

Date: 5/3/11

To: California AssemblyMember Warren Furutani
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From: Paul Sharpe
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Re: Budget Workshop 4/28/11 – Response to your Response

Thanks to you and AssemblyMembers Bonnie Lowenthal and Isadore Hall for having the courage to face your constituents and respond to questions at the Budget Workshop. Seeing you all really put a personal feeling into my interest in the California Budget. I enjoyed the opportunity to ask a public official a question – a first for me.

I would like to address one of your responses asked by two other people who said they are considering moving out of California because of unfavorable taxes compared to other states, and this included corporations moving out. Your reply was “If people want to move out of California, then let them – good bye.”

I see two problems for the California budget with this point of view. The folks talking about moving out and the folks that have already moved out are:

1. **The folks that pay income taxes.** The folks who aren't talking about moving out are the poor folks who don't pay income taxes. This is important because income taxes make up 41% of our revenue. This next stat bears down more on your point of view: California has 12% of the U.S. population, but we have 33% of the U.S. welfare recipients.
Could your point of view contribute to making California a magnet for welfare recipients?
2. **The folks that run businesses.** Most working people work for businesses. The *Chief Executive Magazine* in December 2010, found California to have the worst business climate in the U.S. Could California's business climate be the main factor for our unemployment rate of 12.0% versus the U.S. 8.8%?

Question: If your point of view is that you don't care about the folks who pay income taxes and run businesses, from where are we going to get our revenue and jobs?

Perhaps our spending needs to be looked at. In particular:

1. **California's Corrections System** pays 100% more per inmate than Texas. If we fixed the spending problem here, it would cut the Corrections System spending in half – giving us \$5 Billion. I know Bonnie Lowenthal's response to my question on this was that the Federal Court has mandated certain policies. Why doesn't Texas have the same problems? They are under the Federal Jurisdiction the same as we are.
Can we learn something from Texas?
2. **California teacher salaries** (after adjusted for location) are among the highest in the nation. Yet our student achievement is amongst the lowest. I know our spending per pupil is lower than the national average adjusted cost.
Is our education spending directed in the right places?
3. **Illegal immigrants** cost California \$3 Billion per year in social and corrections costs.
What policies can you put in place to lower this?

A response from you, Bonnie Lowenthal, and Isadore Hall would be greatly appreciated.

Have a good day.

Cc: California AssemblyMember Bonnie Lowenthal
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