

Financing the Future of the Golden State

June 18, 2008

Los Angeles Marriott Downtown

Dr. Judy Chu, State Board of Equalization Chair

California State Board of Equalization Chair, Dr. Judy Chu, gave a lecture on the current State budget deficit and provided a brief history of how California arrived at the current crises, paying particular attention to the state's archaic financial system and the effects of Proposition 13 on California's revenue. Dr. Chu also discussed the options currently being weighed by the California State Legislature to solve the budget deficit, focusing particularly on some of the proposals for cutting services or for borrowing funds through privatizing the lottery. In addition to various options before the Legislature, she spoke of her current proposal to raise revenue for California by reforming the sales tax system, which is based on antiquated 1933 standards. Dr. Chu is hoping to expand the tax base, as has been successfully done in other states, raising between \$2.7 to \$8.7 billion.