



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/10/2021
Time: 03:05 PM
Location: 229
Committee: Senate Education

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: SB 0816 RELATING TO A STATE LOTTERY.

Purpose of Bill: Creates a state lottery to begin by 1/1/2022. Creates the state lottery commission, state lottery account, and lottery administration account. Requires certain amounts of lottery revenues to be deposited into the administrative account, general fund, and special funds for university facilities and operations and public school operations.

Department's Position:

While the Hawaii State Department of Education (Department) appreciates the exploration of revenue-generating efforts to secure stability and predictability of K-12 education, the Department does not have a position on the merits or demerits of a lottery and offers the following comments.

The National Conference of State Legislatures list equity, predictability, and stability as critical components for maintaining an effective school finance system. While the State's existing weighted student formula assures equity, this measure aims to establish the predictability and stability.

The current reductions contained in the Governor's Executive Biennium Budget Request and Financial Plan are estimated at \$270 million a year:

1. \$100.2 million reduction that was implemented this current fiscal year using one-time adjustments that are not sustainable;
2. \$41 million of Program Review Reductions (down from the original \$164 million); and
3. \$128 million labor savings (estimate based on previous furlough proposal) of undetermined form pending the outcome of negotiations.

Our public schools cannot sustain these dramatic cuts, while simultaneously ensuring the delivery of quality K-12 public education system. It is critical that in the weeks and months ahead, a means be found to ensure a vibrant K-12 public education system able to support the fulfillment of educational goals and aspirations far beyond a student's successful completion of secondary education requirements.

Thank you for the opportunity to provide testimony on this measure.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
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cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Education
Wednesday, February 10, 2021
3:05 p.m.
Via Videoconference**

**On the following measure:
S.B. 816, RELATING TO A STATE LOTTERY**

Chair Kidani and Members of the Committee:

My name is Catherine Awakuni Colón, and I am the Director of the Department of Commerce and Consumer Affairs (DCCA or Department). The Department opposes this bill.

The purposes of this bill are to: (1) create a state lottery task force within the Department of Accounting and General services to examine the creation and sustainability of a state lottery; (2) create the state lottery commission, state lottery account, and lottery administration account; and (3) require certain amounts of lottery revenues to be deposited into the administrative account, general fund, and special funds for university facilities and operations and public school operations.

This measure requires the state lottery task force to begin no later than January 1, 2022, and cease after December 31, 2026. At the same time, the bill allows the state lottery commission to conduct lottery games beginning as early as January 1, 2022. The Department opposes this bill because it is premature to create a state lottery

commission before the state lottery task force completes its examination of the creation and sustainability of a state lottery.

This bill requires the state lottery commission to, among other things: (1) promulgate rules to operate and administer the lottery, including establishing a licensing scheme for agents to sell or distribute tickets; (2) ensure that lottery tickets display the probability of winning; (3) advise and make recommendations on the operation and administration of the lottery; (4) conduct lottery games to generate additional moneys; (5) inspect information and documents of the lottery; (6) approve certain contracts to operate and promote the lottery; (7) process assignments of prizes; and (8) manage, maintain, and control the state lottery account. The Department opposes this bill because the DCCA is ill-suited to perform the accounting of funds, validation of debt information from state agencies and counties, and marketing of lottery tickets that this bill requires.

State-sanctioned gambling is well outside the jurisdiction of the DCCA, which protects consumers through business registration and professional licensure, monitoring the financial solvency of local financial institutions and insurance companies, and investigating complaints of unfair business practices and license violations. Marketing lottery games to consumers would be especially problematic for the Department, given its oversight of advertising directed to Hawaii's consumers. Given the tailored mission of the DCCA—to protect consumers and service its business community with respect and fairness to the interests of both—it would be simply unfeasible for the Department to administer a commission that oversees all aspects of state lottery operation.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON EDUCATION
ON
SENATE BILL NO. 816

February 10, 2021
3:05 p.m.
Room 229

RELATING TO A STATE LOTTERY

S.B. No. 816 creates a State lottery to begin by January 1, 2022; creates the State Lottery Commission, State Lottery Account, and Lottery Administration Account; requires certain amounts of lottery revenues to be deposited into the administrative account, general fund, and special funds for university facilities and operations and public school operations.

