



August 3, 2004

**To:** News Media  
**From:** California Taxpayers' Association  
**Subject:** **Cal-Tax President Larry McCarthy's statement on the California Performance Review**

The work of the Governor's Performance Review Commission, evaluating state spending from top to bottom, should be warmly received by taxpayers and the general public in California. Taxpayers are frustrated by Sacramento politics that waste valuable, hard-earned tax dollars intended to educate this state's children, meet health care needs of the poor, provide public safety, build infrastructure and meet other priorities.

The public knows that there is more than enough money on the table to fund California's priority needs. The \$105 billion state budget, if managed properly, is enough money to do the job. Massive deficits and service delivery failures are clear indications of financial mismanagement. If you add extraordinary levels of fraud and waste reported regularly in the news media, the governor's leadership on performance review of state spending could not be more timely.

The problem is that the Legislature has failed to say no to a powerful spending lobby that dominates Sacramento. The money has been misdirected or spent on programs that are unaccountable for results.

The California Performance Review Commission will find that the Sacramento spending lobby is the only interest served in California by mismanagement of state funds. The broader public outside Sacramento wants to see accountability and performance in the spending of public funds.

While full review of the voluminous report presented today will take some time, a clear indication that CPR is on the right track is consolidation of tax regulatory authority, under an elected board. The tax agency consolidation is long overdue and will be a positive development for this state's business and individual taxpayers.