



NEW YORK STATE SENATOR

Joseph P. Addabbo Jr.

Facing massive budget shortfall in 2020, Addabbo believes mobile sports betting could help bridge that gap

SENATOR JOSEPH P. ADDABBO, JR. January 23, 2020

| ISSUE: **MOBILE SPORTS BETTING, \$6 BILLION BUDGET GAP, 2020 BUDGET, FOUNDATION AID FORMULA, ADDABBO**

As New York State enters budget negotiations starting in January, it is already known that the state faces a \$6 billion shortfall, mainly due to the rising cost of the vital Medicaid healthcare program. State Senator Joseph P. Addabbo, Jr. believes he knows a way to help bridge the budget gap to better fund the state's healthcare system, while also supporting educational resources like Foundation Aid: legalize mobile sports betting in New York.

"If state legislators cannot figure out a way to bring in more money, there will be unfortunate and devastating cuts to Medicaid," Addabbo said. "It is frustrating to know we will have to make these tough decisions when there is money out there just waiting for us to capture, but we refuse to take advantage of it. Mobile sports betting is benefitting New Jersey — with approximately 25% of the state's mobile wagering business coming from New York residents — and it could provide the same positive results for New York."

Another area of state aid that is severely underfunded is educational Foundation Aid, which was created in 2007 to help close the spending gap between school districts and create an equitable education system for all students. However, after more than a decade, Foundation Aid remains underfunded by more than \$4 billion.

Earlier this year, Addabbo, a member of the Senate Education Committee, attended a roundtable hosted by Senator Shelly Mayer, Chair of the Senate Education Committee, and Senator Brian Benjamin, Chair of the Senate Revenue and Budget Committee, to discuss the great significance of Foundation Aid and the importance of fully funding this crucial tool to help students who are most in need.

“Foundation Aid is a vital investment we need to fund in order to adequately help struggling schools, especially those with students who have special needs and disabilities, students living in poverty, and ESL students — all of whom require more resources than the average student,” Addabbo said. “If we were to implement mobile sports betting in the state, 80% of taxable winnings would go directly into the educational fund, meaning we can make needed forward strides in getting these schools the money they deserve.”

The numbers are clear, Addabbo says. According to the Economic Impact of Legalized Sports Betting study conducted by Oxford Economics in May 2017, legalized sports betting has the potential to generate \$2.6 billion annually for the state, with \$727 million in labor income, and a \$1.4 billion in the Gross Domestic Product (GDP).

“When I see numbers like this, it makes the case pretty clear that New York needs to legalize mobile sports betting,” Addabbo said. “Even if we do not hit these exact projected numbers, mobile sports betting will bring in hundreds of millions — if not billions — of revenue that the state desperately needs for vital programs like Foundation Aid and closing the gap in Medicaid funding.”

Addabbo also believes the state should consider utilizing the three dormant downstate commercial gaming licenses, which currently would become available to be issued in 2023, to address the immediate need for revenue.