

# BUDGET WATCH



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## Constructive Ideas to Help Florida Address the Budget Shortfall

The economic downturn and growing budget shortfall present Florida lawmakers with the unenviable challenge of balancing the current budget through mid-year reductions while still meeting the needs of Floridians.

The budget passed by the 2008 Legislature was \$6 billion smaller than the one passed the year before. Since the 2008 Legislative Session ended in May, revenue estimates have been reduced further; these estimates predict that Florida will find itself with a multi-billion dollar deficit in the current year spending plan, even after the using of \$672 million from the Budget Stabilization Reserve Fund earlier in the year.

Today, Florida is facing a \$2.3 billion budget deficit due to drastically declining General Revenues. The General Revenues of the state in Fiscal Year (FY) 2008-09 are estimated now to be at approximately the same levels that were collected five years ago, in FY 2003-04, and recent collection data show that the deficit may grow before the year is over.

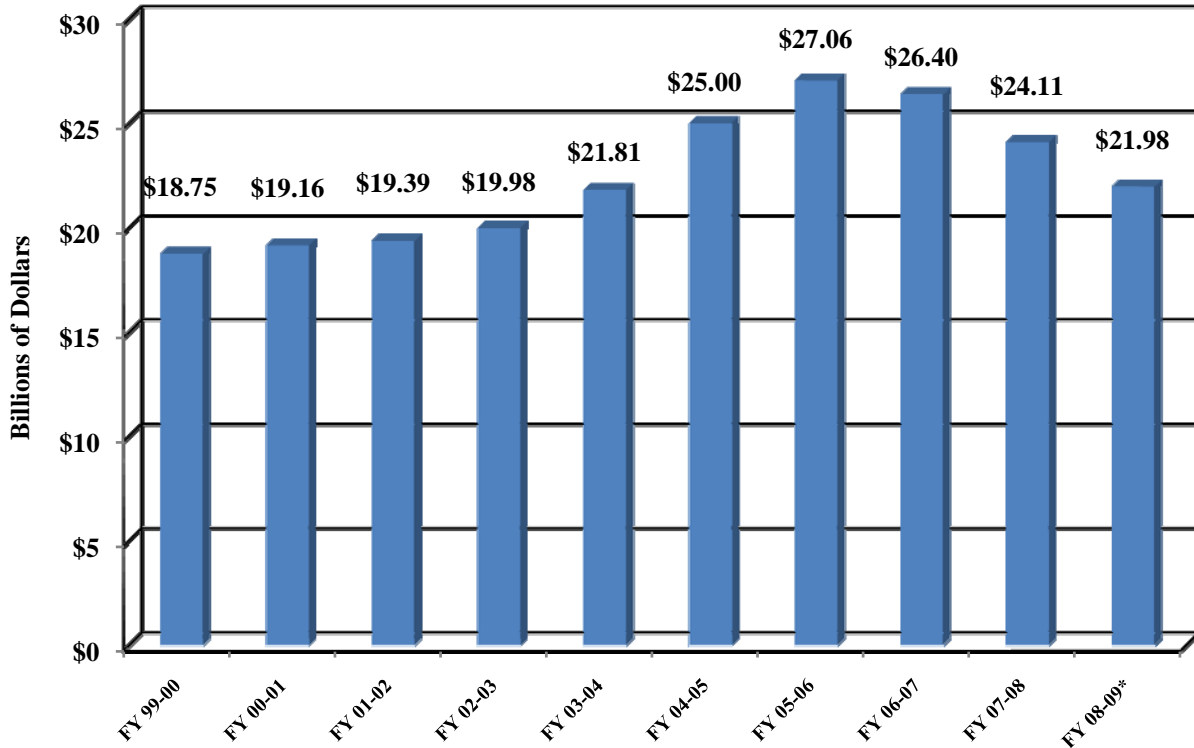
Fiscal Year 2008-09 marks the third consecutive year that state General Revenue collections have dropped from the previous year. This unprecedented fiscal situation has a number of significant and dire ramifications for the citizens of Florida. As **Figure 1** (next page) shows, General Revenue Collections have fallen by more than \$5 billion in the last three years, since FY 2005-06.

### Budget Reduction Principles and Guidelines

- The budget should not be balanced using indiscriminate, across-the-board cuts that jeopardize the core functions of government ensuring the health, safety, and prosperity of Floridians; cuts should eliminate inefficiencies in government operations and target non-essential programs.
- Where broader cuts are needed, the Legislature should look to administration first and, to the extent possible, avoid cuts in direct services or programs that can save money in the long-term.
- The state must make spending on core functions the priority and look to non-essential programs and services for cuts.
- Top administration should lead by example.
- Duplication and replication of services and functions must be examined and minimized.
- Emphasize reducing recurring expenditures because the fiscal situation may get worse before it gets better.
- It is questionable policy at best to raise taxes in poor economic times when taxpayers can least afford it and economic recovery will be slowed. As Floridians are forced to “tighten their belts” during this difficult economic situation, so should their government.
- Florida should seize every opportunity to collect legally owed money utilizing all available revenue maximization channels. These efforts must be intensified throughout the government.

Figure 1

**Florida General Revenue  
Fiscal Year 2000 - FY 2009**



Source: Florida Office of Economic and Demographic Research  
\*November 21, 2008 Revenue Estimating Conference

Now is the time for bold leadership, fiscal stewardship, and a change in the culture of government to one that encourages innovation, strives for cost-savings, and embraces streamlining to improve efficiency.

As the Legislature works to address the current and upcoming budget shortfalls, the Florida Five (a coalition comprised of Associated Industries of Florida, Enterprise Florida, Florida TaxWatch, The Florida Chamber of Commerce, and The Florida Council of 100), with the leadership of Florida TaxWatch, have come together to offer ways to meet the challenge. This work has the immediate purpose of helping the state’s leaders “stop the bleeding” and put Florida back on target for a healthy and growing economy. Furthermore, without recurring budget cuts now, the 2009 Legislature will be faced with a \$3.8 to \$5.7 billion shortfall to fund only a "conservative continuation budget" (i.e., a budget that allows for funding everything in the current budget adjusted for workload and inflation). Short- and long-term cost-savings options are needed now.

All items are on the table for discussion while immediate spending reductions are a priority of the highest order. Common sense must prevail and smart cuts must come first before any longer term solutions can be raised.

Ideas for Budget Cuts, Cost Avoidances, and Government Productivity and Cost Saving Innovations

**Section I – Productivity and Efficiency Improvements: Reducing Waste in Government**

Floridians always deserve efficiency from their government; in the current fiscal and economic climate, it is even more of a necessity for government to operate better and cheaper.