As a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining.

Regarding S.B. No. 816, it is difficult to determine whether the proposed special funds would be self-sustaining.

The department defers to the Department of the Attorney General and Office of the Governor regarding the establishment of a State lottery in Hawai'i.

Thank you for your consideration of our comments.

DEPARTMENT OF THE PROSECUTING ATTORNEY
CITY AND COUNTY OF HONOLULU

ALII PLACE
1060 RICHARDS STREET • HONOLULU, HAWAII 96813
PHONE: (808) 768-7400 • FAX: (808) 768-7515

LATE

STEVEN S. ALM
PROSECUTING ATTORNEY



THOMAS J. BRADY
FIRST DEPUTY
PROSECUTING ATTORNEY

THE HONORABLE MICHELLE KIDANI, CHAIR
SENATE COMMITTEE ON EDUCATION
Thirty-First State Legislature
Regular Session of 2021
State of Hawai'i

February 10, 2021

RE: S.B. 816; RELATING TO STATE LOTTERY.

Chair Kidani, Vice Chair Kim, and members of the Senate Committee on Education, the Department of the Prosecuting Attorney of the City and County of Honolulu ("Department") submits the following testimony in strong opposition to S.B. 816

The purpose of this bill is to create a state lottery, state lottery commission, and related accounts for revenue, a portion of which would be allocated for university facilities and public school operations. While the Department understands there is serious need to fully fund our educational system, we strongly urge the Legislature not to venture into money-making opportunities—such as lotteries—that are highly likely to have a substantial negative impact on the community's welfare.

To date, multiple studies have shown that lotteries historically draw a majority of their funds from people of lower educational and lower socioeconomic standing, "meaning lower educational levels, employment status, and ethnic minorities."¹ In fact, "the demand for lottery tickets appears to be, first and foremost, a question of education, since the group of *Lotto* players, which is already overrepresented by lower levels of education, also displays distinctly higher expenditures within these levels."²

Lotteries also fuel excessive gambling problems, as shown in a study of household expenditures in the United Kingdom, before and after introduction of their national lottery. Overall, "mean household gambling expenditures [increased] from L1.45 to L3.81 per week...[and] the number of households that spend more than 10% of their household income on gambling increased

¹ Beckert, Jens and Mark Lutter, "The Inequality of Fair Play: Lottery Gambling and Social Stratification in Germany," *European Sociological Review*, vol. 25, no. 4 (2009), p. 478. Available online at: https://pure.mpg.de/rest/items/item_1232517/component/file_1835856/content; last accessed February 9, 2021.

² *Id.*, at 482.

four-fold, from 0.4% to 1.7.”³ More importantly, **“[a]mong households with income of less than L200/week, the proportion gambling more than 10% of their income increased from 0.6% to 3.2%.”**

Excessive gambling is often correlated with increases in domestic violence, divorce, bankruptcy, drug and alcohol use, and risky or illicit sexual behavior.⁴ In 2010, an Australian study found that 15.2% of problem gamblers admitted to illegal activity; the most common “gambling-related illegal offense[s were] theft, fraud, robbery and assault, and breach of apprehended violence orders.”⁵

Despite the substantial hardship of steering Hawaii’s economic recovery in the coming years, from the first global pandemic seen in over 100 years, the Department strongly urges the Legislature not to give in to temptation to introduce deleterious—albeit lucrative—industries such as legalized gambling into Hawaii’s communities.

For all of the foregoing reasons, the Department of the Prosecuting Attorney of the City and County of Honolulu strongly opposes S.B. 816. Thank you for the opportunity to testify on this matter.

³ Grun, Lucia & Paul McKeigue, “Prevalence of excessive gambling before and after introduction of a national lottery in the United Kingdom: another example of the single distribution theory,” Epidemiology Unit, London School of Hygiene and Tropical Medicine (May 3, 2002). Abstract available online at: <https://onlinelibrary.wiley.com/doi/abs/10.1046/j.1360-0443.2000.95695912.x>; last accessed February 9, 2021.

