



May 12, 2010

The Honorable Darrell Steinberg  
President pro Tempore of the Senate

The Honorable Dennis Hollingsworth  
Senate Republican Leader

The Honorable John Pérez  
Speaker of the Assembly

The Honorable Martin Garrick  
Assembly Republican Leader

Dear Legislative Leaders:

*California Forward* recognizes and deeply appreciates the significant commitment of time and energy that you and the other legislative leaders – as well as individual Assembly members and Senators and your staffs – have devoted to thoughtfully examining our non-partisan plan for comprehensive budget reform.

In both the Senate and the Assembly, members of both parties have been engaged in good-faith discussions and deliberations about how to refine the principles we have identified as key to restoring public confidence in the state's fiscal operations. It is particularly noteworthy that these discussions have proceeded even as our proposals have drawn criticism from partisan special interests invested in the status quo and opposed to reform.

As each of you know all too well, another difficult budget season is now upon us. In our judgment, it is critical that long-term budget reform become part of this year's budget deliberations.

In the next few days and weeks, each of you will have to grapple with hard choices, and set priorities about the spending of limited public dollars at a time when needs are great and California's economy remains fragile.

There are no easy answers. But the current crisis does provide California with the opportunity to finally address the long-neglected need for lasting and fundamental budget reform, and we urge you to take it.

Thanks in no small part to your efforts, this goal is in sight. In both the Senate and Assembly, real progress has been made in crafting non-partisan reforms based on the best practices of successful businesses and other states, including improved accountability and oversight, better long-term forecasting, setting unexpected windfalls aside, and adopting a pay-as-you-go mechanism for both legislation and initiatives.

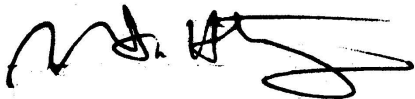
Furthermore, our plan provides the first step in rethinking the relationship between state and local government, providing new incentives and resources for communities to start working together to address priorities and bring government closer to the people.

We understand that this work is not yet complete – and that significant hurdles remain before the principles we’ve outlined can garner the bipartisan support necessary to place them before voters in November.

We believe, however, that reform remains our best hope for forestalling future difficulties, and that failing to enact significant reforms this year would only hasten the advent of the next fiscal crisis.

That’s why we ask you to continue to work together to achieve this elusive goal, and urge you to place the reforms we’ve proposed on the ballot. As always, we stand ready to provide any and all assistance we can in this endeavor, and we would welcome any suggestions you have about other steps we can take to move this process forward.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Hertzberg', with a stylized flourish at the end.

Robert Hertzberg, Co-Chair  
*California Forward*

A handwritten signature in black ink, appearing to read 'Tom McKernan', with a stylized flourish at the end.

Thomas V. McKernan, Co-Chair  
*California Forward*

cc: All Senators and Assembly members