**1) Renegotiate Non-Client-Service Contracts: \$215 million+ in General Revenue savings**

In slow economic times, businesses often renegotiate contracts for lower rates. Competition is heightened and purchasers can demand lower rates from service providers on contracts negotiated earlier. Contract renegotiation should be explored in every avenue of government contracted services. Potential rate reductions of 5% are not an unreasonable expectation given the current climate.

It is important, however, to minimize cuts to services that directly impact the most vulnerable citizens, consumers, and the taxpayers of Florida. The renegotiation efforts should be primarily concentrated on those contracts that are for internal or administrative purposes only as opposed to client-service contracts.<sup>1</sup>

Based on the contracted services data for a sample of Florida agencies, Florida TaxWatch estimates that this proposition could potentially lead to save the taxpayers and the state at least \$215 million, based on only a 5 percent reduction in contract price. The total savings for all state agencies would be much larger and the potential for savings to local governments also exists.

**2) Sell or Lease Unnecessary or Underutilized State Assets: \$100 million + in General Revenue savings**

The state should examine its current capital assets to determine if there are any unnecessary or underutilized assets that should be sold or leased to raise capital and reduce management and maintenance expenses. Assets that may be put up for sale include buildings, cars, or real estate.

For example, in Leon County alone, the Department of Management Services has identified eight buildings that could generate in excess of \$13 million, based on sale at the estimated price. In addition to revenue generated by the sale of these assets, significant cost savings would be achieved for years to come by reducing the need to manage and maintain these buildings.

An example of how much money an underutilized state-owned asset can bring: Following the issuance of a report by the Office of Program Policy Analysis and Government Accountability (OPPAGA),<sup>2</sup> the Governor put the state's 1985 Beechcraft King Air 300 turboprop plane up for sale. Thus far three bids have been received that range from \$727,700 to \$1.35 million.

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<sup>1</sup> Client-service contracts are those agreements where the government has outsourced the performance of a direct benefit to the citizens. Examples include health care services and the Community-Based Care system for children services. Non-client services a vendor contracts for goods, such as office supplies, and services, such as printing of materials and janitorial services.

<sup>2</sup> OPPAGA Report 08-57

In an article written by Geoffrey F. Segal in a Reason Foundation *Privatization Watch* published in 2005, four reasons for state asset sales are provided:

1. Asset divestiture typically results in lump-sum cash payments
2. Tax base is expanded
3. In constrained real estate markets with limited [or cumbersome] developable land, these sales present a source of capital for private economic activity
4. Lower maintenance and operation costs

Segal also provides examples of possible types of properties to sell, such as parking garages, transportation right of way, maintenance yards or facilities, armories, and unused/underutilized portions of state correctional facilities, universities, and hospitals. States specified within the article that have achieved savings from these ventures include Mississippi, Arizona, California, and New York.

### **3) Streamline Bureaucracy in PreK-12 Education: \$40 million in General Revenue savings**

Prescriptive mandates serve as a catalyst for bureaucracy. Personnel at the school, district and state levels are needed to implement, record, report, and review prescribed elements. Current law requires submission of a large number of items that could be put on hold during these tight budget times. Among them are the staff development protocol reviews, homeless policies, and bullying policy implementation plans. This would reduce the number of employees needed to track such ancillary items. Fiscal reports and student data would remain unchanged.

Administrative personnel are expensive. The average salary of an assistant superintendent in 2008 was \$120,000 – excluding benefits. The state is estimated to spend around \$2 billion in administrative costs each year.

### **4) Expand Virtual Higher Education Offerings: \$15.6 million in General Revenue savings**

The Legislature should encourage the state university system and community colleges to expand course offerings through distance, or online, learning options. By doing this, the schools are able to grow, but will not place as much of an infrastructure or services burden on the already constrained resources.

Florida leads the nation in delivery of virtual education for middle and high school students through the Florida Virtual School (FLVS). A 2007 Florida TaxWatch study of the FLVS found that online education is a bargain for Florida taxpayers. Largely because it has no expenses related to transportation or construction and maintenance of physical facilities, FLVS is able to offer computer-delivered instruction at a lower per-student cost than traditional schools. Proven and growing success in this area should be expanded to postsecondary education.

### **5) Evaluate Technology Expenditures for Employees: \$5 million+ in General Revenue savings**

The Legislature should conduct (or require the agencies to conduct) a comprehensive review of the policy of providing cell phones, Blackberries, PDA's, laptop computers, subscription services, and similar expenditures and eliminate where not essential to job performance. While these technologies and support materials can undoubtedly make some workers more efficient and productive, a systematic review should be undertaken to ensure that only those employees who will benefit from the materials

are using them. Target a 10 percent reduction. Eliminate all non-essential equipment purchases, out-of-state travel, vehicle purchases, and other non-essential purchases.

**6) 401(a) Special Pay Plan: \$10 million in General Revenue savings**

Some universities, community colleges, and school districts have implemented 401(a) Special Pay Plans, which essentially exempts certain government employees from having to pay the federal social security tax on their annual and sick leave payouts when they retire. The University of Florida saves approximately \$500,000 per year as a result of implementing this plan. This plan not only benefits retiring state employees, but also eliminates the need for the state to match their social security contributions, thus saving general revenue. Furthermore, this plan is a no-cost benefit to state employees during these lean times.

**7) Eliminate Unnecessary Duplication in Reading Programs and Services: \$12 million in General Revenue savings**

Reading proficiency is vital to student success. However, the luxury of funding multiple efforts for the same purpose may not be a thoughtful and effective investment for Florida at any time. Line Item 81 in the 2008-09 General Appropriations Act (GAA) specifies more than \$111.5 million for a “K-12 comprehensive, district wide system of research based reading instruction” in Florida. Line Item 88 identifies another \$12.5 million to accomplish the goals of Just Read, Florida! Reading materials are authorized for purchase in Line Item 82A, Instructional Materials, as well. These funding streams have been available for multiple years and should be examined closely to eliminate duplication of effort. Through consolidation and maximized service delivery, the current budget constraints may generate a reduction of at least 10 percent.

**8) Delay Purchase of New Textbooks: \$130 million in General Revenue savings**

Students need appropriate instructional materials, and the State has an adoption cycle for the purchase of new materials. The areas slated for new materials in 2008-10 include language arts and mathematics, two enormously expensive areas. An Algebra I book, for example, typically costs more than \$50. The 2008-09 GAA appropriates nearly \$260 million for new materials via Line Item 82A. The remainder of this appropriation should be rescinded by the Legislature and districts should be encouraged to stretch current materials and, when possible, to use technology more effectively.

