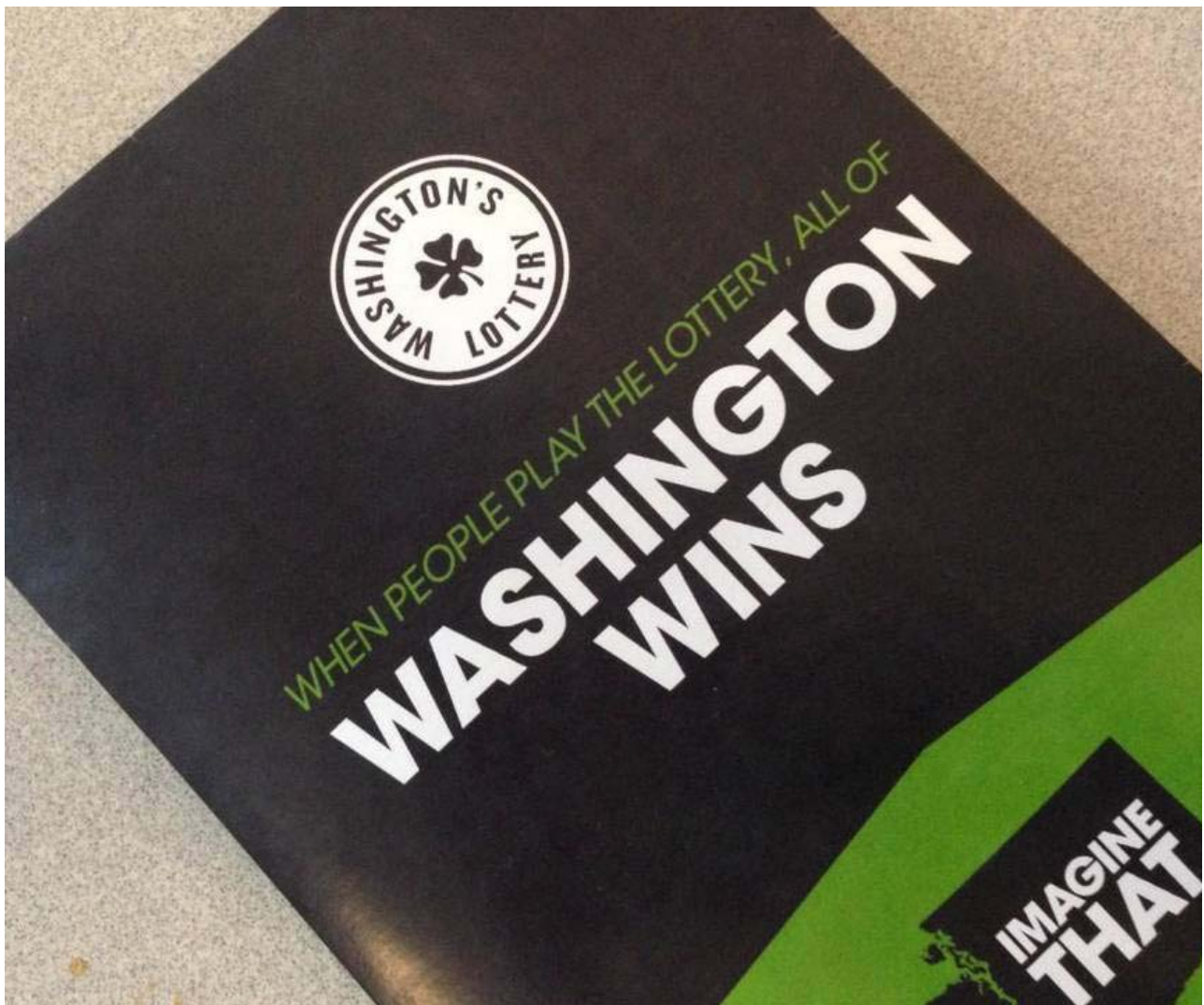


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Why Washington's Lottery can't solve school funding problems



BY MELISSA SANTOS
Staff writer

Each time state lawmakers find themselves in legal trouble over failing to fully fund public schools, some Washington taxpayers invariably ask: What about lottery money? Isn't that supposed to fund education?

