transition team is scrutinized negatively, it will affect you negatively.

Four years goes by very quickly! If the transition takes up too much time; that is time gone before you get started on change. Some things can't wait. Transition is like "painting an airplane in flight" – you are doing at least two things at once and you cannot wait, you must appoint people right away. Immediately look for new agency leadership. The beginning of the administration is when you're at a fragile point: agency heads jump ship, key personnel leave. It is lousy to be left in a lurch at this time. Look around and talk with people about the direction of the agency. All agency heads don't have to go. The biggest mistake is throwing everyone out. Remember, "My own team," can include someone who is already there. It's also a good message to the rank and file employees that you are going to keep an agency head. Continuity is important to a new administration. Name agencies heads quickly and allow them to be engaged during the transition. "It's one thing to give a guy a playbook; it's another thing to have him help write it."

The press can help determine the quality and look of a transition. Transparency with the press is important. Share as much as possible the details of the transition, your timeline and who is involved.

The first conversation with the transition team should be a full explanation of Florida's Sunshine Laws and the transition team members' roles and obligations. Acknowledge that Florida has the strongest sunshine laws in the country, and have an attorney on board assigned completely to the transition team.

The economics of the transition: efficiency, effectiveness and frugality. Be very sensitive to the expenditures and accountability of the transition. Make sure the transition budget is enough to do the job, but be mindful that it is the people's money, or, even better, use unexpended campaign money.

This is the people's transition, not just the Governor's. Information shared should be inclusive and everyone should be able to take part in the transition and provide input to the Governor-Elect. Allow people to have access to the transition team via new technology. Allow citizens the opportunity to provide input toward making state government better. Also provide some sort of "product" of the transition, probably in the form of a report that is accessible to the public and the press. Otherwise, the process can be perceived as vexing and vaporous.

It is important for the Lieutenant Governor to be part of the transition. The Lieutenant Governor's participation gives him an instant and important role in the administration and establishes an executive presence in the transition. At the bottom of the yard sign is the other guy's name. You've made the statement that, should anything happen, this person will be the Governor of Florida and you've placed your trust in him.

THOUGHTS FROM

Senate President Kenneth Pruitt

Florida Senate President (2006-2008)



Implement a “24 - Hour Rule” before responding to the “Issue of the Moment”. Better to get it right than fast.

Take full advantage of your “Honeymoon” period – there will only be one.

Unless you have a strong philosophical position on an issue, don’t give your opinion on pending legislation until it passes the legislature and is sitting on your desk.

In the words of Speaker Daniel Webster, you only have a “thimble-full of influence”, distribute it in very small amounts. Once it’s gone, so are you.

Keep in close touch with your friends back home, it will keep you “grounded”, besides you’ll be back home before you know it.

The Speaker of the House and President of the Senate will have agenda’s too, respect them.

The campaign is over, stop politicking and start governing.

THOUGHTS FROM

Senate President Philip D. Lewis

Florida Senate President (1978-1980)



“The Governor’s closest advisors and staff should not be ‘yes’ people.”

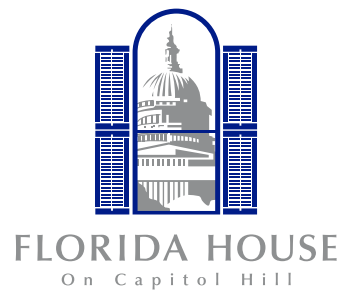
The Governor, House Speaker and Senate President should try to agree on the priority of major legislation so that it can move through the legislative process quickly.

The Governor’s closest advisors and staff should not be “yes” people.

Put into place as promptly as possible capable, able people who are multi-disciplined to handle a myriad of cabinet affairs matters, i.e., environment, education, corrections, clemency.

Get in place early the staff who are going to have to deal with the leadership of the House, Senate and legislature, in general.

Taxwatch would like to thank our generous partners for their time and expertise on this project:



ABOUT FLORIDA TAXWATCH

As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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