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**Testimony of Ed Lazere, Executive Director
At the Budget Oversight Hearing on the DC Lottery
DC Council Committee on Finance and Revenue
April 5, 2019**

Chairman Evans and members of the committee, thank you for the opportunity to testify today. My name is Ed Lazere, and I am the Executive Director of the DC Fiscal Policy Institute. DCFPI is a non-profit organization that promotes budget choices to reduce economic and racial inequities in the in the District of Columbia and to build shared prosperity, through independent research and policy recommendations.

I'm here today to express DCFPI's opposition to the failure of the FY 2020 proposed budget to devote any of DC's new sports betting revenue to early childhood programs under the "Birth to Three for All DC" Act (Birth to Three) or to the NEAR Act, as required under the legislation that authorized sports betting.

DCFPI is a member of the Birth to Three Policy Alliance, a network of institutions committed to transforming how DC invests in infants, toddlers, and families from pregnancy through age three. The Birth to Three Policy Alliance knows it is essential for DC to ensure affordable access to high-quality health, education, and developmental support through the first 1,000 days of a child's life.

The Sports Wagering Lottery Amendment Act adopted last year included provisions to dedicate a portion of the new tax revenue to address gambling addiction and then to split the remainder between the Birth to Three Act and the Neighborhood Safety and Engagement Fund under the NEAR Act. Ensuring that the new funds would go to useful purposes was a key element of generating support for bringing sports betting to DC for the first time.

Disappointingly, the proposed FY 2020 budget rejects that commitment and devotes none of the sports betting revenue to these purposes. Instead it puts all sports betting revenue in the District's General Fund. DCFPI urges this committee and the full DC Council to restore the funds promised to Birth to Three and the NEAR Act.

That would mean setting aside at least \$1.5 million for these two purposes, and up to \$26 million. The public debate around the Sports Wagering Lottery Amendment Act often gave the impression that *all* of the new revenue from sports betting would go to Birth to Three and the NEAR Act, beyond a small amount set aside to treat gambling addiction. This would equal \$13 million for each purpose in FY 2020. In reality, the legislation dedicates only a small portion of the new revenue—the portion coming from a tax levied on private operators. This would provide \$1.5 million for the two purposes in FY 2020.

We urge the Council to devote fully half of the new sports betting revenue—\$13 million—to Birth to Three provisions, or at a minimum the \$750,000 dedicated tax that the new law clearly intended for the Birth to Three Act. This is important because the proposed budget provides only a small

share of the funding needed to begin implementing the Birth to Three Act—\$5 million of the needed \$30 million in FY 2020. The funding is needed for the following:

- **\$22 million to increase the quality of child care for infants and toddlers in low-income families.** Research shows that children in low-income families “often receive early care of such poor quality that it diminishes their potential” but that investments to improve the quality of care they receive has “positive effects that can endure into the early adult years.”¹ The proposed DC budget includes \$5 million to improve DC’s child care subsidy program for children in low-income families, but this is less than one-fourth of the \$22 million increase needed in FY 2020.
- **\$6 million for Home Visiting:** Home visiting programs support families of young children as they transition from pregnancy to parenting. Evidence-based home visiting supports healthy child development and improves school readiness. The proposed budget has no new resources for home visiting.
- **\$2 million for Health:** The Birth to Three Act calls for expanding Healthy Futures, which provides on-site mental health consultation to early childhood educators to reduce challenging behaviors and promote positive social emotional development. It also calls for expanding HealthySteps, which uses pediatric visits to address concerns that physicians often lack time to address. This includes feeding, behavior, sleep, attachment, and parental depression.

\$13 million would cover nearly all of the additional funding needed to support child care quality improvements. \$750,000 would allow HealthySteps to expand to an additional clinic or provide half of what’s needed to expand Healthy Futures.

DCFPI encourages the Council to keep its commitment to using sports betting revenue to support Birth to Three and the NEAR Act.

Thank you for the chance to testify.

¹ See Zero to Three, “[Infant-Toddler Child Care Fact Sheet](#)” 2017.