

★ ARGUMENT IN FAVOR OF PROPOSITION 1C ★

YES ON 1C: MODERNIZE OUR LOTTERY AND PROVIDE IMMEDIATE FUNDS TO HELP OUR BUDGET CRISIS AND AVOID MORE TAX HIKES.

We're in the middle of the worst economic recession since the Great Depression. Californians face higher taxes and deeper cuts in education, public safety, transportation, health care and other critical services. We must act now to **PROTECT THESE VITAL SERVICES AND AVOID FURTHER TAX INCREASES.**

YES ON 1C: A RESPONSIBLE, IMMEDIATE SOLUTION TO OUR FISCAL CRISIS.

By modernizing our state lottery, Prop. 1C will immediately raise \$5 billion in new revenues without increasing taxes. Our lottery is out of date and underperforming. With a few simple changes, **OUR LOTTERY CAN BRING IN MUCH MORE REVENUE TO THE STATE—\$5 billion immediately without costing taxpayers a dime, while protecting funding levels for schools currently provided by the lottery.**

YES ON 1C: NEW REVENUE WITHOUT HIGHER TAXES.

Without this new lottery revenue, we will either be forced to cut another \$5 billion from the state budget—most likely from law enforcement, schools or health care—or California's hard-working residents will have to pay another \$5 billion in taxes.

YES ON 1C: PROTECT LOTTERY FUNDING FOR OUR SCHOOLS.

Under Proposition 1C, our schools will continue to receive at least as much funding as they receive from the lottery today.

YES ON 1C: MODERNIZING THE LOTTERY WILL HELP CALIFORNIA.

Every other state that has modernized its lottery has seen an increase in revenues. New York, North Carolina, Missouri and Massachusetts have all brought more revenues into their state budgets, some increasing their revenues by as much as 4,000 percent. Right now, California's lottery ranks dead last in performance among the ten largest states. **CALIFORNIANS DESERVE BETTER.**

YES ON 1C: INCREASED ACCOUNTABILITY AND OVERSIGHT.

Proposition 1C requires independent audits and makes reports available to the public so we can see exactly where lottery funds go and that they are being used appropriately.

YES ON 1C: DELIVERING ON THE LOTTERY PROMISE.

Proposition 1C will ensure that we're getting what we voted for and that funding for education is protected.

YES ON 1C: PART OF A RESPONSIBLE PACKAGE OF REFORMS TO FIX BUDGET DYSFUNCTION IN SACRAMENTO.

Props. 1A, 1B, 1C, 1D, 1E and 1F are a package of reforms that provide short-term solutions to get us through these difficult economic times and long-term solutions to help protect us against the type of deficits we faced this year.

VOTE YES ON 1C: PROTECT VITAL SERVICES FROM DEEPER CUTS AND PREVENT HIGHER TAXES.

www.CaBudgetReformNow.com

ED BONNER, President

California State Sheriffs' Association

DR. GLEN W. THOMAS, California Secretary of Education

BILL HAUCK, Vice-Chairman

California Business for Education Excellence

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 1C ★

Proponents of Proposition 1C claim that all it will take is a few simple changes to bring in much more revenue to the state. Is anything the government does simple?

This is not an immediate, responsible solution to our fiscal crisis and we don't know how this will play out in the long term. What we do know is that we are making grand assumptions about a modernized state lottery, with anticipated revenues we probably won't see. Lottery ticket sales dropped 10 percent during the first four months of the current fiscal year beginning July 1. Lottery officials blamed the economic downturn for the drop in sales. If we are counting on the lottery to bail the state out financially, how is that done when people are gambling less because of a sour economy?

Part of "modernizing" the lottery will be to make the games available virtually wherever we go. We will also have sustained advertising aimed at separating people from their money, for a chance to win big. After all, it's for our children! If the increased revenues expected from this scheme don't materialize, what's next—full blown Las Vegas style gambling?

We cannot afford another ballot measure that creates more problems than it solves.

Vote NO on Prop. 1C.

HONORABLE BOB HUFF, State Senator

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The California lottery should be left as the voters originally intended it to be. When the voters approved the lottery twenty-five years ago, they had a clear understanding of how the program would function. They knowingly placed restrictions on the operation of the lottery in order to limit its size and scope. The Lottery has performed as it was designed to perform. There is no need to change or modernize the lottery. It should be left as the voters intended twenty-five years ago.

Please vote No.

HONORABLE BOB HUFF, State Senator

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No improvements have been made to the California State Lottery in the 25 years since it was enacted by the voters. As a result, California has the lowest performing lottery of the ten largest states and our schools and taxpayers get short-changed. The lottery is an underperforming asset that needs reform and modernization to bring it up-to-date and ensure we're getting all the revenues possible to help fund schools and provide our state resources at this critical time.

PASSING PROP. 1C WILL GENERATE \$5 BILLION IMMEDIATELY—WITHOUT RAISING TAXES—AT A CRITICAL TIME TO HELP OUR BUDGET CRISIS.

Prop. 1C will modernize our lottery structure and immediately raise \$5 billion in new revenues without increasing taxes.

Prop. 1C also **INCREASES ACCOUNTABILITY** and oversight—including requiring independent audits and public reports.

VOTE YES ON PROP. 1C TO PREVENT HIGHER TAXES AND DEEPER CUTS TO SCHOOLS, POLICE AND FIRE PROTECTION AND OTHER SERVICES.

Without this new lottery revenue, we will be forced to cut another \$5 billion from the state budget—likely from law enforcement, fire protection, schools or health care—or California residents will have to pay another \$5 billion in taxes.

PROP. 1C PROTECTS LOTTERY FUNDING FOR SCHOOLS.

Under Proposition 1C, our schools will continue to receive at least as much funding from the lottery as they do today.

Props. 1A, 1B, 1C, 1D, 1E & 1F are a package of reforms to clean up budget dysfunction in Sacramento.

VOTE YES ON 1C.

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ED BONNER, President
California State Sheriffs' Association

SHELDON D. GILBERT, President
California Fire Chiefs Association

DR. GLEN W. THOMAS, California Secretary of Education