⁴ Wu, Shou-Tsung and Chen, Yeong-Shyang, “The social, economic and environmental impacts of casino gambling on the residents of Macau and Singapore,” Tourism Management, Vol. 48 (June 2015), pp. 285-298, Section 2.1, Social Impacts. Internal citations deleted. Available online at: <https://www.sciencedirect.com/science/article/pii/S0261517714002441>; last accessed February 3, 2021.

⁵ Wheeler, Sarah A., David K. Round, John K. Wilson; Centre for Regulation and Market Analysis, School of Commerce, University of South Australia; “The Relationship Between Crime and Electronic Gaming Expenditure: Evidence from Victoria, Australia” (October 19, 2010), citing . Available online at: <http://stoppredatorygambling.org/site/wp-content/uploads/2012/12/The-Relationship-Between-Crime-and-Electronic-Gaming-Expenditure.pdf>; last accessed February 8, 2021.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, State Lottery

BILL NUMBER: SB 816

INTRODUCED BY: KIDANI, KANUHA, Keith-Agaran, Nishihara, San Buenaventura, Shimabukuro

EXECUTIVE SUMMARY: Creates a state lottery to begin by 1/1/2022. Creates the state lottery commission, state lottery account, and lottery administration account. Requires certain amounts of lottery revenues to be deposited into the administrative account, general fund, and special funds for university facilities and operations and public school operations.

SYNOPSIS: Adds a new chapter to the HRS to govern the state lottery. Establishes a task force within DAGS for administrative purposes to examine creation and sustainability of the lottery. Establishes a state lottery commission within DCCA for administrative purposes. New section ___-23 provides that 10% of all revenues may be used for administration, 40% of all revenues is to be split between general fund, the (new) school operations special fund, and the (new) university facilities and operations special fund.

Adds new sections to chapters 302A and 304A to create the school operations special fund and university facilities and operations special fund, respectively.

Amends section 712-1220, HRS, to legalize the lottery.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: In 2005, a survey commissioned by the Consumer Federation of America and the Financial Planning Association¹ asked a sample of 1,000 adult Americans what would be the most practical way for them to accumulate several hundred thousand dollars. Most (55%) of the respondents said, “Save something each month for many years.” But a significant number of people – 21% overall, 38% of those with incomes below \$25,000, and 31% of those 55 or older – thought the answer is, “Win the lottery.”

When our legislators ponder the state’s budget picture, the idea of having a state lottery often bubbles up. Wouldn’t it be a revenue source that has the potential to be something people want, as opposed to something they despise? After all, people don’t have a choice whether to pay taxes, but they do have a choice about whether to buy a lottery ticket. A Reuters 2011 article² says that 44 states, plus the District of Columbia and Puerto Rico, had lotteries. In fiscal 2009 Americans spent \$50.4 billion on lottery tickets, video lottery terminals and the like, and the states pocketed \$17.6 billion in lottery profits. Data compiled by the national Tax Foundation

¹ http://www.consumerfed.org/pdfs/Financial_Planners_Study011006.pdf

² <http://blogs.reuters.com/david-cay-johnston/2011/07/15/u-s-lotteries-and-the-state-taxman/>

show that eleven of those states make more money from their lottery than they take in from corporate income tax.

Would a lottery be too much of a gamble for a state that needs stable revenue? Historically, people play the lottery during bad times when they might not have too much cash, as well as during good times when they have more money to spend. And it seems that many states rely on it a lot. The National Council of State Legislatures reported³ that lottery ticket sales accounted for 8% of state revenue in Massachusetts, 7% in Georgia, and 4% in Florida, with a national average of 2.6%. But it's not all peaches and cream: CBS News said⁴ that in New Jersey, lottery revenue fell 9.2% in the fiscal quarter ending Oct. 31, 2014, nowhere close to the predicted 7.4% revenue gain. Officials in Maryland and Missouri also have bemoaned a drop-off in lottery sales in their respective states. Not a problem, said Terry Rich, one of the board members of Powerball, a collective of 22 states that joined together in 1987 to offer big money jackpots. "Our sales tend to spike when the jackpot is high." In Hawaii, we base our state budget on economic predictions by our Council on Revenues. They might be able to predict economic conditions, but can they predict lottery sales?