**9) Reduce Excess Credit Hours Unnecessary for Baccalaureate and Associates Degrees Paid for By State: \$84 million in General Revenue savings**

The Legislature should encourage the reduction of excess hours earned by students which are not necessary to achieve the degree. Consistent with the findings of a 2007 OPPAGA report,<sup>3</sup> the Legislature should consider creating a shared savings incentive program with the institutions of higher learning; and instituting higher tuition rates for students who accumulate excess hours above the legislative standard.

Reducing the number of excess credit hours subsidized by the taxpayers would generate significant general revenue savings while not reducing the level of support for those seeking to complete higher

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<sup>3</sup> OPPAGA Report No. 05-30; Report No. 07-37

education in the state. The more than \$84 million cost savings would only affect those students who voluntarily chose to enroll in credit-hours in excess of those needed to complete their college education.

**10) Department of Management Services' State Real Estate Portfolio Improvements: \$21.8 million**

The 2007 Legislature gave the Department of Management Services' Real Estate Development and Management Division (REDMD) additional authority in terms of State leasing strategies, the utilization of space within State-owned facilities, and the oversight of build-to-suit facilities and potential acquisitions.

The Legislature also directed REDMD to develop and implement a real estate leasing plan that assesses the real estate market and offers alternative methods through which the state can achieve increases in cost efficient and effective property management strategies. REDMD suggested three strategic initiatives to the Legislature that will enable the state to reduce real estate costs, maximize space utilization, and ensure the flexibility and quality of the state's overall real estate portfolio. After evaluating 32 percent of the state's facility portfolio, the report was able to identify over \$21 million in cost savings or revenue generating techniques. The key strategic opportunities noted in the report are:

**a) Reinforce established space standards throughout the portfolio**

Industry best practice standards offer agencies guidelines for the most efficient use of square footage per employee. These guidelines also lend themselves to maximize rental dollars. It was also noted in the report that, in some cases, the space guidelines are challenged by agencies as inconsistent with their respective program needs.

It was estimated in the report that an expanded observance of space standards have the potential of saving the state over \$13.3 million over the next 24 months.

<b>Savings from implementing a 180 Sq/Ft Space Standard (Source Torto Wheaton)</b>	
<b>Market Region</b>	<b>Savings</b>
Outside Florida	\$ 29,620
Ft. Meyers Market Area	\$ 741,272
Miami Market Area	\$ 1,075,082
Tampa Market Area	\$ 1,762,747
Orlando Market Area	\$ 2,166,070
Ft. Lauderdale Market Area	\$ 3,454,337
North Florida Market Area	\$ 4,099,254
<b>Grand Total</b>	<b>\$13,328,381</b>

**b) Leverage agency needs with market data to lower costs**

Current market conditions favor state agencies in their lease negotiations in the near term. However, maximum benefit to the state can be realized by reducing interagency competition and bundling smaller leases together during negotiations. This more coordinated approach to lease negotiations will leverage economies of scale and reduce the \$4.7 million that will be

left on the table over the next 24 months.

Market Region	Cost Impact of 2008 Market Rates (Source: Torto Wheaton)
Ft. Meyers Market Area	\$ 75,019
North Florida Market Area	\$ 179,632
Miami Market Area	\$ 329,479
Ft. Lauderdale Market Area	\$ 703,924
Tampa Market Area	\$ 1,272,201
Orlando Market Area	\$ 2,149,376
<b>Grand Total</b>	<b>\$ 4,709,630</b>

**c) Maximize use of state-owned space**

Private leases greater than 5,000 ft<sup>2</sup> are overseen by REDMD. These leases represent only 34 percent of the entire state government's private leases. Of this 34 percent, there is a 4 percent vacancy rate. According to the report, consolidating the authority to renegotiate and coordinate these spaces across agencies into one location has the potential to produce a cost avoidance for the state of \$3.8 million.

Additional suggestions for space utilization maximization that were noted in the report included:

- Removal of restrictions to lease to private market
- Creative disposition approaches (e.g., land/building swaps, etc.)
- Upgrades to existing buildings to create special use space

The Legislature and DMS should work to implement these recommendations.

**Section II – Maintain the Most Productive Employees in State Government**

The Legislature should improve the efficiency and effectiveness of government by requiring the agencies to thoughtfully reduce the workforce by 5 percent through targeted layoffs of the lowest performing and least productive employees. These decisions should be based on best management practice. While targeting the least productive segment of each agency's or department's workforce, these cuts should be focused on the mid-level management (e.g., assistant division directors, assistant bureau chiefs, assistant directors, etc.) because the state, like private sector businesses, gets more "bang-for-the-buck" by reducing staff at this level, while minimizing the adverse effect on direct services provided to the taxpayers.

The state should protect the most productive and highest performing employees by cutting the least productive and lowest performing 5 percent of the state workforce from the top to the bottom (Senior Management, Selected Exempt Service, and Career Service and OPS).

**11) Cut Leadership and Senior Management Salaries: \$5.3 million in General Revenue savings**

The Legislature should mandate a reduction of 5 percent in salaries for state leaders in elected positions and Senior Management positions (such as the Secretaries and Directors of agencies). One of the first areas usually targeted for cuts during tough fiscal times are the line workers and those state employees that interact directly with citizens on a daily basis. As a way to demonstrate genuine statesmanship and display acts of true leadership and sacrifice, those at the top should set the example for all state employees before asking anything more of them.

Along these lines, the 2008 Florida Legislature enacted a 5 percent pay cut for themselves in the 2008-09 GAA. They should be commended for their leadership, and should consider additional senior levels cuts, which may now be in order.

**12) Cut Legislative Operating Expenses: \$3.3 million in General Revenue savings**

The Legislature should cut its own expenses by 5 percent for the remainder of the year, excluding Legislators' salaries (which the Legislature already cut by 5 percent for the current budget year).

**13) Reduce Selected Exempt Service Positions by 5 percent: \$82 million in General Revenue savings**

The Legislature should mandate a reduction of 5 percent of the Selected Exempt Service (SES) level workforce of each agency. The reduction should be targeted at the least productive and lowest performing 5 percent of SES employees in each agency, retaining and protecting from future cuts the most productive, efficient, and highest performing 95 percent of SES workers.

**14) Reduce Career Service and OPS Positions by 5 percent: \$272 million in General Revenue savings**

The Legislature should mandate a reduction of 5 percent of the Career Service and OPS level workforce of each agency. The reduction should be targeted at the least productive and lowest performing 5 percent of employees in each agency, retaining and protecting from future cuts the most productive, efficient, and highest performing 95 percent of workers.

