

March 24, 2020

Honorable Rep. Fields & Rep. Kreiss-Tomkins
Co-Chairs of the House of Representatives State Affairs Committee
and Members of the Committee
Room 120
Capitol Building
Juneau. AK 99801

RE: Oppose Lottery Bills HB 239 Representative Thompson, SB 188/HB 246 Governor Dunleavy

Dear Representative Fields, Representative Kreiss-Tomkins and Members of the Committee,

This letter is to express our opposition to the Lottery Bills HB 239 introduced by Representative Thompson and HB 246 introduced by Governor Dunleavy.

Our three organizations, Southeast Alaska Friends of Montessori, the Juneau Montessori School, and the Foundation for the End of Life Care, have participated in charitable gaming for many years and are organized as a multi-beneficiary charitable gaming permit holder. The income we receive from our charitable gaming endeavors, which we administer and conduct ourselves, is critical to our mission and existence.

We oppose any expansion of gambling within the State of Alaska, because as Representative Thompson recognized in his HB239 bill, the negative impacts on charitable gaming are very real and so great that thousands of non-profit organizations throughout the state can lose \$35 million dollars that are currently used to provide essential and meaningful services in our communities. For instance, SEAFOM would no longer be able to continue supporting Alaska teachers to obtain their Montessori Certification, provide scholarships to young children to participate in high quality Montessori preschool and kindergarten programs, outfit classrooms with Montessori materials, or fund enriching programs such as fine arts, foreign language, or micro-economy that make Montessori schools unique educational options in Southeast Alaska.

The Governor's intent of finding new funding for our State is understandable, but clearly more thought needs to be given into the social cost of lottery addiction. For many years, we have been grappling with the ethical issues of using gaming money for Education.

The gaming industry promises great financial gains for the State but does not provide you with information on the huge negative effects on the population. Susie Poppick makes the following point in *Money* magazine¹:
“...it's the poorest Americans who spend the biggest portion of income on lotteries, with [61%](#) of people in the lowest fifth of socioeconomic status (as measured by income and education) playing the lottery each year, compared to 42% in the top fifth. And while the richest Americans gamble on the lottery only 10 times each year, the poorest buy tickets 26 days annually.”

¹ <https://money.com/john-oliver-solution-to-americas-destructive-lottery-addiction/>

Furthermore, as Bryce Covert revealed in an article in *Topic Magazine*²,

Lotteries are often established when the economy is suffering, and state governments cast about for sources of revenue. Officials usually sell the public on starting or expanding lotteries by saying that the money will be earmarked for important public goods—most commonly education, but also other services like mass transit or environmental conservation.

But on top of the harm brought to families, those promises are a bad bill of goods. Across all states and localities, lotteries brought in just \$17.7 billion in 2015, according to an analysis by Urban-Brookings researcher Dadayan. That may sound like a lot of money, but in 2017, states' total revenues came to [over \\$2.5 trillion](#). Lottery revenues also don't grow much over time. In 2008, they were \$17.4 billion, adjusted for inflation, meaning they grew less than half a billion dollars over the span of nearly a decade. (Revenues actually fell in 21 states.) Even as the number of states with lotteries has steadily increased since 1979, the real growth rate in lottery revenues has fallen.

Part of the reason lottery revenues don't increase is that states get a set amount from each game played, and the number of people playing doesn't tend to increase year after year; it's a fixed number of people, and a fixed pot of money. "At the end of the day, we know that revenues from the lottery are not budget-solvers," Dadayan says.

Education spending also dwarfs lottery revenue. For all 50 states, it came to over \$686 billion in 2017, a nearly \$94 billion increase [from 2011](#). "In no way is the lottery going to solve your education problems," notes Richard C. Auxier, research associate at the Urban Institute. After an initial boost in education budgets, in the long run, states with lotteries end up [decreasing funding](#) for education.

As supporters of education, we are working on developing creative minds to tackle the problems of the future. In the meantime, you have been elected to solve the problems of today by having a vision of Alaska as the land of scientific and technological development that will ensure access to economic advancement for all.

Vote NO on HB239 and HB188/246.

Sincerely,

Lupita Alvarez, M.Ed.
Southeast Alaska Friends of Montessori
Alternate Member in Charge of Gaming

Dan Lesh
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Primary Member in Charge of Gaming

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² <https://www.topic.com/an-itch-you-can-t-scratch-off>