April 30, 2003

Governor Gray Davis and Members of the State Legislature
State Capitol Building
Sacramento, CA 95814

Dear Governor Davis and Members of the State Legislature:

As you are all well aware, California faces the worst fiscal crisis of any state in the nation with its mind-numbing $26-34 billion budget deficit. With each day that passes without action on the budget, the situation only gets worse. In order to contribute to the state's effort to meet this fiscal challenge, the Citizens' Budget outlined in this report provides a non-partisan and comprehensive plan that will balance California's budget without raising taxes and without reducing vital citizen services.

Before you consider this budget, there are a few things you should know.

- If you believe that our state government is 100% efficient and programs cannot possibly be redesigned to do more with less…then this budget is not for you.
- If you believe that the only way to balance the budget is to raise taxes…then this budget is not for you.
- If you believe that the only way to balance the budget is to sacrifice vital program services…then this budget is not for you.
- If you want to use the current budget crisis to play to your base and score political points…then this budget is not for you.

However, if you are serious about balancing the budget while protecting the quality of life in California, then this budget plan brings good news and provides some much-needed advice on how this present crisis can indeed be addressed without resorting to the false choices of increased taxes or draconian cuts in services.

Ultimately, the Citizens' Budget plan provides more reductions than needed to balance the budget. Indeed, should all of the reforms and recommendations be accepted, California could emerge from this plan with a $6.5 billion surplus by 2005.

How? The Citizens' Budget plan calls for a fundamental overhaul of most state programs using proven management reforms that not only produce cost savings but also improve program performance. It implements well-documented innovations pioneered by other states that have demonstrated that state government can indeed do "more with less." Most importantly, it keeps California's commitment to investing in our children's education and maintains public health and social services.

At the heart of this plan is the belief that with serious effort and leadership, California's best days are ahead of us. To get there, all sides of the budget debate must work together constructively—and all options and ideas must be put on the table. The time and effort put into constructing the Citizens' Budget is but one initial contribution to that effort.

Sincerely,

Carl DeMaio
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