Then, of course, the social impacts need to be considered. Studies cited by the Stop Predatory Gambling Foundation⁵ indicate that lotteries have a reverse Robin Hood effect: they take from the poor and benefit the rich. How does this happen? The poor buy lottery tickets. Although the odds of winning big are infinitesimal, there are a fair number of people, mostly poorer people, who think that they have no other practical way to become wealthy, as mentioned earlier in this article. For them, the lottery represents hope for escape from financial misery. That's why in South Carolina, for example, households earning under \$40,000 annually made up 54% of the state lottery's most frequent players. A 2007 California Budget Project report observed that lottery sales are higher for individuals who have little or no formal education, are residents of urban areas, are between the ages of 45 and 65, and are not white. As one blog post puts it: "The games naturally appeal to poor people, which causes them to spend disproportionate amounts of their income on lotteries, which helps keep them poor, which keeps them buying tickets."

These games are run by state government. Opportunity or tragedy?

In addition, this bill proposes to establish two new special funds and feed them through what in practical terms is an earmark on the lottery sales proceeds. Earmarking revenues for a particular purpose decreases transparency and accountability. It allows the revenues so earmarked to bypass the normal appropriation and budgeting process that also considers invasive species, the COVID-19 pandemic, and other critical human services needs as well as the aging infrastructure in our educational system.

Digested 2/5/2021

³ <http://www.ncsl.org/research/financial-services-and-commerce/lotteries-and-revenue-by-state-2010.aspx>

⁴ <https://www.cbsnews.com/news/states-arent-hitting-the-jackpot-with-lottery-sales/>

⁵ <http://stoppredatorygambling.org/blog/category/research-center/lotteries-who-really-plays/>

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR

SUSAN BALLARD
CHIEF

JOHN D. MCCARTHY
AARON TAKASAKI-YOUNG
DEPUTY CHIEFS

OUR REFERENCE PJ-GK

February 10, 2021

The Honorable Michelle N. Kidani, Chair
and Members
Committee on Education
State Senate
Hawaii State Capitol
415 South Beretania Street, Room 229
Honolulu, Hawaii 96813

Dear Chair Kidani and Members:

SUBJECT: Senate Bill No. 816, Relating to a State Lottery

I am Major Phillip Johnson of the Narcotics/Vice Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD opposes Senate Bill No. 816, Relating to a State Lottery.

Lotteries are a form of gambling. Numerous studies have confirmed that gambling causes problems such as bankruptcy, theft, embezzlement, suicide, child abuse and neglect, divorce, incarceration, and homelessness. Studies have also demonstrated that gambling schemes are essentially regressive taxes on low-income people, those who can least afford to participate. The financial burden associated with these problems will far outweigh any benefit realized in the name of community betterment.

The HPD urges you to oppose Senate Bill No. 816, Relating to a State Lottery.

Thank you for the opportunity to testify.

APPROVED:

A handwritten signature in black ink, appearing to read "Susan Ballard", written over a horizontal line.

Susan Ballard
Chief of Police

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Johnson", written in a cursive style.

Phillip Johnson, Major
Narcotics/Vice Division



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Education
February 10, 2021 at 3:05 p.m.

by

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

SB 816 – RELATING TO A STATE LOTTERY

Chair Kidani, Vice Chair Kim, and members of the Committee:

Thank you for the opportunity to submit testimony on SB 816. Among other things, this bill creates a state lottery and allows lottery revenues to fund university facilities and operations.

The University of Hawai'i (UH) appreciates the intent of this bill as it opens up a dialogue about providing for an alternative revenue source for the UH facilities. The UH is under the ever constant challenge of finding adequate funding to meet its minimum operational and capital needs. The UH has a severe deferred maintenance backlog at all of its campuses, that in the aggregate totals in excess of \$500+ million. While the UH would welcome additional funding to address its maintenance and facility funding shortfalls, we would be remiss to not also recognize the political and social issues that result by allowing that funding to come from the creation of a lottery in Hawai'i.