**Section III – Recover Unnecessary and Fraudulent Payments for Client-Service Related Billing Errors and Reduce Future Loses**

**15) Utilize Outsourced Post Claim Audit Program(s) to Recover Unnecessary and Fraudulent Medicaid Payments: \$324 million+ in Additional General Revenue**

The State of Florida pays billions of dollars to client-service providers through the Medicaid program.<sup>4</sup> Since the inception of the Medicaid program more than 40 years ago, there have been many reports by the federal government and others clearly demonstrating that there exists waste, fraud, and abuse

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<sup>4</sup> Medicaid is the HhealthH program for eligible individuals and families with low incomes jointly funded by the state and federal government and managed by the state through the Agency for Health Care Administration (ACHA). In FY 2007-08 (the last complete year), expenditures for Medicaid services were \$4.8 billion in General Revenue – out of \$16.2 billion spent on the total program.

within the program nationally, resulting in a significant amount of unnecessary and/or fraudulent payments (e.g., overpayments to providers, payments to the wrong providers, payments for ineligible individuals or services, and payments for fraudulent claims). According to the OPPAGA, “estimates of Medicaid waste, fraud, and abuse range from 5% to 20% of total Medicaid funds.”<sup>5</sup>

In an effort to increase the recovery of unnecessary and/or fraudulently paid claims, a number of states have begun outsourcing this function, known as Post Claim Audit Programs (PCAP). According to research conducted by the Florida Council for Efficient Government, the effort originated as a federal program involving contracted auditors examining hospitals in several states, including Florida, then identifying and recovering inappropriately expended monies under a revenue sharing agreement with the government. The federal program recouped millions of inappropriately and unnecessarily expended dollars. An outsourced PCAP system for Medicaid could be implemented at no cost to the state by paying the vendor with a percentage of the recaptured monies.

The State of Florida should consider entering into this type of outsourced cost-recovery program with a private vendor. This type of cost-recovery arrangement has been advocated by Florida TaxWatch since 2003, and recommended in OPPAGA reports in 2006 and February 2008. At a recovery rate of only 5 percent (the low end of the range identified by OPPAGA), the state could generate \$324 million (net recovery after paying 10 percent in revenue-sharing) for just payments made from FY 2007-08 through present.

**16) Utilize Outsourced Post Claim Audit Program(s) to Recover Unnecessary and Fraudulent Payments through Non-Medicaid Related Programs: \$25 million+ in Added General Revenue**

More generally, the PCAP effort could be applied to other state programs that make service-provider payments as well as programs that utilize direct-to-consumer compensation systems – such as workers' compensation and the Florida Retirement System. For example, the Department of Management Services' statewide compensation and retirement system pays out \$500 million in claims annually; a 5 percent payment-error recovery rate would generate \$25 million in General Revenue.

The outsourced PCAP system could be applied to any program for which the government is responsible for directly paying or reimbursing client-service providers for services provided to eligible beneficiaries at no cost to the state.

**17) Develop Sustainable Advanced Detection System to Reduce or Eliminate Unnecessary and Fraudulent Medicaid Payments – \$108 million in General Revenue savings**

Increasing the focus on auditing Medicaid claim payments could reduce the amount of unnecessary and/or fraudulent claims, thus saving millions in additional general revenue for the state. In FY 2007-08, the state spent over \$8.6 million on nearly 100 full time equivalent positions to perform program integrity functions. Even with this investment, OPPAGA has recommended that the state should “expand Florida’s capabilities to detect Medicaid fraud, abuse, and overbillings”<sup>6</sup> However, internally auditing such a large and complicated program is expensive – probably prohibitively expensive given the current budget situation.

Utilizing outsourced cost- and revenue-sharing arrangements to perform the added audit functions could be a cost-effective way for the state to significantly reduce payment of unnecessary and

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<sup>5</sup> OPPAGA Report No. 08-08

<sup>6</sup> OPPAGA Report No. 08-08, February 2008, page 7.

fraudulent claims. There is no cost to the state associated with the payment-recovery program because the private entity to which the recovery process is outsourced is rewarded with a fair percentage (i.e., a finder's fee) of the savings identified and collected by the state. This system is similar to the PCAP's but is prospective in nature and can be coupled with PCAP to save unnecessary and fraudulent expenditures from being paid.

The State of Florida should consider entering into this type of outsourced cost- and revenue-sharing audit arrangement with a private vendor. A 5 percent reduction in unnecessary or fraudulent could save the state \$108 million for just payments made from the present to the end of FY 2008-09.

**18) Increase Sanctions (Minimum Fines) for Medicaid Overbilling: \$4.15 million in General Revenue savings**

The state should significantly increase fines for Medicaid overbilling to defer the cost of recovering the unnecessarily expended funds and deter providers from incorrectly billing the state, whether through negligence or fraud. The increased fines should be based on a formula considering the type and amount of a client service-provider's billing error(s). This measure is consistent with the recommendations of a recent OPPAGA analysis of the Agency for Health Care Administration and Florida's Medicaid program.<sup>7</sup>

**Section IV – Rethink Florida Incarceration Practices and Policies**

**19) Adopt Policies to Immediately Avoid Building Three New Prisons: \$300+ million in General Revenue savings**

According to Jim McDonough, Immediate-past Secretary of the Department of Corrections, "Florida's leaders can and should reduce prison costs..." The Florida Legislature should adopt policy changes that avoid the expense of building new prisons during this economic recession. To immediately avoid the more than \$300 million appropriated for new construction in the current budget, the Legislature should implement or mandate policy changes to more effectively utilize existing work release centers program and restore "gain time" for good behavior where appropriate for non-violent offenders to reduce the prison population.

The state's work release centers currently place 3,000 inmates within 14 months of release in supervised but unsecured facilities within the community where the participants maintain regular employment (i.e., jobs within the community) and have the assistance of local sponsors within the community. These programs have excellent track-records of successfully reintegrating inmates into society, with significant short- and long-term benefits to the taxpayers because the per-participant cost of the program is much cheaper than traditional incarceration and the recidivism rates are lower. The waiting list for participation in the program by eligible inmates is over 100 percent (i.e., there are at least 3,000 more inmates that are eligible to participate) but the facilities are not large enough to accommodate them all. Reducing the prison population by enabling these 3,000 inmates to participate in the work centers program could reduce the need to build at least two of the new prisons (\$200 million in the current budget), since the average prison facility holds 1,300 inmates. According to Mr. McDonough, this expansion could be accomplished without additional resources by allowing inmates already in the program who have proven record of good behavior to maintain supervised residence outside the facility (i.e., they would still be supervised but would not be required to actually sleep at the facility maintained by the Department of Corrections). In addition to saving approximately \$200 million in General Revenue

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<sup>7</sup> *Ibid.*

in the current year, this policy change would provide an additional incentive for good behavior and accelerate inmates' reintegration into the community.

