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# *Public Hearing*

before

## ASSEMBLY LAW AND PUBLIC SAFETY COMMITTEE

### ASSEMBLY CONCURRENT RESOLUTION No. 168

*(Proposes amendment to State Constitution to provide that State lottery net proceeds will not be used to support correctional programs)*

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**LOCATION:** Committee Room 12  
State House Annex  
Trenton, New Jersey

**DATE:** June 7, 1999  
2:00 p.m.

**MEMBERS OF COMMITTEE PRESENT:**

Assemblywoman Marion Crecco, Chairman  
Assemblyman Guy F. Talarico  
Assemblyman Joel M. Weingarten  
Assemblyman Peter J. Barnes Jr.  
Assemblyman Alfred E. Steele



**ALSO PRESENT:**

Wendy S. Whitbeck  
*Office of Legislative Services*  
*Committee Aide*

John D. Rogers  
*Assembly Majority*  
*Committee Aide*

***Hearing Recorded and Transcribed by***  
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**ASSEMBLYWOMAN MARION CRECCO (Chairman):** The meeting will come to order.

Roll call, please.

MS. WHITBECK (Committee Aide): Roll call.

Assemblyman Steele?

ASSEMBLYMAN STEELE: Here.

MS. WHITBECK: Assemblyman Barnes?

ASSEMBLYMAN BARNES: Here.

MS. WHITBECK: Assemblyman Weingarten?

ASSEMBLYMAN WEINGARTEN: Here.

MS. WHITBECK: Assemblyman Talarico?

ASSEMBLYMAN TALARICO: Here.

MS. WHITBECK: Assemblyman Smith? (no response)

Vice-Chairman Holzapfel? (no response)

And Madam Chair?

ASSEMBLYWOMAN CRECCO: Here.

MS. WHITBECK: You have a quorum.

ASSEMBLYWOMAN CRECCO: Thank you.

We're going to start with the ACR-168.

Assemblyman.

**ASSEMBLYMAN GARY W. STUHLTRAGER:** Yes, thank you, Madam Chairwoman.

I'm here with respect to it, and we're here today on a public hearing. I think they're really using your Committee as the vehicle for that public hearing. And there is no voting requirement by your Committee or

anything. So I'm here to answer any questions that might be raised or posed if necessary. I'm not sure if there is anybody even here to testify.

So I'm here, and I'll just leave it at that.

ASSEMBLYWOMAN CRECCO: Oh.

ASSEMBLYMAN STUHLTRAGER: If there is someone here to testify, I'll accept that testimony.

MS. WHITBECK: Assembly Concurrent Resolution No. 168 proposes an amendment to the State Constitution to prohibit the use of State lottery proceeds for the confinement, housing, supervision, or treatment of education of adult or juveniles in correctional facilities or institutions.

ASSEMBLYWOMAN CRECCO: Anyone here who would like to speak on this? (no response)

Any Committee members?

ASSEMBLYMAN STEELE: Yes, I would like for the sponsor to say something about the essence of--

ASSEMBLYMAN STUHLTRAGER: Sure.

This ACR -- and there is an identical SCR moving through the Senate at this time. And what this proposes to do is to prohibit the use of lottery net proceeds for prisons as institutions. The constitutional amendment that permitted the lottery to come into being, about 30 years ago, allowed the use of monies for institutions and education. It was sold to the public. It was a long time ago, so most of us weren't cognizant of exactly what was going on at that time. But it was really sold to the public as a means of higher education funding.

And, in fact, I know myself, through the years that I've been here -- and people question me at my office or when I'm at some event, "Well, what really happens to the lottery monies?" And my stock answer was higher education.

Well, it turns out that a very large portion of those monies -- an increasingly large portion of the monies now goes to prisons classified as institutions. That expenditure, I'd have to say, is permissible, and some people, perhaps back at the time the constitutional amendment was passed, were even aware that this was an anticipated use. But from the response that I've gotten -- and there has been some investigative reporting that has been helpful in bringing this issue to life. And from the responses that have come into my office and those that I've read in the paper and hear people speaking about, no one, at least in the common populace, let alone those of us in the Legislature, was aware that the money was being used for that purpose.

What will the end result of this be? I think it will be-- It's more about our pact with the people and doing what we say and saying what we do than it is about money, per se. Because, in the end-- Of course, we're going to fund prisons. No one is suggesting that we're not. But the funding for those facilities is not going to come from the lottery proceeds, and those proceeds will be used as everyone anticipated and believed they were being used, and that's for education.

So that's the ACR.

ASSEMBLYMAN STEELE: Madam Chair--

So you're saying that at the present time the money that is being used from lottery that is actually for the institution is not being used for education?

ASSEMBLYMAN STUHLTRAGER: No, it's being used for general correctional institution purposes. Those are legitimate purposes in their own right, but not purposes which we believe, and many people thought, the lottery proceeds were meant to be used for.