The UH takes no position and defers to the Department of Budget and Finance on its position on the creation of a special fund and defers to the Department of the Attorney General and the Office of the Governor regarding the creation of any type of lottery in the State of Hawai'i.

Thank you for the opportunity to submit testimony on this measure.



Submitted Online:

HEARING: Thursday, February 11, 2021

TO: SENATE COMMITTEE ON EDUCATION
Senator Michele Kidani, Chair
Senator Donna Mercado Kim, Vice Chair

FROM: Eva Andrade, President

RE: Opposition to SB 816 Relating to a State Lottery

Hawaii Family Forum is a non-profit, pro-family education organization committed to preserving and strengthening families in Hawaii. We oppose SB 816 that creates a state lottery to begin by 1/1/2022, creates the state lottery commission, state lottery account, and lottery administration account and requires certain amounts of lottery revenues to be deposited into the administrative account, general fund, and special funds for university facilities and operations and public school operations.

We strongly believe that the millions of dollars potentially generated by any casino may very well bear an inestimable human cost. And that is a human cost the people of Hawaii cannot afford. Each year across the mainland, people visit casinos with hopes to making easy money – and for a few people, that may be the reality. The proponents of legalized gambling in the islands’ chain argue that the casino industry could add over millions of dollars in new revenue each year. Of course, this pales in comparison to the over billions generated annually via the tourism trade.

We believe that these are some of the societal harms that could very well come from legalizing gambling in Hawaii:

- An increase in problem and pathological gambling, which leads to higher levels of crime, embezzlement, personal bankruptcy, child abuse, sex trafficking, domestic violence, divorce, suicide, etc.
- Harm to local communities and businesses because casinos siphon money out of the economy and provide no valuable product or service in return while typically cannibalizing local businesses; and
- The potential growth of corrupting influences on local and state government.

In fact, our sister organization, the North Carolina Family Policy Center, reported that the Eastern Band of Cherokee Indians is one of the largest political donors in North Carolina.ⁱ In a state like ours, the potential for political influencers like these to have a stronghold, is horrifying.



There is a lot of evidence -- some focused on particular cities or states -- that lotteries draw in poor people. State government, in some states where lotteries are legal, has become far too dependent on revenue generated by the lottery and that the revenue was disproportionately generated from low-income neighborhoods.

"A number of studies have investigated the demographic predictors of lottery gambling and have tended to find that, on average, state lottery products are disproportionately consumed by the poor..." states this 2005 Brookings Institution paper. "Average annual lottery spending in dollar amounts is roughly equal across the lowest, middle and highest income groups. This implies that on average, low-income households spend a larger percentage of their wealth on lottery tickets than other households."ⁱⁱⁱ

Hawaii remains only 1 of 2 states without any form of legalized gambling. Establishing a lottery is a door that once opened can never be closed. We strongly ask that you vote no on this bill and keep Hawaii the way it should be - a place where people come to enjoy the traditions handed down by the ancient Hawaiians and enjoy the beauty of a place like no other place in the world.

In the words of the late Senator Daniel Inouye, "[t]he worst thing we could hope to do for the state of Hawai'i is have gaming here."ⁱⁱⁱ

ⁱ <http://pulse.ncpolicywatch.org/2019/03/07/campaign-finance-watchdog-calls-for-investigation-of-chokees-soaring-political-donations-connections-to-gambling-legislation/> (accessed 02/03/21)

ⁱⁱ <https://assets.documentcloud.org/documents/266971/the-economic-winners-and-losers-of-legalized-pdf> (accessed 02/06/21)

ⁱⁱⁱ <http://the.honoluluadvertiser.com/article/2002/Jan/11/ln/ln02a.html> (accessed 02/06/21)

SB-816

Submitted on: 2/5/2021 3:15:01 PM

Testimony for EDU on 2/10/2021 3:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl B.	Individual	Oppose	No

Comments:

OPPOSE

In 1988, Florida began their lottery. They touted that monies would go towards education. Monies did go to education. WHAT they forgot to tell everyone though was that all the other places that had funded Education within the State would no longer fund education. This meant that monies people had counted on were not there.

