

The Ohio Coalition for

Equity & Adequacy

Of School Funding

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William Phillis
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Ohio Coalition for Equity & Adequacy of School Funding
Before the House Finance Committee
Ohio House of Representatives
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Chairman Oelslager and Members of the House Finance Committee:

I am testifying as an interested party on House Bill 194. If Ohio chooses to allow sports betting, it must be structured in way that provides a sizeable and sustainable funding stream for primary and secondary education. To achieve that goal, sports betting must be a lottery product so the net proceeds help fund public schools.

I agree with Speaker Larry Householder's assessment that the Lottery already has the constitutional authority to oversee sports betting and it offers what he called "a better deal for the taxpayers and certainly the school districts across the state of Ohio" because all profits would go to education.

A separate bill seeks to place sports betting under the Ohio Casino Control Commission. If sports betting is put under the casinos' control, Lottery profits – which constitutionally must go to education – would likely decline.

A recent Pew Charitable Trust study shows that increased competition from casinos has caused many state lotteries to experience revenue decreases. In West Virginia, for example, the lottery's revenue dropped 2.6 percent in 2016 due to competition from casinos. In Rhode Island, revenue was down 3.2 percent, and in Missouri, revenue dropped 3.3 percent.

Ohio Casinos have not caused Lottery profits to decline because the Ohio Lottery is well managed. If popular sports betting is allowed at casinos, Ohio Lottery profits would most likely decline and schools would have to fight even harder for adequate funding.

The sports betting debate comes as legislators are struggling to find a way to pay for a promising new school funding formula. If the Ohio Lottery oversees sports betting, the new revenue generated could help our state finally deliver the equitable and adequate education that the Ohio Constitution demands and our students deserve.

I see no public purpose in allowing the casinos to oversee sports betting. While I am not crazy about lotteries either, at least the Ohio Lottery helps pay for public schools.