Additionally, restoration of the "gain time" system would save the state the cost of building at least one more prison (\$100 million in General Revenue savings).

Reducing the population of non-violent offenders in prison would avoid the cost of building these additional prisons (and added cost of selling and servicing interest-bearing state bonds to fund the construction) as well as reducing the recurring operating costs of these facilities without jeopardizing the public safety.

Since Fiscal Year 2004, state expenditures on criminal justice and corrections have increased by more than 34 percent. The current budget appropriates more than \$4.5 billion for this function, an increase of over \$1.15 billion since FY 04. During that time, the prison population has increased from just less than 82,000 to more than 100,000. This 22 percent increase in the average daily prison population over the past five years has strained the state's corrections infrastructure.

Each prison houses approximately 1,300 inmates, so a reduction of 4,000 inmates across the Florida Corrections System (to approximately 96,000 inmates total) would obviate the need for the \$300 million in new prisons. The cost of constructing each new prison is approximately \$100 million, and, according to the Department of Corrections, it costs an average of \$26 million annually to operate each prison. Thus the immediate savings to the state would be \$300 million, while the recurring savings would be more than \$75 million each year. Additionally, the Legislature should explore all appropriate, feasible options to avoiding the construction of new prisons, including cost-effective alternative inmate housing options.

## **Section V – Maximize Federal Revenue Collections**

### **20) Healthcare Provider Services Assessment (HPSA): \$82 million in General Revenue savings**

Implementing an industry supported HPSA on nursing homes would maximize federal revenues provided to the state, which can be used to off-set cuts in general revenue spending on related programs. Essentially, instead of cutting Medicaid reimbursements paid from general revenue by 7.5 percent (which would save approximately \$82 million in general revenue expenditures, but will result in \$184 million reduction in service delivery when federal matching funds are considered), the Legislature should impose a 4 percent assessment on the revenue of the health care providers; the state revenues collected would then, in turn, be used to fund the Medicaid reimbursement rates that are then matched by the federal government.

The implementation of this assessment on providers would allow the Legislature to free up more than \$80 million of general revenue without cutting the services currently provided under Medicaid. This cost-savings without a resulting service cut is possible because the federal government allows states to impose such an assessment on providers, and the added revenue collected through the assessment can be used to replace the general revenue cuts, thus maintaining the level of service provided by the program but for \$82 million less in general revenue expended. This assessment is supported by the health care industry (i.e., the providers who the assessment would directly affect). Through the HPSA, the private sector is stepping up to the plate to increase their role, reduce the taxpayers' burden, and increase their fiscal responsibility by maximizing available resources.

**21) Collect All the Federal Aid that Florida has Earned: \$100 million in Added General Revenue**

In 2003, the Chief Financial Officer of Florida issued a five-year (competitively selected) contract to find and help secure federal funds to which the state was legally entitled. Under this contract, the state collected approximately \$150 million with a minimal amount of effort and no out-of-pocket costs to secure the funds. There likely remains, however, hundreds-of-millions of dollars of federal money to which Florida is legally entitled and which could be collected without expending any additional state revenues if the agencies dedicate appropriate effort to achieve.

The state should either undertake a similar expanded contract or attempt to collect this money in house. In order to encourage the agencies to focus appropriate attention and effort, the legislature could both require the agencies to collect this revenue and provide incentives for the agencies to maximize or capture revenue.

To ensure that appropriate efforts are dedicated, we recommend that the House and Senate assign a point person to be put in charge of ensuring that the agencies capture these revenues. These individuals could work with the Governor's office and the agency administration to ensure that such efforts are being dedicated to the collection of this money and that the Legislature is kept aware of the progress in its collection. The Legislature should set a deadline and a target amount for each agency to ensure that funds are collected in a timely fashion. This money, which is both recurring and non-recurring revenue, could be used to help off-set general revenue cuts without affecting services this year and in future budget years.

Another option would be for the Legislature to charge the Legislative Committee on Intergovernmental Relations – a joint committee of the House and Senate – with overseeing this initiative. Alternatively, the Legislature could create a new task force composed of Members and key senior staff and assisted by volunteer experts and the nonprofit sector organizations to take the role of ensuring that the agencies work to collect the target amount by the deadlines set. The task force could help the agencies identify the money owed and work with senior agency staff to take appropriate steps to collect the money and report it to the legislature periodically.

**Section VI – Improve Taxpayer Fairness and Compliance**

**22) Offer Tax Amnesty: \$80 million in Added General Revenue**

The Legislature should enact a tax amnesty program, which could generate approximately \$100 million in increased general revenue during the current fiscal year. Such a program would offer a one-time opportunity for noncompliant taxpayers to satisfy their tax liabilities and avoid criminal prosecution, penalties, and some interest. Interest owed would be reduced by 25% to 50%, depending on whether taxpayers are already under audit or review by the Department of Revenue. Taxpayers under criminal investigation would not be eligible.

Many taxpayers who are not in compliance with tax laws may be unaware of all their obligations, and changing tax laws magnify the problem. Tax amnesty gives these taxpayers a chance to come into voluntary compliance before the state takes steps to identify them. Improving voluntary compliance is important because it is costly to pursue taxes not paid voluntarily. Florida TaxWatch has recommended, and the state has conducted, other successful amnesties in the past. The last tax amnesty (in 2003) brought in \$160 million. While some revenue generated under this program would have been collected even without the amnesty offer, a \$80 million net gain could be considered a conservative estimate.

**23) Increasing Compliance: \$100 million in Added General Revenue**

There are a number of other options for the state to generate additional general revenue without increasing taxes or fees, which is an ill-advised policy during such a severe economic recession as is being experienced in Florida and around the nation. The Department of Revenue has identified the following improvements that Florida TaxWatch supports. Some of these recommendations will require some time and or resources to implement.

- Eliminate Paper Sales Tax Return/Require Electronic Filing - \$705,000.
- Implement \$5 Fee to File Paper Sales Tax Return - \$16 million.
- Increase Audit Staff by 50 Positions to Increase Tax Compliance - \$10.4 million
- Greater Use of Collection Analytics - \$23.4 million.
- Close Documentary Stamp Tax Loophole - \$50.2 million.

**Section VII – Prioritize Spending: Consider Delaying, Reducing, or Eliminating Non-Essential Programs During Difficult Budget Times**

Not all projects and services are equal. Some functions of government are more fundamental, more important than others, which may be well worth funding when the money is available, but should be cut or eliminated before core functions are reduced. In this current budget situation, the Legislature must prioritize and make sure that the state does all it can to fund those activities that are most important to the health, safety, and well-being of the citizens and those that protect and enhance Florida's economy and our global competitiveness.

