



NEWS

AMERICANS FOR TAX REFORM

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Governator Schwarzenegger Will Support Competition to Make California Government More Efficient!

Governor announces support for amendment to allow for competition in government.

WASHINGTON — In Governor Arnold Schwarzenegger's first State of the State address to California residents, the Governor announced his intentions to support a "Constitutional amendment to allow for competition in government through outsourcing opportunities." The amendment will make California's government more efficient by streamlining state regulations and holding government bureaucracies accountable to the California taxpayers that fund their departments.

"Gov. Schwarzenegger understands that more competition leads to huge savings," said Grover Norquist, President of ATR. **"Absent competition, inefficient government monopolies will continue to waste tax dollars while failing to provide even a reasonable level of service. Therefore, the taxpayer is the ultimate loser when competitive sourcing is stymied."**

According to a study published by the Reason Foundation, competition and outsourcing has already played an important role in helping to manage fiscal crises in California. The study states that "in the mid-1990s, San Diego County faced a major fiscal crisis. Part of its successful strategy to return to fiscal health was a competition and outsourcing program that over several years moved at a modest pace and still generated \$16 million a year in savings." In addition, California voters have already showed that they understand the value of competition by overwhelmingly approving Proposition 35, in 2000, to expand outsourcing of state services.

Competition among public and private entities drives down costs and ratchets up performance. According to the General Accounting Office and the Center for Naval Analysis, two independent and objective groups that have conducted the most thorough research on competitive sourcing, the cost of a function goes down 30 percent regardless of whether the in-house government employees or a private contractor win the competition.

"The Governor's support for competition in Government will promote, innovation, efficiency, and greater effectiveness. Instead of promoting government bureaucracies and monopolies," said Norquist. **"These efficiencies translate into savings of billions of dollars that can be used for much needed tax relief for all Californians."**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org.

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