GOVERNOR ARNOLD SCHWARZENEGGER

January 6, 2005

Little Hoover Commission
925 L Street, Suite 805
Sacramento, California 95814

Dear Commissioners,

These two reform proposals are the first in a series that will shape the future of California and create the first 21st Century government in the United States. The current framework of state government is antiquated and unsustainable. Reform of California state government — its practices, processes and organization — is a daunting but long-overdue task. It is my sworn duty as Governor to champion the necessary reforms so that California can reclaim its position as the most innovative, well managed, progressive, and economically vibrant state in the union.

Reform began in February 2004, with the creation of the California Performance Review (CPR) to develop recommendations increasing the performance and functionality of state government. Your Commission Report from December 10, 2004, *Historic Opportunities: Transforming California State Government* states, "The California Performance Review is the closest California has come in a century to recognizing the need for change and the breadth of change that is necessary." The CPR report published in August 2004, containing over 1,200 recommendations and dramatic reforms to improve state government, was overwhelmingly embraced by Californians, who rightfully demand a government more responsive and accountable to the people it serves.

Government reorganization is a critical first step in realizing the full potential of the CPR report recommendations. But reorganization will not in itself accomplish an improvement in performance. Only by improving individual state functions and aligning them strategically can necessary gains in productivity and accountability be achieved to meet today's demands. Accomplishing this great task will require strong leadership, unwavering vigilance, and clarity of purpose, to which I am committed.

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The first reorganization proposal, GRP1, eliminates 88 boards and commissions, thereby removing unnecessary layers of bureaucracy and improving constituent accessibility. The second, GRP2, transforms the Youth and Adult Correctional Agency into the Corrections and Rehabilitation Department by removing duplicative functions and consolidating management authority. Subsequent proposals will go even further in creating an integrated, efficient and responsive state government that restores public trust in state government. I invite you to join me in this historic undertaking.

Sincerely,

Arnold Schwarzenegger

Enclosures