



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

Addabbo Demystifies How Lottery Money Is Used for Public Education in New York State

JOSEPH P. ADDABBO JR. May 29, 2012

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*Notes that Lottery Provides Roughly 15 Percent of Annual State Aid
to Public Schools in New York*

Queens, NY, May 29, 2012 -- New York State Senator Joseph P. Addabbo, Jr. (D-Queens), a member of the State Senate Education Committee, recently had the opportunity to question New York State Education Department Commissioner John B. King, Jr., on an issue that Addabbo's constituents commonly ask: "Does lottery money really go to education?"

"I think we all know the answer is "yes," but the amount and the way in which the lottery funds are distributed to schools is often called into question," said Addabbo, noting that Commissioner King recently addressed a Senate Education Committee meeting and fielded questions from legislators on the panel. "The lottery provides substantial resources for public education throughout New York – for example, providing almost \$3 billion in school aid in the 2011-2012 fiscal year."

Addabbo explained that the most common point of confusion about the lottery money is that it is not a supplement to state education aid, but part of the entire funding package. "If we didn't have money from lottery or gaming profits, we would need to raise taxes, cut important state services or otherwise find ways to replace the funds that go to New York's schools," he said. "In the last two fiscal years, lottery revenues have provided much assistance in helping to fund education."

The Senator cited the decision to raise and use lottery dollars for public education, which required statewide voter approval through a ballot referendum, was included in the New York State Constitution beginning in 1967.

"After paying out prizes to lottery winners, commissions to businesses that sell winning tickets, and some

administrative costs, the remaining dollars go to education,” Addabbo said. “For example, out of the \$8.14 billion in lottery sales generated last year, \$2.9 billion went to education – about 15 percent of the total education budget.”

Addabbo noted that the amount of money distributed to schools annually is allocated through a formula that takes into account school district size, wealth and other factors, and that each year’s State Budget contains an estimate of lottery revenues to be spent in that fiscal year. If lottery revenues exceed the estimate in one fiscal year, the excess dollars are applied to the next year’s state education package. Funding to New York City schools is then directed by the mayor.

“I think many of us struggle with the idea of using what are essentially gambling revenues to help fund our children’s education, but this is where we need to balance, and thoughtfully address, competing obligations and concerns,” said Addabbo, who is also a member of the Senate's Racing, Gaming and Wagering Committee.

“Without lottery dollars, schools throughout New York would likely be in even more serious financial straits, and gaming is an important part of our state’s economy – providing jobs, entertainment and significant revenues,” added Addabbo. “We still must deal with the issues of gambling addictions, the possibility of increased crime and other ramifications from gaming operations. However, with careful planning and forethought, I think we can continue to gain benefits from the lottery and other gaming in New York, while addressing potential negative outcomes.”

In conclusion, the Senator said, “As we consider all of the pros and cons of gaming in New York State, I can assure my constituents of one thing: New York State Lottery does, indeed, help to support education for our students.”

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