



League of Women Voters State Ballot Measure Review 2016
Ballot Measure 96 - Lottery funds for Veterans

Amends Constitution: Dedicates 1.5% of state lottery net proceeds to funding support services for Oregon veterans

Referral: This measure is a constitutional amendment referred to voters by the 2016 Oregon Legislature with a vote of 57 in favor, 0 against, and 3 excused in the House and a vote of 28 in favor, 0 against, and 2 excused in the Senate.

Financial Impact:

This measure would dedicate 1.5% of the net revenue from the Oregon State Lottery Funds to a veterans' services fund. Approximately \$9.3 million a year would be transferred into the Veterans' Services Fund during the 2017-2019 biennium. These dedicated funds from the lottery would not change the amount of revenue constitutionally dedicated to other purposes, but it would reduce the unrestricted lottery funds that the Legislature can use for education and economic development.

Probable results of a YES VOTE:

If this measure passes, it would constitutionally dedicate 1.5% of the net revenue from the state lottery to fund services for Oregon veterans; these services may include assistance with employment, education, housing and physical or mental health care.

Probable results of a NO VOTE:

If this measure fails, the Oregon Constitution would retain the current list of authorized purposes for spending the proceeds from the state lottery. The lottery funding for veterans' services would not be constitutionally required.

Background:

There are more than 331,000 veterans in Oregon—about 1 out of 12 Oregonians. Many veterans have challenges related to their military service exceeding those experienced by non-veteran civilians. They are more likely to be homeless and twice as likely to die by suicide. They may have service related physical and mental health problems, including traumatic brain injury, post-traumatic stress disorder (PTSD), and substance-abuse addictions. The Oregon Dept of Veterans' Affairs (ODVA) provides services for veterans to supplement services provided by the U.S. Department of Veterans Affairs, including home loans and Veterans' Homes. Most ODVA funding comes from payments received for its services, but the Legislature also allocated \$13 million from the 2015-17 Oregon General Fund budget (income tax revenues) to finance outreach and other veterans services. Although 3 of 10 Oregon veterans do access their benefits, others need help to use services for which they are eligible. 74 Veteran Service Officers serve Oregon's counties, tribes, and college/university campuses to help Oregon veterans connect with benefits they have earned, including federal pensions, loans, education and employment programs, housing, counseling, and nursing home care. In 2014, federal benefit payments to Oregon veterans and agencies serving them brought more than \$2.5 billion federal dollars into Oregon. The Oregon State Lottery, from which this measure proposes to receive funding, began operation in 1986. Revenues have grown more than 10-fold since then, now providing a significant funding source to supplement the state General Fund. Net profits are transferred to the Oregon Economic Development Fund for distribution to specific programs. The Constitution dedicates 18% of net proceeds to the Education Stability Fund and 15% to a Parks and Natural Resources Fund to protect state parks, beaches and wildlife. The Legislature decides how to allocate remaining lottery funds. In some cases, Oregon statutes dedicate some lottery revenue to particular programs, including gambling addiction treatment, collegiate sports programs, the County Fair account and county economic development programs. After considering other priorities, the Legislature decides whether to fully fund these statutory dedications from the Lottery Fund. Oregon is also obligated to pay debt service on Lottery Revenue Bonds and the debt service payments are almost always made with Lottery revenue. For the 2015-17 Oregon budget, total net lottery revenues were almost \$1.2 billion. After constitutional requirements and debt service payments are made, remaining revenue available for distribution was about \$598 million. Most of this, 76%, was allotted to education and about 17% to economic development programs.

Proposal:

Measure 96 would amend the Article XV, Section 4f, of the Oregon Constitution to require that 1.5% of the net



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proceeds of the Oregon Lottery be deposited in a newly created Veterans' Services Fund. In the 2017-19 biennium the amount of revenue constitutionally dedicated to this new fund would be about \$18.6 million. The revenue would be dedicated to

1. funding services for veterans—including assistance with reintegration, education, employment, housing, health care and addiction treatment.
2. assistance to veterans, their spouses and dependents for accessing federal and state veterans' services.
3. funding for county, campus and tribal veteran service officers.

This measure would increase the amount of constitutionally dedicated lottery revenue to 34.5% of the net proceeds. The legislature is obligated to fully fund the constitutional dedications.

Supporters Say:

- This lottery funding will help more veterans get educational, health and employment benefits, especially when they are reintegrating into society after their service.
- Oregon veterans have earned their benefits through service to our country and should have more help accessing the benefits they deserve.
- This measure would benefit Oregon's economy. According to veterans' groups, every dollar invested in veterans' services and outreach at the state level brings \$77 from federal programs into Oregon.

Opponents Say:

- We should not clutter our Constitution with funding measures. The legislature should determine when and how much funding is needed for current purposes.
- Permanently dedicating revenue from the Lottery through an amendment to the Constitution could reduce the funding available to support other important state programs.
- The prospect of bringing more federal dollars into Oregon should give the legislature ample reason to fund veterans' services without going through the Constitution.

How We Researched the Ballot Measures

League of Women Voters members have researched and written these ballot measure reports. Researchers try to verify all factual information. We work diligently to ensure that our reports are balanced, accurate, and fair. We strive to provide the information you need to make an informed VOTE! Our sources include:

- Financial Impact and Explanatory Statements from the Secretary of State
- Measure supporters and opponents
- State agencies and economists
- Reports and published information, including current press coverage