Lottery is gambling. Gambling is illegal in Hawai`i. Did you do your research as to the average person who buys a ticket ? Do you know the odds of every winning anything? Who ends up paying for the lottery.

There are other ways to get monies. Gambling is not it... NO lottery, NO Casino.

SB-816

Submitted on: 2/5/2021 6:55:57 PM

Testimony for EDU on 2/10/2021 3:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Murakami-Akatsuka	Individual	Support	No

Comments:

I strongly support the passage of SB 816 to create a state lottery to provide funds to the administrative account, general fund, and special funds for the public school operations and university facilities and operations. I am very glad that the legislature is forwarding this bill as "thinking out of the box" funding strategy to address the economic impact of the COVID-19 pandemic. The bill content and its safeguards are well thought out and addresses concerns on how it will be administered and to prevent abuse from external forces. It will be state administered and managed. If concerns arise about a state lottery, then consider piloting it for 5 years and set a sunset date to have it evaluated.

Thank you for the opportunity to testify in my strong support of SB 816.

SB-816

Submitted on: 2/8/2021 4:16:58 AM

Testimony for EDU on 2/10/2021 3:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
jason moore	Individual	Oppose	No

Comments:

I absolutely oppose SB816.

This bill is horrible on so many levels. we do not need legalized gambling here in Hawaii. We can't handle this type of Vice here in the islands. This will only hurt and cause irreparable harm to the beauty of Hawaii.

This will only cause more corruption and financial deceit amongst the criminal elements that are embedded in our Islands.

This Bill says the monies will benefit the schools, that's not true. money will go toward paying out the winnings.. after that, ten percent towards the administration costs (yeah right...no way is that enough to pay for all the employees to run a new branch of services in Hawaii)

Administrator, all the support staff, auditors, licensing authority for all the vendors to sell the tickets, those support staff, enforcement of violations and investigators, their support staff, marketing and advertising and their support staff, Human Resources, labor unions, financial bonds and their deep pockets. That's just the tip of the iceberg.

For each educational branch that will receive their portion of the 40 percent of the revenue...they will have an equal amount of Administrative and support staff (as listed above).

by the way..anybody involved or related to someone involved with the Lottery is not allowed to participate...that's going to be a lot of people.

I can go on and on but there's not enough room to go over everything that is wrong and immoral about this.

Please stop NOW before you waste more money on another commission and Study.

common sense...it won't work in Hawaii

Jason Moore

SB-816

Submitted on: 2/8/2021 5:12:02 PM

Testimony for EDU on 2/10/2021 3:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John P. Karbens Sr.	Individual	Oppose	No

Comments:

Thank you for the opportunity to testify. I strongly oppose SB816 and other bills which propose legalizing lotteries, casinos and other forms of gambling in Hawaii. Lotteries attract money primarily from people who need money for monthly living costs. The bill promises no less than 45% of lottery revenue will be paid to prize winners with the remainder allocated to administrative expenses and about 40% to special funds for school and university operations. The five members of a new lottery board will be appointed by the Governor. Qualifications and conflicts of interest related to board candidates need to be disclosed to the public. I have testified against gambling in the past as a member of the Hawaii Coalition Against Legalized Gambling. The level of illegal gambling in Hawaii will only increase if forms of gambling are legalized. Sufficient studies conclude that gambling, whether legal or illegal, correlate with increases in addiction, crime, money laundering, prostitution and destruction of the fabric of a society. The revenue provided for education in Nevada has fluctuated dramatically during good and bad economic cycles. Education programs at all levels need to be financed by more predictable sources than gambling.

SB-816

Submitted on: 2/9/2021 6:52:38 AM

Testimony for EDU on 2/10/2021 3:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
B.A. McClintock	Individual	Support	No

Comments:

I don't know many people who don't send money to friends and family on the mainland to play the lottery for us. We need to keep our money on island. Please pass this bill.

