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Folsom, California

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Arnold Schwarzenegger  
Governor of California

Re: Ongoing Budgetary Problems

Dear Governor:

On 12/03/03, I sent a letter to you with a "Proposal to Reduce Waste/Abuse in California's Budget." On 01/08/04 I wrote again re: "2<sup>nd</sup> Proposal to Reduce Waste/Abuse in California's Budget." In the event those proposals have been misplaced, copies can be found on my web site at [www.noethics.net](http://www.noethics.net) under "California Reporter."

In my 2003 letter, I offered to review statewide records to discover and root out any abuse/waste of public funds by working out of a state office with unfettered access to public records. I hereby resubmit my prior offer with the same caveat; that I merely be provided with a steady supply of coffee and a free parking place. With all due respect, when it comes to uncovering abuse, waste and/or fraud in regards to public funds, I have developed a methodology in reviewing public records wherein I am able to discover almost immediately "who's been naughty and who's been nice."

When we last communicated, the state deficit was \$10 billion. It has now ballooned to over \$21 billion. On May 21, 2008, the voters sent a resounding message to you and their so-called legislators in regards to balancing the budget. Put simply, they demanded that the state "live within its mean" just like they are required to do.

The *LA Times* wrote on May 21 "*California legislative leaders: 'We are going to cut,'*" quoting you saying, "There's a certain point where you feel that it will be devastating to some people and so we tried not to make these cuts. But now we have to, we have no choice." On May 22 the *LA Times* wrote a story titled: "*Poor would be hard hit by proposed budget cuts,*" regarding a plan to eliminate the state's main welfare program, health insurance for low-income families and cash grants to college students.

It is rather disconcerting to say the least that you and/or the legislature are willing to cut programs that will be devastating to these folks while the following examples of egregious waste/abuse seem sacrosanct:

- Legislators' bilking the public by pilfering gas
- Legislators' possibly evading state taxes by failing to properly report income earned from personal use of publicly-funded vehicles
- State Board of Education – over 6,000 state-funded trips each year to attend conferences, seminars, etc. many of which I suspect are frivolous/unwarranted (source: recent letter I received from the Board)

In order to estimate the annual amount of waste and/or abuse involving state-funded travel, I reviewed statewide employment figures provided by Controller John Chiang at [http://www.sco.ca.gov/ppsd\\_empinfo\\_demo.html](http://www.sco.ca.gov/ppsd_empinfo_demo.html), which shows 213,603 full time state employees of which 2,235 are Board of Education employees (about 10%),

Because the Board of Education funds at least 6,500 trips per year at lets say an average of \$250, the total for one year would be around \$1.6 million. If the other 210,765 state employees engaged in the same annual travel (58,000 or more trips) it would amount to an additional \$5.3 million. There are an additional 27,561 statewide part-time and intermittent employees. Assuming they also traveled on the state's dime that would cost an additional \$689,000 a year, meaning the annual total would be around \$7.6 million.

Of course the \$7.6 million in annual travel expenses pales in comparison to the wages paid to state employees. The estimate for such wages would be as follows:

- 71,000 = individual trips per year
- \$60,000 = average annual salary per state employee
- \$248 = average daily salary per state employee
- 142,000 = paid work days per year for state employees
- ◆ \$70.4 million = total wages paid per annum

Therefore, over a two-year period of time, the total cost to the taxpayers for travel may well be at or above \$156 million. For anyone to suggest that this obscene waste of public funds should not be totally eliminated or at least cut by 80% would be absurd.

In prior reviews of travel records from Sonoma County and other venues, I was amazed at how fast and loose governments at all levels are when it comes to expending public funds. The following are a few prime examples of said expenditures:

- \$200 to \$400 a day for lodging at fancy hotels (The Ritz – Four Seasons)
- \$100 to \$300 for lunches and/or dinners at swank restaurants
- \$300 to \$500 for rental cars primarily used for personal use
- \$800 to \$1500 for first class air travel

Given the budgetary problems facing not only the state but every County and City in California, I am dumbfounded as to why our public servants find it necessary to travel to exotic venues such as San Juan, Boca Raton, Montreal and/or Hilton Head to attend conferences/seminars. Even more questionable are jaunts to Vail and/or Aspen in January or February. For the life of me, I cannot understand why anyone would travel to Vail or Aspen in the winter. Don't these folks know how could it is?

Why aren't they spending public funds by holding conferences/seminars (those that can actually be justified) here in California? What's wrong with holding them in Stockton, Oakland and/or Compton? If we're going to spend public funds on necessary events, why shouldn't the money go to small business owners in these towns?

Hopefully, you will take me up on my standing offer to review state expenditures in order to expose waste and abuse. With an annual budget of over \$100 billion, I can assure you that at least 20% (\$20 billion) constitutes unadulterated waste. This waste can only be eliminated if you have the courage and fortitude to say "Hasta la Vista Baby" to any and all special interest groups regardless of their standing or political persuasion. The sole test to determine if an expenditure constitutes waste Governor, is if it does not serve the *necessary interests* of the majority of Californians, then it must be eliminated.

Lastly, as to the waste and abuse involving legislative cars, I would invite you to read RV Schiede's story titled: "Beyond Driven" in this weeks *Sacramento News & Review*. For more detail go to my web site at [www.noethics.net](http://www.noethics.net) and review the recently published articles under "California Reporter."

Thanks for your time and attention to these serious matters and I anxiously await your prompt reply. Working hand-in-hand, I'm confident we can make a large and significant dent in the ongoing budgetary problems facing California and assure that any cuts are meted out in a fair and compassionate manner.

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David Palmer