**24) Rescind Unexpended Funds Appropriated for Member Projects/Budget Turkeys: \$50 million+ in General Revenue savings**

Budget Turkeys circumvent the process. While these may be worthwhile projects, we cannot be sure that they are the highest priority projects because they do follow the approved procedural steps. Even with Community Issue Budget Requests (CBIRs) submitted early and subject to scrutiny, we should be sure that all statewide core functions and programs with statewide and necessary benefits are fully funded before the first CBIR is funded – and we all know that cannot happen this year because cuts are inevitably going to have to be made. Before the 2008-09 GAA was signed by the Governor, Florida TaxWatch identified \$109 million in Budget Turkeys; the Legislature should rescind all unexpended monies allocated for those programs which may be around \$50 million.

For the next budget (FY 2009-10), member projects should be strictly forbidden.

**25) Reduce or Eliminate Non-Essential Programs: \$100 million+ in General Revenue savings**

In this budget crisis, the Legislature should consider reducing or delaying nonessential projects, programs, grants, and transfers to local governments and to trust funds. While reasonable people can disagree about the impacts of delaying specific nonessential government expenditures, the Legislature should consider reducing, eliminating, or postponing many of these projects in order to balance the budget while maintaining core services and not harming the state's long-term global competitiveness.

Here are some examples of the kind of general revenue expenditures that must be considered for elimination before core services are cut.

- Recapture the \$4.025 million transfer to Ecosystem Management and Restoration Trust Fund (Line Item 1767)
- Reduce or eliminate the \$6,000,000 of General Revenue allocated for “Cultural Support and Development Grants” under Section 6 (Line Items 3188-3195)
- Reduce or eliminate the \$26,719,200 categorized “Aid to Local Governments” and allocated for “Library Grants” (Line Item 3174)

### **26) Maximize Flexibility for Class Size Reduction: \$200 million in General Revenue savings**

Class size reduction (CSR) implementation illustrates one of those unenviable situations where scientific research does not match public perception. Studies do not support that across-the-board student assignment limits will raise academic achievement. Because learning is at the heart of the mission of education, this is a troubling scenario. Florida TaxWatch, through its Center for Educational Performance and Accountability, has consistently expressed its concern with the lack of return on investment derived from CSR, which represents over \$2.5 billion in Line Item 82 of the 2008-09 GAA from General Revenue and another \$231 million from trust fund sources identified in Line Items 6 and 82. Thus, the recommended cut of \$200 million is less than 10 percent of the total yearly appropriation for implementation.

In general, flexibility allows educational entities the capacity to adapt to changing needs. During periods of revenue uncertainties, this agility can be an especially important strategy. Nowhere is this more evident than in the State constitutional educational area of CSR. In 2002, Florida voters amended the State Constitution and mandated specific classroom caps of 18 students in grades PreK-3, 22 students in grades 4-8, and 25 students in grades 9-12. The amendment established gradations of implementation, moving from district averages, to school site averages, and ultimately to each classroom average. School districts have consistently made progress toward meeting these requirements. Major associated costs fall into two primary areas: facilities construction and implementation. The primary expenses connected with implementation are teacher salaries and benefits. Billions of dollars have thus far been expended on CSR.

The investment in school construction due to CSR has been significant – over \$14 billion between 2003 and 2008. The financing has come from a combination of ad valorem property taxes and state appropriations. School districts have used the collections from this discretionary revenue source to finance more than \$9.2 billion. The Florida Legislature has appropriated more than \$3.5 billion in school construction funding – \$1.6 billion in general fixed capital outlay and \$1.4 billion in Classrooms for Kids, a funding stream specific to this amendment.

The 2008-09 appropriation for CSR implementation was \$2,964,079,054, the great majority of which comes from general revenue.

School districts should look first to use the less expensive and less cumbersome strategies of rezoning, co-teaching, and mixed-grade models. Next, when these strategies are not feasible, the use of relocatables should be explored. Finally, after the other strategies have been exhausted, new construction should be explored only as a last resort.

The Legislature should hold all penalties associated with the CSR in abeyance; the constitution gives the Legislature until 2010 to comply with the CSR.

**27) Temporarily Suspend Funding to the School Recognition Program: \$217 million in General Revenue savings**

While the State should continue to provide recognition to high performing and significantly improved schools, the monetary awards provided through the School Recognition Program should be suspended this year due to the budget crisis. Other non-monetary methods of rewarding and recognizing excellence in Florida schools should be encouraged until the budget and economic climate improves. It is unfortunate, but the state simply cannot afford this program when Florida is struggling to fund the basic needs of classroom instruction for all of its public school students.

**Section VII – Actions with Longer Term Benefits**

**28) Tighten the Bright Futures Scholarship Program**

It is time to make certain that our most costly interventions and strategies are truly paying the kind of dividends that justify the expense. The Bright Futures Scholarship Program (BFSP) is among the programs that should be formally studied for investment integrity.

The BFSP was created to “establish a lottery-funded scholarship program to reward any Florida high school graduate who merits recognition of high academic achievement.” It is a merit-based program without regard to financial need. There are three types of BFSP rewards that reflect varied criteria and levels of financial assistance. They are the Florida Academic Scholars Award, the Florida Medallion Scholars Award, and the Florida Gold Seal Vocational Scholars Award. The law designates awardees to receive financial amounts for tuition and/or fees and/or college-related expenses. The state pays the institutions the full charge promised to each eligible student that attends their school. According to the fiscal year 2008-09 approved state budget—this will total \$436,175,538 for this year.

The original intent of the Legislature, to keep the “best and the brightest” of Florida high school graduates in the state, has been met and now is the time to move forward and amend the BFSP policy in such a way that merits are still rewarded, while cost is brought under control. The statute does not reflect a defined amount. Therefore, every year when deliberations occur regarding higher education funding, any discussions concerning tuition and fees have to be considered in the broader context of financial commitment by the state. An increase in tuition is equivalent to an increase in budget expenditures. The Legislature becomes somewhat hampered in its options.

Over the years, discussions about the efficacy of the BFSP have taken place. There are those who believe that the program should have a “needs-based” threshold. Others suggest that the criteria are too low and need to be adjusted in order to truly reflect “high academic achievement.” Tweaks to the program have taken place over time, but there have been no material changes.

