

Exhibit A

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FLORIDA
*Taxation & Budget
Reform Commission*

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A Program for Reform of
FLORIDA *Government*

An Overview

THE Florida Taxation and Budget Reform Commission has completed the first phase of its review of state taxation and spending policies. It reached a clear conclusion: *The public has lost confidence in the state's ability to spend money wisely. The state must reform itself before it can ask more of its citizens.* State policy-makers must be able to

show that everything that can be done is being done to get the most out of every taxpayer's dollar.

This can only be done with major reform. There must be meaningful changes in the planning, budgeting and appropriations processes. They must not only be made more open, but more understandable and less susceptible to manipulation. In addition, an effort must be made to make government agencies more efficient and productive. Managers and employees must be given the incentive to do well. Programs must be judged on their performance.

The Constitution empowers the Commission to make recommendations to the Legislature and to put constitutional issues directly before the people. The constitutional

language crafted by the Legislature gives the Commission broad constitutional charge to examine and to recommend changes in Florida's tax structure, budgetary and spending processes, governmental structure, and planning and

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needs assessment processes. This report offers the Commission's first recommendations in a program for the reform of Florida government, a program which ultimately will include both taxation and budget reform. The recommendations in the report are directed to the Governor and Legislature. Most require only statutory action. A few suggest the Legislature initiate a constitutional change. All aim to make a more accountable, informed, and effective government.

The Commission has adopted 14 major proposals, each with several recommendations. They call for scores of changes in state government. The recommendations are set out in detail in the report. In brief though, the recommendations have several broad objectives:

Transparency

Florida has been a pioneer in open government. We need an open budgetary process, one the people can understand. Only from openness can come trust. The state budget process, as a whole, obscures as much as it reveals. The Commission has adopted a number of reforms designed to make state government more transparent to its citizens. These include proposals to:

- Establish a "waiting period" between receipt of the Report of the Conference Committee on the General Appropriations Bill and its consideration by each house of the Legislature.
- Change the format of the General Appropriations Bill to allow easy identification of the operating and capital commitments to state, local, and federal programs.
- Subject all appropriations requests, but especially those for special projects, to a rigorous review using a number of standard, formalized criteria.
- Incorporate true annualized costs in all budget requests and in the budget as enacted.
- Eliminate "double counting" in appropriations totals to provide a better picture of anticipated state expenditures.



Table 6: Differences Between the Taxation and Budget Reform Commission and the Constitutional Revision Commission

Florida has established two mechanisms for citizen revision of the state Constitution. The differences between the Constitutional Revision Commission and the Taxation and Budget Reform Commission are highlighted below:

Constitutional Revision Commission

Appointment of the Chair

- 1. The Chair is appointed by the Governor.

Nature of Appointments

- 1. The Revision Commission has 37 members, including the Attorney General, 15 members appointed by the Governor, 9 appointed by the President of the Senate, 9 appointed by the Speaker of the House of Representatives, and 3 appointed by the Chief Justice of the Florida Supreme Court.
- 2. Sitting legislators can be appointed and serve as voting members of the Revision Commission.

Time Period for Deliberation

- 1. The Revision Commission is established within 30 days after the adjournment of the regular session of the Legislature in the 20th year following the 1978 Constitutional Revision Commission.
- 2. The Revision Commission must file proposed revisions to the Constitution with the Secretary of State no later than 180 days prior to the next general election after it has been convened.
- 3. These two provisions allow for no more than 13 months deliberation by the Revision Commission.

Role for Legislative Initiatives

- 1. The Revision Commission is not directed to suggest statutory changes or make a report to the Legislature.

Scope of Inquiry

- 1. Prior to the Constitutional amendment in 1988, the Revision Commission was to examine the entire Florida Constitution.
- 2. The amendments in 1988 excluded matters relating directly to taxation or state budgetary processes from the purview of the Revision Commission and gave them to the Taxation and Budget Reform Commission.

Voting Requirements

- 1. The Revision Commission can propose constitutional revisions with a majority vote.

Taxation and Budget Reform Commission

Appointment of the Chair

- 1. The Chair is elected by the members at the first meeting.
- 2. Absent a designated Chair, there is not a specific way to convene the first meeting.

Nature of Appointments

- 1. The Reform Commission has 29 members, 11 members appointed by the Governor, 9 appointed by the President of the Senate (including 2 Senators), 9 appointed by the Speaker of the House of Representatives (including 2 Representatives).
- 2. Sitting legislators appointed to the Reform Commission serve as non-voting members.

Time Period for Deliberation

- 1. The Reform Commission has up to 27 months for deliberation before it must file proposed constitutional revisions with the Secretary of State.

Role for Legislative Initiatives

- 1. The Reform Commission is asked to make statutory recommendations.

Scope of Inquiry

- 1. The Constitutional amendment in 1988 specifically assigned matters relating directly to taxation or state budgetary processes to the Taxation and Budget Reform Commission.
- 2. "Taxation" and "state budgetary processes" are not defined in the Constitution. However, the following sections of the Constitution are covered by the Reform Commission:
 - a. Article III, ss. 8 and 12;
 - b. Article IV, ss. 4 and 9;
 - c. Article VII, ss. 1-17, inclusive;
 - d. Article VIII, ss. 1 and 2;
 - e. Article IX, s. 6; and
 - f. Article XII, ss. 2, 8, 9, and 15.

Voting Requirements

- 1. The Reform Commission can propose constitutional revisions only if it has both a two-thirds majority of the full Commission and concurrent majorities of the members appointed by the Governor, President, and Speaker.
- 2. The Reform Commission's rules allow statutory changes to be recommended with a majority vote.