

COMMENT

Lottery Not the Answer

When Gov. Robert Bentley announced his support for a state-run lottery in Alabama he sounded as if he had found some magical cure for all the ills of the state. He promised a state-run lottery would be a “permanent solution” to the state’s financial problems.

Bentley said taxes would never have to be raised if a lottery were approved because the state-sponsored gambling scheme would “provide funding we can count on for year after year.”

Like other advocates of this get-rich-quick scheme, Bentley’s words are as hollow and misleading as those of all the gambling crowd with which he has now aligned himself.

Look at the experience of Missouri, a state with a lottery for the past 30 years. Originally lottery proceeds went to the state’s General Fund but in 1992 voters specified that all lottery proceeds go to education.

Despite the earmarked funds Missouri State Senator Joe Keaveny, D-St. Louis, said in an interview with the *St. Louis Post-Dispatch*, “We still haven’t funded the educational formula as described by statute” for K-12 schools.

Another state’s experience

Missouri has about 19 percent more population than Alabama. Its per capita income is about 8 percent higher than Alabama’s. Missouri’s per household income is more than 10 percent higher than Alabama. Yet that state with 30 year’s experience with a state-run lottery earmarked for public education cannot even meet minimum statutory requirements to fund one of the state’s most basic and important services.

That is why Missouri leaders are considering asking state voters to kill the state lottery.

Immediate past speaker of the Missouri House John Diehl, R-Town and Country, said in an interview with the *St. Louis Post-Dispatch* “that



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the lottery is an unstable and inefficient source of funding for public education.” He called publicity for the lottery “horribly misleading” and questioned whether government should be promoting gambling.

“You’re telling people to go pay money in to help fund children’s education and the reality is only about 25 cents of the dollar actually makes it back into education,” Diehl said. “We keep trying to squeeze more money out of the lottery — which often comes from the pockets of those with the lowest incomes — instead of being honest with Missourians that the cost of public education is high, we must address it directly and stop using ‘get rich quick’ gimmicks to make us feel better about it,” Diehl said.

“Lottery,” he added, “at the end of the day is government-run gambling and it’s been inefficient.”

That is why the former speaker of the House in Missouri favors asking the people of his state to scrap the state-run lottery in the Show Me State.

Is there any reason to think Alabama’s experience will be any different? None.

To begin with, Bentley continues the practice of lottery supporters to over promise. In May 2015 state Sen. Del Marsh released a study contending a state-run lottery in Alabama would generate more than \$330 million. The flaws in the study were quickly pointed out and those numbers are not talked about any longer.

Bentley reduced the promised income from a state-run lottery by more than \$100 million — down to \$225 million — but that is still unrealistic when compared to the experience of states like Missouri. To net \$225 million, \$900 million would have to be gambled away because only about 25 percent of the income coming from lotteries goes to state causes. About 75 percent of the money goes to prizes, administration and advertis-

ing. For Alabama to reach the promised amount, every one of Alabama’s 4,858,979 residents would have to gamble away more than \$185 annually.

For the current year, the Missouri Lottery Commission has appropriated \$278 million to the educational budget for state distribution. That amounts to about \$182 from every one of Missouri’s 6,083,672 residents because it takes about \$1.1 billion to end up with the \$278 million.

Missouri’s per capita income is \$26,006 compared to Alabama’s \$23,936 or 8 percent lower. If Alabamians gambled away the same percentage of their income as Missouri, we would waste about \$421 per capita resulting in a state income of \$204 million.

It is unlikely receipts would be that high since 19.2 percent of Alabamians live below the poverty level while the Missouri poverty percentage is 15.6.

Some Alabama legislators have already questioned Bentley’s proposal. House of Representatives Minority Leader Craig Ford, D-Gadsden, called the lottery “a one-shot deal,” adding “a lottery for the General Fund will become, as it has in other states, a victim to legislative shell games. It will become nothing more than a slush fund for legislators.”

That is what happened in Missouri. When voters demanded lottery revenue be earmarked for public educa-

tion, the legislator responded by shifting other state money away from the education budget. That is why the state continues to fall short of funding K-12 education at the level called for by statute.

It does not matter where income might be designated, it becomes a shell game in the end.

Bentley called his lottery proposal “a permanent solution.” That has not proven true anywhere else and it will not be true in Alabama. He said lottery would provide “funding you can count on year after year.” Again that has not been true anywhere else and it will not be true in Alabama.

Appealing to emotions

Bentley said taxes would never have to be raised. That is untrue and is an attempt to appeal to the basic emotions of voters. As Diehl said, it is time to be honest with voters about the cost of public education and basic governmental services.

The latest state-sponsored lottery proposal is just another shell game designed to distract the people of Alabama from the serious status of the state’s financial condition. Alabama deserves better than that from Bentley and from our elected state legislative leaders. ✠



‘Honest argument’ needed on lottery

Alabama Policy Institute (API) recently released a video, “Voodoo Budgeting,” showing Gov. Robert Bentley calling for a special session to push through lottery legislation where he assures the people of Alabama that a lottery would be a “permanent solution” for the state’s budget shortfalls.

API, a nonprofit research and educational institute, said in an Aug. 3 email that Bentley’s claims about the lottery being something Alabamians can “count on year after year” is “simply not true, as evidenced by the experiences of other states with lotteries.”

API will continue to “do our part to keep Alabama’s politicians honest,” the email said. “The people of Alabama deserve nothing less.”

Visit <http://bit.ly/2akVSso> to view the video. (TAB)