Today’s budget condition requires the state to examine this popular initiative. There are two concepts that could be explored and would produce immediate results:

- a. Place a Cap on Scholarship Awards (i.e. Decouple Tuition and Scholarship)

Repeal of the statutory language guaranteeing BFSP will cover a certain percentage of tuition and fee costs for recipients and replace it with a fixed amount, adjusted annually by inflation. The BRSP stipend would still serve as an incentive for students to excel academically and attend state universities, and the additional money needed to cover the reduced in-state tuition could be acquired through traditional means – such as scholarships, student loans, and part-time employment. The end result of these actions would be to keep the program in place, still allowing for access and reward to those who have earned it, while freeing up general revenues

for other state purposes and providing for an avenue through which universities can then lobby to increase funding through their main mechanism, student tuition.

b. Reevaluate Criteria and Standards that Determine Eligibility

"Raise the bar" for BFSP eligibility, both for initial qualifying and for award retention. If the intent of the Legislation and the BFSP is to retain Florida's "best of the best," then the policy that determines eligibility should reflect this ideal. Tightening these requirements to a higher GPA and SAT score for initial qualifying and strengthening the GPA for award retention would begin to reign in the spending for which the state is statutorily liable by decreasing the number of eligible students to only those that are, in fact, the state's "best and brightest."

Using these strategies, the state could reduce the cost of Bright Futures by while still maintaining the integrity and mission of the program.

**29) Propose a Constitutional Amendment Modifying or Eliminating the Class Size Reduction**

The Legislature should consider proposing a constitutional amendment to modify the CSR and maintain the district-wide average class size instead of the stricter standards that will be effective soon. The state would save billions over the coming years in construction and operating costs. Furthermore, the savings could be used to help fund direct classroom instruction.

**30) Policies to Reduce Prison Population and Related Costs**

Florida should consider policy options for reducing the prison population in the short- and long-term. The Legislature should pursue policies to reduce the recidivism of former prison inmates. Currently, one-third of inmates released from prison will return to prison within three years. Reducing these percentages will significantly decrease the long-term cost to the state for prison construction and operation. The Legislature should encourage the implementation of programs which teach life skills, provide job training, and promote education for inmates, and provide substance abuse treatment, which are proven to reduce recidivism rates and will lower the capital outlays and operating costs of prisons for years to come. Enhancement of these types of programs, which have been shown by numerous studies to reduce recidivism rates, will help avoid the need to build more prisons in the future and will help ease the strain that rapidly rising corrections expenditures have put on Florida taxpayers with a relatively small upfront investment.

Additionally, faith- and character-based prison programs, which already exist on a limited basis in Florida, have shown significant promise in reducing recidivism. The program at Wakulla Correctional Institution has reported a three-year post-release recidivism rate of just 8 percent. Other states are also implementing such programs with remarkable success rates, which are catalogued in a recent publication by the Council for State Governments and the U.S. Department of Justice called "Re-Entry Partnerships: A Guide for States, Faith-Based and Community Partnerships."

In addition to policies that reduce recidivism, sentencing policies that focus on probation, community service, fines, and/or substance abuse treatment in lieu of incarceration for non-violent offenders (especially drug-related non-violent offenders) will help reduce the total prison population. These programs, like drug courts, have shown the potential to be effective at dealing with crime at significantly less cost to the taxpayers.

### **31) Prudential-Davis Productivity Awards**

We might not always need to “re-invent the wheel” when state employees have already come up with ways to save time, money and improve services during the current fiscal crisis.

The Prudential-Davis Productivity Awards program provides direct links that lead to more than 700 award-winning achievements from the 2003 to 2008 competitions – categorized by work areas and topics – that can be adapted and implemented by individuals, teams, work units and entire agencies. Adaptable Achievements from the 2007 competition are listed first, followed by those from 2006, which link through to those from 2003 to 2005.

The Governor and Cabinet should direct all state employees to visit the Prudential – Davis Productivity Awards website that lists adaptable achievements in more than **100 work areas and sub-areas** before initiating any proposal that may otherwise fail to take advantage of award winning innovations and may “re-invent the wheel.” Full use of adaptable achievements throughout state government can cut costs, stretch resources, and promote a culture of taking advantage of proven efficiencies by expanding them.

### **32) Utilize Competitive Costing for Providing All Services**

Government programs that provide client-services should undertake a competitive bidding process to determine if it is cheaper to provide the service through outsourcing. Agencies should have the opportunity to reduce the costs to compete with the private sector, but the Legislature should require that the service be provided through the most cost-efficient provider.

One example is the Department of Juvenile Justice, which provides client-services through the in-house and outsourced programs. A Florida TaxWatch report from January 2008 indicates that it is likely cheaper per beneficiary for the state to provide these services through outsourced providers instead of directly from the agency. The Legislature should require that the agency-provided client-service programs be cost-competitive with the programs provided by private sector contractors.

Another example is non-instructional expenditures within public education; non-instructional services and activities should be at the least amount necessary to do an acceptable job. Certainly there are important programs that enable instruction rather than play a direct role. These include, but are not limited to, school transportation, food service, and facility maintenance. There are support services that are also essential—personnel, payroll, information technologies, and the like. It is absolutely critical that these enabling efforts be provided in the most cost-effective ways.

The data on public school expenditures show that Florida could provide non-instructional services and programs in a more cost-conscious way. Smart shopping for services could provide more money to support direct classroom instruction.

### **33) Consolidate the Management of State Assets**

Although the Department of Management Services (DMS) maintains information on the assets of all agencies (i.e., real estate, buildings, vehicles, etc.), the activity of managing and maintaining all of these assets is decentralized to each individual agency rather than consolidated within one agency. This lack of organizational consolidation creates a lack of accountability and transparency with respect to the utilization of state assets and impedes maximizing efficiency in the use of those assets, resulting in sub-optimum use and leveraging of needed assets across agencies of state government. The Legislature should consider designating a single organization, possibly DMS, to manage and coordinate the

utilization of all the state's assets to optimize their value and usage. The Legislature should also direct this organization to develop a comprehensive plan designating the short- and long-term strategy for the items in the state's asset portfolio.

**34) 401(a) FICA Alternative Pay Plan**

Many, if not most, school districts, community colleges, and universities have implemented 401(a) FICA Alternative Plans. This system permits government entities that hire part-time and temporary employees who are not in the state retirement system to make contributions to a private retirement account that approximates their social security contribution. The benefit to the state/employer is that the social security matching is not required, which means significant savings for the state. From the employees' perspective, while they do not earn social security credits during their quarters of employment under this system, they do accumulate their own investment account. Florida State University, by itself, expects to save between \$2-to-\$3 million as a result of implementing this system. Based on the savings FSU has realized by implementing this system with significantly fewer employees than the entire State of Florida, a \$15 million annual savings is likely a very conservative estimate. Although this system will require a number of months to set up, it will save the state more than \$15 million in General Revenue annually when implemented.