The truth is, even if all lottery profits went to basic education, that money would still be woefully inadequate to solve the state's school-funding problems.

Right now, the state is in contempt of court and being fined \$100,000 per day over the Legislature's lack of a plan to fully fund schools.

Those court sanctions stem from a school funding lawsuit known as McCleary, in which the state Supreme Court ruled in 2012 that the state was failing to meet its constitutional obligation to fully fund basic education.

The court's latest order imposing daily fines in the case has lawmakers talking about whether a special session is needed to come up with a school-funding plan that would satisfy the court.

Unfortunately, "just use the lottery money" won't cut it as a plan. Nor was the lottery ever designed to meet all the state's school-funding needs.

WHERE THE MONEY GOES: A HISTORY

When the Legislature first approved a state lottery during the economic recession of 1982, the money was never specifically earmarked for education. Instead, profits were directed to the state general fund — an account that pays not just for the largest part of the state budget, K-12 schools, but also for other government programs.

Voters changed that setup in 2000 when they approved Initiative 728. The initiative specified that lottery revenue — whatever is left after paying contest winners, paying off stadium debts and covering lottery operating costs — should go to a separate account dedicated to school buildings and programs.

Lawmakers followed through on that promise for several years, putting roughly \$80 million to \$110 million annually toward school construction and K-12 programs from 2002-09.

Even then, the money was a fraction of what the state spent overall on K-12 education, which amounted to about about \$5.8 billion in 2005 alone.

Lawmakers changed the law again in 2010 to put most lottery revenues toward

college scholarships and and preschool programs instead of K-12 schools.

In the 2014 fiscal year, about \$121 million in lottery revenues went toward college scholarships and early childhood education programs. Only about \$10 million went to a fund that also benefits public high schools, middle schools and elementary schools.

THE BOTTOM LINE

Even if all the lottery revenue money went to K-12 schools, it would barely make a dent in the state's current education funding crisis.

In the McCleary case, state Supreme Court ruled not only that school funding levels in Washington were constitutionally inadequate, but that lawmakers must correct the funding gap by 2018.

Even with the state planning to spend about \$9.1 billion on K-12 public schools in the current fiscal year, it still won't live up to its constitutional obligations, court justices said.

Some lawmakers estimate that meeting the requirements of the McCleary ruling may require as much as \$3.5 billion in additional funding every two years.

Meanwhile, lottery profits are projected to come in at less than \$140 million this year — or about 1.5 percent of the what the state now spends annually on K-12 education.

So while lottery money is nice, it can't come close to paying all of the state's education expenses. Never has, and never will.

SO WHY DO PEOPLE THINK THE LOTTERY CAN FUND SCHOOLS?

The lottery's advertisements may be partly to blame. After voters approved I-728 in 2000, the lottery ran ads highlighting how lottery profits benefit education.

Lottery ads in the mid-2000s told Washingtonians, "It's good to play" — featuring an armored car painted like a school bus. The ads didn't mention that only about 1 percent of school funding at the time came from lottery proceeds.

The lottery later pulled that ad, partly due to school districts' fears that voters would think the districts were so flush in lottery money that they didn't need local levies anymore.

But the lottery's current ads perpetuate the myth to some extent. "When you play the lottery, Washington wins," several ads say, listing ways the lottery benefits state programs.

One "Washington wins" promotional pamphlet notes the lottery "pours 93 percent of its revenues into our state, and gave over \$131 million to education last year."

The pamphlet doesn't mention that the overall budget for K-12 education in 2014 was \$7.6 billion – nor that the \$131 million mainly went to college grants, not K-12 schools.

The lottery's website, however, does offer some clarification. A page there outlines the history of where lottery funding has gone over the years, explaining who benefits from lottery revenues in more detail.

Melissa Santos: 360-357-0209

melissa.santos@thenewstribune.com

@melissasantos1



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If all the apple trees in Washington grew dollar bills instead of apples, this state would still not have enough money. The more they make, the more state employees they hire. The more rules they make, and the more it cost us tax payers.

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