Economists fail to agree on how lottery warnings could impact education funding

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TALLAHASSEE, Fla. - A debate is raging among state economists over how much money Florida schools could lose if the lottery is required to put warning labels on its products and advertisements.

In an unprecedented move, the state's Revenue Estimating Impact Conference was unable to agree on a number.

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All lottery tickets and advertisements in the state could come with one of two warning labels under a bill awaiting Gov. Ron DeSantis' signature.

Either, "WARNING: LOTTERY GAMES MAY BE ADDICTIVE" or "PLAY RESPONSIBLY."

"Psychiatrists now actually do recognize gambling as an addiction," said Gregg Stanwood, associate professor of neuroscience at Florida State University.

If signed, the Florida Lottery predicts it would lose a minimum of 2.5% of its customers.

"You're stigmatizing them as someone who may have an addictive problem of gambling," said Jake Felder, director of legislative affairs at the Florida Lottery.

Any loss in revenue could impact education funding in the state.

Florida schools receive more than $1 billion a year from lottery sales.

With lost customers, fewer advertisements and the possibility of multistate games like Powerball and Mega Millions pulling out of the state, the lottery estimates warning labels would cost education funding between $79 million and $232 million a year.

But Stanwood is skeptical warning labels would impact those already addicted.

"There's loss of control, the person is engaging in doing this even though there's negative consequences for themselves or for their families," Stanwood said.

Economists representing the House, Senate and Office of Economic and Demographic Research felt the same.

EDR coordinator Amy Baker countered the impact would be closer to $25 million.

"If you do have addictive behavior and you're currently buying tickets, these messages are not going to deter or change your behavior at all," Baker said.

But the governor's office sided with the lottery and refused to compromise.

The governor has already expressed concerns with the bill.

His predecessor vetoed a similar bill in 2017.
The Revenue Estimating Impact Conference said it intends to revisit the lottery warning bill next week in hopes of reaching a compromise on the potential economic impact.

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