

June 2008

Taking a Gamble

When you are short of money, you do a lot of things out of desperation to just survive. That's been the position of the State of Michigan for the last few years. I did a lot of things with the state budget that in normal times I wouldn't do, just to make ends meet. But those days are over now.

We made some tough decisions last year to fix our structural budget problems. We had to restore the tax rate to the level it was back in 1999. That upset some people, but doing so eliminated our annual Billion Dollar deficits. The state is now in a far better financial position. So I believe it is time to undue some of the sins of the past.

Make no mistake. I am not pointing a finger at others. I lead the charge to take expedient measures to balance our budgets. I even supported a few measures I had grave misgivings about, like the securitization of tobacco funds. I freely admit that I pushed through the expansion of lottery advertising to NASCAR and restored earlier attempts to trim the lottery's budget for promotions. I am not proud of those things, but at the time they had to be done.

But as I said, those days are over now. The state isn't broke anymore. We are basically treading water. And when you are no longer drowning, you can be more discriminating about how you raise money.

That is why I pushed through a controversial amendment to the state's General Government budget recently. I don't think the state should be encouraging people to gamble, so I offered an amendment to cut the Lottery's \$18 million advertising budget by 10%, or \$1.8 million dollars.

I view it this way. People are going to gamble on something like the lottery. They have done it for decades. In fact, they did it in Colonial times. Whether we like it or not, it is a pretty common human behavior. For many years, when gambling was illegal, the numbers racket was run by organized crime. It was corrupt, sometimes violent, and contributed nothing to society.

Government began running state lotteries as a way of keeping the games honest, and using the proceeds for socially useful purposes, which in most cases involve educational funding. Michigan's lottery provides about \$700 million for education annually, about 5% of the School Aid budget.

But it is one thing for the government to begrudgingly accept gambling, to tolerate it. And it is quite another thing to promote it, to advertise it and entice people to gamble more than they should. Government should call on people to be the best they can be. We shouldn't be appealing to their weaknesses and encouraging them to behave irresponsibly.

As I recall, the people of Detroit voted down Casinos three times. Then when Windsor opened, and people saw huge crowds and dollars going across the river into Canada, they reluctantly agreed to casinos because we might as well keep the money and jobs here. That made sense.

But we have come a long way since then. We have too much gambling, and too many poor people are losing money they don't have in vain attempts to win the big one. I will tolerate this behavior, but I can't justify encouraging it.

I crossed the aisle and spoke to several of my Republican colleagues before the Appropriations Committee meeting and explained to them my amendment and the reasoning behind it. They enthusiastically supported it. Some wanted to go further, but in Government it is best to change course slowly and steadily to avoid wasteful disruptions. My amendment passed with a wide majority and was incorporated into the budget adopted by the full Senate.

The struggle isn't over. The Department will fight my change, claiming they will not raise as much revenue without the advertising. I don't think we should judge the Lottery by how much it brings in. We should judge it by whether it is run fairly and honestly. If you judge it by money raised, you are advocating getting people to gamble more, getting them to be fiscally irresponsible. In good conscience, the government can't do that.

Some critics say it will mean less money for schools, and hurt children. I think promoting irresponsible behavior hurts children worse. My principle is simple: tolerate gambling, but do nothing to promote it. That is the first step toward reclaiming some of the moral values we seem to have lost in our society.

I still have to get the \$1.8 million advertising cut into the House version, in the Conference Committee, and then get it signed by the Governor.

Wish me luck. I like my chances, but it's still a gamble.