**35) Merge or Consolidate Duplicative Administrative and System Support Functions Across State Agencies**

The state provides thousands of services to the residents and visitors of Florida. These services are provided through hundreds of government entities spread across 30 departments and agencies. Many, if not most, of these programs and services are vital to the health, safety, or general welfare of a segment of the population, or critical to Florida's regional and global competitiveness, and should not be severely reduced or eliminated. However, even essential programs and services can be marred with inefficiencies.

Each state agency is supported by significant administrative and system support. Often such support services and systems are not combined to maximize efficiency. These administrative support functions include information technology, data centers, finance and accounting services, purchasing, financial aid, construction management, facilities maintenance, communication services, legislative affairs, human resources, contract management, internal audit, etc. We recommend that state agencies not only look within their organizations to see where efficiencies might be gained through proper consolidation, but look at opportunities where sharing such services across state agency lines will save money as well as possibly serve the citizens of the State of Florida better.

**36) Administrative Overhead Reductions**

Budget reductions are often made disproportionately with most of the cuts going to service delivery and "rank-and-file" staff rather than mid-level management (e.g., assistant division directors, assistant bureau chiefs, assistant directors, etc.). If a program or service has been shrunk or been cut, then the bureaucracy should have been reduced proportionately. It is good business sense to make sure that those making decisions are not doing less with more during a time in which their staff is expected to do more with less.

The Legislature should review the number of agency positions in those areas where services have been reduced or outsourced in recent years. Where services have been reduced or outsourced, salaries and expenses of the agency should be reduced at least proportionally.

If a program is cut, then it requires fewer government employees to perform the same (or often heightened) oversight in both supervisory and monitoring capacities. Therefore, as services are reduced or outsourced to private providers, it should be state policy that administrative costs incurred to administer and oversee the affected service should be cut at a proportionate level (i.e., it should naturally be cheaper to oversee or administer a smaller or more limited program while still maintaining or increasing the level of accountability and transparency).

### **37) Reduce Required Paperwork**

While ensuring a high level of accountability and transparency with respect to outsourced client-services programs is critical, studies have shown that there exists significant duplication, overlap, and waste in the paperwork required of health and human service contracted client-service providers. Duplicative and wasteful oversight of contracted client-services costs the state resources and simultaneously diminishes the resources dedicated to the clients. It is critical that the Legislature implement a more efficient and effective system of oversight of the health and human services contract client-service by reducing the paperwork required by at least 25 percent.

Florida TaxWatch's long-standing recommendation to reduce duplication in government can save millions of dollars in materials, staff time, and agency/client-service providers.

As an example, the Children's Home Society of Florida recently conducted a case study of state-funded programs to determine the extent to which duplication and unnecessary oversight measures are affecting their operations. The Children's Home Society utilized the survey method of data gathering to obtain information from over 150 client-service programs between October of 2007 and September of 2008.

The results of the returned surveys revealed that 36 percent of the materials requested by reviewers – 1,369 documents – were forms that had already been submitted to the state and ranged from financial, accounting, and human resources information to lists of Boards of Directors and their meeting minutes or audit and tax forms and information. Therefore, of the average 19.7 hours spent by staff in preparation for the site visit, 7 hours (36 percent) was unnecessary. In total, among survey respondents, over 1,300 staff hours could have been spent on activities other than preparing duplicative forms.

In addition to the 1,300 staff hours spent by staff on duplicative information gathering, 8 percent of items reviewed during the visit (during which staff are contractually obligated to attend) were found to be a duplication of effort, in that those forms had previously been reviewed and approved by the state or lead agency. The items included Fiscal, Human Resources, and other Administrative policies and procedures. Avoiding the review of these items was reported to have the potential of saving 6,214 hours of employee time, which could then be spent on the program's core mission of providing services to clients.

### **38) Streamline Quality Assurance and Licensure Review and Monitoring Requirements**

Where a program or client-service provider is accredited by a nationally recognized accreditation group, the state should avoid performing duplicative oversight already done by the accrediting organization by

accepting the auditing review as the monitoring review for that year. In such cases, the oversight reviews (or operational audits) should be performed once every two or three years instead of every year so long as an annual certified audit is provided to insure compliance, which will reduce the amount of monitoring reviews by one third to one-half. By utilizing existing oversight and monitoring organizations, the state will save significant costs without reducing the level of scrutiny to which such client-service providers are subjected nor the frequency of review. For non-accredited agencies without certified audits (i.e., those for which the state cannot leverage existing oversight and compliance monitoring resources), the oversight should remain at the current frequency of every 12 months to ensure accountability, quality, and transparency.

Additionally, the state should no longer abide by the federal Single Audit Act. Only two other states have accepted it and it unnecessarily complicates the operational aspect of the service provider contract.

**39) Delay New Programs or Initiatives**

Given the budget situation, the Legislature should consider delaying new programs or initiatives or the expansion of existing pilot programs. One example of a program that could be possibly delayed until the state's fiscal situation improves is the program to make community colleges into four year degrees. This solution would not end the program – it would just slow it down a bit as the states works through the budget crisis.

**40) Require Agencies to Provide A List of Unnecessary Statutorily Required Reports**

The Legislature should request that all agencies and departments prepare a list of all statutorily mandated reports. The Legislature should review the reports and determine which, if any, are unnecessary and should be eliminated.

**41) Forbid Elected Official from Entering DROP Program**

A negative public perception exists with elected officials who participate and accumulate large sums of money in the State's DROP program, who stay out 30 days to meet the retirement requirements, and then continue in their existing official roles with no retirement penalty. Whereas, non-elected government employees who participate in the State's DROP program must actually retire from their current position, be out 30 days before taking another state job, and forgo retirement benefits for the 12 months after retirement if they do come back. This disparity causes negative public perception and undermines the state and federal intent that individuals participating in DROP programs do in fact retire from their existing positions at the end of the DROP term.

**42) Consolidate State Agencies**

There are 30 departments and other autonomous entities within the executive branch of Florida government, each with decentralized management. Governor Claude Kirk reduced 68 state agencies down to 25 during his administration. Florida has witnessed a respectable effort to move towards strategic goals and planning within and across agencies that have led to reorganization attempts aimed at ensuring functions and activities are not duplicative and are housed in the right area. But now is the time to strive harder than ever towards creating a culture and structure of efficiency.

The Legislature should revisit the idea of streamlining the Florida state governmental structure to meet the needs of the 21st century and examine agency missions and services to determine which functions are overlapping or duplicative in nature.

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Florida TaxWatch is a statewide, non-profit, non-partisan taxpayer research institute and government watchdog that over its 30-year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies, and programs, and to increase the productivity and accountability of Florida Government.

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

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

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

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