





State of California Governor's Office January 10, 2000

To the Senate and the Assembly of the California Legislature:

I submit for your consideration the Governor's Budget for 2000-01.

As we begin this new century, California's remarkable economic expansion continues. Personal income is rising at a vigorous pace and will top the \$1 trillion mark for the first time this year. Unemployment is at a 30-year low, and inflation remains under control. For a second straight year, we have the opportunity to invest significant new resources on behalf of our state and its people.

In 1999, we made solid progress on our top priority of improving our public schools and the education they provide for our children. In 2000, we must do much more. This budget encourages and rewards high academic achievement from our students, and breaks new ground in efforts to recruit, retain, and support the very best teachers. We owe it to California's children to continue to build on the historic reforms now underway until our schools are restored to nothing short of excellence.

The budget also reaffirms my commitment to reduce crime and improve public safety, puts forward new initiatives for transportation funding and environmental protection, and recommends a comprehensive plan to improve the quality of life of the fastest growing segment of our population, our senior citizens.

Congratulations on your fine work in 1999. Let's do even better in 2000.

Sincerely,

Gray Davis