ASSEMBLYMAN STEELE: I just raised the concern because I've visited quite a few of the institutions, in particular the education departments of the institutions. One of the things they complain about is that the funds are not there. And I was just wondering-- You know, we're saying that we are actually now going to prohibit funds instead of stipulating the funds to be used for that purpose. I think that raised a question.

ASSEMBLYMAN STUHLTRAGER: The amount of money that is being utilized for correctional institutions goes way far beyond the amount of money that those institutions spend on their educational aspects. It goes for facilities, it goes for salaries, it goes for everything. It's just lumped in with their budget, and they utilize their budget as directed by the Legislature.

It's not an effort, if I'm sort of reading a little between the lines, Assemblyman-- It's not an effort to cut back on prison education programs. It's simply a redefining of where money that the lottery raises is used. And theoretically, at least, the same money that is being used from the lottery to go to correctional institutions -- that dollar amount will simply now come from the General Fund. And then you can argue for more or less for those facilities based on whether or not you think overtime is too much or we're not spending

enough on education or whatever, but that's really a separate debate. This is really just defining where and where not lottery proceeds can be utilized.

ASSEMBLYWOMAN CRECCO: Thank you.

Anyone else here?

ASSEMBLYMAN STEELE: I think that young man down there--

ASSEMBLYWOMAN CRECCO: Yes, Assemblyman.

ASSEMBLYMAN WEINGARTEN: Thank you very much.

I haven't been called a young man in a long time.

Assemblyman, if I understand correctly, the (indiscernible) is really truth in advertising. That is, the original enabling legislation, as well as common belief in the public, is that the funds that are spent on the lottery are primarily for purposes of education, is that not correct?

ASSEMBLYMAN STUHLTRAGER: That's absolutely correct. That's why I began really by saying that it's really not so much a money issue, in my mind anyway. It's an issue of-- You know, we live in an era where the public doesn't hold those officeholders in particularly high regard, where people are tired of weasel words and legalisms from all their elected officials. And this was on the heels of some other things that were, maybe, far more prominently displayed in the media. One more example: It's like, "Well, now the lottery money that we thought was going to education -- I guess they didn't tell us the whole story again, and it's really that they used it as a backdoor way to fund prisons."

I don't think that the legislators who voted on this 30 years ago really viewed it that way; although, I think there were a couple who were aware for the need for more money, generally, and sort of -- they understood what

was happening. But that's then and this is now, and I think we have an obligation to rectify our pact with the people in doing what we say and saying what we do.

ASSEMBLYMAN WEINGARTEN: I think--

Through the Chair, I think that's an excellent point. I think it's incumbent upon us, as representatives, to try and make sure that legislative intent is upheld and to the degree to which we start, for whatever reason, to veer away from that, it's incumbent upon us to bring us back on target. And I'd just like to commend the sponsor for his efforts to see that we make explicit that lottery proceeds go to education and also his emphasis on the fact that this won't lead to a diminution of funding for prisons because we have General Fund resources for those purposes.

ASSEMBLYMAN STUHLTRAGER: That's exactly right. I mean, we may not like spending money on correctional facilities, but all of us here -- and I suspect you probably have legislative bills on your desk today that increase penalties for various offences, and so forth. And that's why our prisons are needed. The population is growing, and the amount of money that we need to spend is growing. It doesn't mean it can't be done more efficiently, hopefully it can, but that again is another debate that hopefully the Appropriations Committee will take up in their own budgetary deliberations.

ASSEMBLYMAN WEINGARTEN: Thank you very much.

Thank you, Madam Chairwoman.

ASSEMBLYWOMAN CRECCO: Yes, Assemblyman.

ASSEMBLYMAN TALARICO: Madam Chairwoman, if I could just make a comment.

I think this is a terrific sign. There are a number of funds -- a number of taxes that we have in place that are for certain dedicated purposes, but not all the money goes for those dedicated purposes. And I think this is a great first step in dealing with that issue. I can't begin to tell how many times people say, "Gee, I can't believe all this money isn't going for education. I thought that was the purpose." And I think this is a great step to correct that issue, and I hope there are others that will follow behind this. So I, too, commend the sponsor for this piece of resolution.

Thank you.

ASSEMBLYMAN STUHLTRAGER: For those that are industrious and want to make sure that other monies are being utilized as we believe they are being utilized, there are a number of other sources of revenue that are supposed to be used for specific purposes. And how many times have all of us been asked, "What happens to all those monies that the casinos pay in?" I give the stock answer, and I hope the stock answer is right and continues to be, that it is used for senior citizens. That is where it's supposed to be. But there are a few others, too, that money is supposed to go in a specific direction. And I hope that it is, and I think that we have an obligation to, maybe one by one, take a look at those things, but this is the first.

ASSEMBLYWOMAN CRECCO: Thank you, Assemblyman.

Since we've had -- there's no further discussion, we'll close the meeting on this.

ASSEMBLYMAN STUHLTRAGER: Well, thank you very much for holding the public hearing, and I hope that we'll see it on the floor shortly.

ASSEMBLYWOMAN CRECCO: Thank you.

**(HEARING CONCLUDED)**