



April 26, 2004

To: News Media
From: Cal-Tax (Ron Roach)
Re: Recent News of Interest to California Taxpayers

FYI -- TAXPAYERS – FYI
(These items are from the April 23 issue of *Caltaxletter*)

ASSESSED VALUES GROW 7.3%. Assessed value of property in California increased 7.3 percent in 2003-04, according to the State Board of Equalization. The total value of state- and county-assessed property was set at \$2.9578 trillion. Cal-Tax President Larry McCarthy said that, despite the misinformation spewed by Proposition 13 critics, property tax revenues continue to grow faster than population growth and inflation and provide sound funding for governments. If local governments are having budget problems, it is not the fault of Proposition 13. Percentage increases ranged from a high of 19.3 percent in Alpine County, to 0.2 percent in Inyo County. Nine counties posted growth rates of 10 percent or more. Of the nine counties with rolls exceeding \$100 billion, Riverside County led the way with an 11.8 percent increase, followed by San Diego County (9.5 percent), San Bernardino (8.6 percent), Contra Costa County (8.1 percent), Orange County (6.7 percent), and Alameda County (6.5 percent). Los Angeles County, with the largest assessment roll at \$717.5 billion, posted a 7.4 percent increase, up \$49.3 billion over 2002-03.

FIGHTING MEDI-CAL FRAUD. Attacking what is believed to be as much as \$3 billion lost to fraud in the \$30 billion Medi-Cal system, Attorney General Bill Lockyer and a bipartisan group of legislators on April 21 unveiled a six-bill package of remedies.

According to Mr. Lockyer, the plan will help us more aggressively detect, investigate and prosecute Medi-Cal fraud, protecting the system for the taxpayers who pay for it and the beneficiaries who depend on it for vital health care.”

Three of the six bills are authored by Senate Republican Leader Jim Brulte, who said they will “increase penalties for individuals who try to obstruct fraud investigations, and enlist beneficiaries to help officials rein in Medi-Cal fraud.” His [SB 1359](#) creates a program for beneficiaries to confirm whether they received treatment and services that were billed by a provider in their name. His [SB 1360](#) creates a reward fund for citizens who provide information that leads to a successful recovery of stolen funds, and his [SB 1361](#) will increase penalties for obstructing investigations.

(Here is a link to the attorney general’s press release describing the six bills and other pieces of the strategy: <http://caag.state.ca.us/newsalerts/2004/04-047.htm>)

COMPETITIVE CONTRACTING. [SCA 15](#) (McClintock), which would allow the voters to amend the constitution and require competitive bidding from the private sector for government work was rejected April 20 by the Senate Governmental Organization Committee. The measure would not allow the work to go to a private-sector firm that could not do the work for less money. After a long line of public employee union lobbyists trashed the bill, Senator Tom McClintock said his measure would make \$9 billion in savings available to the state of California, based on studies by the Reason Foundation and the Performance Institute. “Better service at lower cost – the only entity that doesn’t do that is the government,” he said. (Reconsideration was granted but the measure was far short of passing the Democrat-dominated committee.)

SURPLUS PROPERTY. The Senate Governmental Organization Committee on April 20 defeated [SB 1750](#) (Battin), which called for creation of the California Asset Review and Divestiture Commission. The independent body would have powers similar to the federal commission that ordered military base closures. This is the cornerstone bill of a package of legislation authored by Senator Jim Battin and Senator Jeffrey Denham that they said could result in \$1 billion or more from sale or improved management of state land and buildings. (Note: Reconsideration was granted to all “defeated” bills on the Senate G.O. Committee file because a number of members were absent.)

RUNAWAY PENSIONS ARE REPORTED. The *Los Angeles Daily News* (April 3) reported thousand of retired public employees in the state are getting six-figure pensions and the number will be going up in coming years. The paper said its survey of pension data found 427 retirees in the State Teachers’ Retirement System getting pensions in excess of \$100,000 annually, including 67 who once worked for the Los Angeles Unified School District. The paper said 80 retirees of the Los Angeles City Employees’ Retirement System, 84 former police and fire personnel in the city fire and police pension system and 816 in the California Public Employees’ Retirement System were making at least \$100,000 a year in retirement pay. It said Los Angeles County officials refused to provide data. In an April 7 editorial, the *Daily News* said, “No one denies that public employees should be paid fairly for their service, but the current pension system affords them benefits unheard of to most of the hard-working Californians who pay the bills. And the purpose of government shouldn’t be to enrich a lucky few, but to benefit all.”