



POLICY PRIORITIES



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Republicans' Proposal a Bad Move for Alabama

By [Katherine Robertson](#) and [Caleb Crosby](#) on [April 28, 2015](#)



We have known for months that a deal was in the works to expand gambling operations in Alabama either through a lottery, a tribal compact, or privately run casinos. This move under Republican leadership is

disheartening, but not surprising. Any chance at a money grab, be it through tax increases or gambling, is far easier than taking a scalpel to the drivers of the current budget shortfall.

The General Fund woes present a very real challenge for our leaders, but the public is being fed a number of false choices as to how this problem must be solved. We should not be forced to choose which revenue generator is the least offensive. There are still plenty of good ideas and even bills on the table that would help the state do what the private sector does—scale back spending in a down year. The appeal of easy money through gambling is that those tough decisions can be sidestepped, but not without repercussions.

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Legislative pay is currently a confusing combination of sev-

The Policy Institute’s position on using either of these tactics to generate money for the state has been well- publicized throughout our twenty-five year history. The success of lotteries and gambling, of course, depends upon the participation of the poor and vulnerable. The state then becomes addicted to these funding streams, and politicians actually desire for more and more individuals and families to recklessly spend their money this way. Calls to further expand gambling will become incessant, and government will be expanded right along with it. Simultaneously, Alabama’s leaders will become owned by these entities whose power and influence are made possible through money lost by our own state’s gamblers. Due to saturated markets, the only people visiting Alabama’s casinos will be Alabamians, especially its poorest, and local economies will be left to bear the brunt of this bad decision by state leaders.

While casino gaming is being advertised as a job creator, the jobs that typically come with gambling tend to be low-wage positions that, because of falling demand, are short-lived. In the past year alone, two casinos in Mississippi have closed. In Atlantic City, New Jersey, four casinos have closed or will close soon, including its newest one, the \$2.4 billion Revel. Thousands of workers in both states who thought that gambling would be their ticket to success have been laid off.

The irony in all of this is that 20 other states currently face budget shortfalls. Most of these shortfalls are substantially larger than what we face in Alabama. Guess how many of the “shortfall states” have lotteries? All but one of them. Guess how many have casinos? 14 of them.

Unless a state’s spending problems are fixed—most of which are related to Medicaid, prisons, and public pensions—new revenues can’t keep pace with the rising costs of these services or programs. For instance, Alabama’s share of Medicaid costs has doubled in the past 10 years and shows no signs of slowing down. As a result, the state’s need for more of your money through one mechanism or another will never cease to be necessary.

API has proposed or supported a number of ideas that, if implemented, would help fill the budget gap. We’ve researched and recommended various cost-saving reforms to our public pensions, Medicaid prescription reform, eliminating vacant positions within state government, privatizing ABC and bidding out various nonessential government services, exploring tax amnesty to generate revenue already owed to the state, and bringing health insurance premiums of state employees more in balance with those of private sector workers. Some of these ideas are making their way through the legislature, and some are not. All of them would be challenging to pass—

eral different compensation provisions....

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they are all disfavored by one group or another—but none of them exploit the poor.

Using the excuse of a budget shortfall to pave the way for more gambling is irresponsible, the effects of which would plague our state long past the political careers of those leading this charge.

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