LATE

SB-816

Submitted on: 2/9/2021 6:51:27 PM
Testimony for EDU on 2/10/2021 3:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa L Espiritu	Individual	Support	No

Comments:

We need to make funding education a priority and need to find new ways to generate revenue to do so. We cannot accept the proposed cuts to the schools. They will be detrimental to students and teachers. I have taught in Hawaii for 10 years and constantly have to consider if my family can afford to stay here. If pay cuts happen it will be the final straw, and my family and I will be to relocate. A lottery system seems like a much safer way to create gambling revenue than casinos. We have to start thinking out of the box to find ways to support our education system and this bill seems like a great solution.

LATE

SB-816

Submitted on: 2/9/2021 11:45:23 PM

Testimony for EDU on 2/10/2021 3:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Pcola_Davis	Individual	Oppose	No

Comments:

I OPPOSE THIS BILL due to inconsistencies and the use of monies in the lottery account.

A. Sale to a minor is prohibited in #12, but in #21 the section is about PAYMENT TO A MINOR.

This is contradictory. Minors are prohibited from purchase AND should not be able to get prizes no matter how #21 is written.

B. Use of monies in the Lottery account. 10% will go to the administrative account and 40% to School Special Operations Fund (302) and University Facilities and Operations Fund (304). **OPPOSE portion of 40% to General Fund. So 40% is proposed to be split 3 ways.**

The other 50% prize payments, purchase and promotion of tickets and games related expenses, and agent compensation.

SUPPORT PROHIBITION: 12 Sale to minor prohibited; exception; penalties. (a) A ticket shall not be sold to any person under the age of eighteen; provided that this shall not be deemed to prohibit the purchase of a ticket for the purpose of making a gift by a person eighteen years of age or older to a person younger than the age of eighteen.

(b) Any licensee who knowingly sells or offers to sell a ticket to any person under the age of eighteen shall be guilty of a misdemeanor.

(c) A person under the age of eighteen who directly purchases a ticket in violation of this section shall be guilty of a misdemeanor. No prize shall be paid to that person and the prize money otherwise payable on the ticket shall be treated as unclaimed pursuant to section -18.

OPPOSE PAYMENT: 21 Payment of prizes to minor. If the person entitled to a prize is a minor under the age of eighteen and the prize is less than \$5,000, the director may pay the prize to an adult member of the minor's family or a guardian of the minor by a check or draft payable to the order of the minor; provided that, if the prize is \$5,000 or more, the director shall pay the minor by depositing the amount of the prize in any bank

to the credit of an adult member of the minor's family or a guardian of the minor as custodian for the minor. The commission and the director shall be discharged all further liability upon payment of a prize to a minor pursuant to this section.

UNCLEAR -23 Use of moneys in state lottery account limited. The state lottery account shall be used only for the following purposes:

(1) The payment of prizes to the holders of winning tickets;

UNCLEAR (2) Depositing ten per cent of all revenues received from the sale of tickets and all other moneys credited or transferred thereto from any other fund or source pursuant to law into the administrative account;

(3) Depositing forty per cent of all revenues received from the sale of tickets and all other moneys credited or transferred thereto from any other fund or source pursuant to law into each of the following funds equally:

(A) The school operations special fund established pursuant to section 302Aâ€ ;

(B) The university facilities and operations special fund established pursuant to section 304Aâ€ ; and

OPPOSE (C) The general fund;

(4) The purchase and promotion of tickets and game-related services; and

(5) The payment of agent compensation.

LATE

SB-816

Submitted on: 2/10/2021 8:51:30 AM

Testimony for EDU on 2/10/2021 3:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kaala Jay	Individual	Support	No

Comments:

Aloha e Senator Kidani,

I am writing in support of SB816 to allow financing for educational pursuits through the enactment of this bill. There are many Hawaii State residents who enjoy traveling to gamble and who also will be more than happy to participate in a local lottery.

Mahalo for introducing this bill. It's about time to keep our hard-earned money in our own Hawai`i Nei. What better way to improve our suffering economy than to offer an alternative to a long journey to another location.

Thank you,

Kaala Pat Jay

'Aiea Heights