

STATE BUDGET
Hevesi faults Pataki on school aid

By TOM PRECIOUS
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File photo State Comptroller Alan Hevesi backs gambling expansion.

ALBANY - Gov. George E. Pataki's plan to continue expanding gambling options was embraced Wednesday by one of his frequent critics, State Comptroller Alan Hevesi.

But the comptroller, a Democrat, opposes the governor's proposal to use gambling revenues to increase aid to education, thereby helping to comply with last year's court order requiring the state to come up with a fairer way to fund public schools.

Pataki wants to pump revenues from eight racetracks, including Buffalo Raceway in Hamburg and Batavia Downs, that are beginning expanded operations with slot-like devices known as video lottery terminals.

Pataki also has proposed allowing private companies to buy an additional eight franchises to operate slot machine parlors. In all, the 16 gambling halls would bring in at least \$2 billion a year to help provide additional education aid, Pataki estimates.

Hevesi noted that, since gambling already is established in the state, he saw no need to oppose its expansion, especially when gamblers simply would go out of state to place their bets.

"Our citizens are gambling, and revenues are going to support public services in other states, and that just makes no sense to me," Hevesi said Wednesday. He said state government opposition to gambling "will not reduce the gambling or discourage it."

But Hevesi said schools should not have to rely on the gambling revenues for aid increases. He called the gambling money "very unstable," citing a possible saturation of gambling outlets "through too many venues and too few players," further expansion of American Indian casinos and litigation challenging the constitutionality of commercialized gambling.

Hevesi said he fully understands the opposition to gambling but said the state already has "crossed the threshold" with new gambling ventures. In 2001, Pataki pushed through the state's greatest gambling expansion, permitting up to six Indian casinos, including three

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operated by the Seneca Nation of Indians, plus racetrack casinos and an enlarged lottery.

In a report released Wednesday, Hevesi said the governor's proposed budget is balanced, but includes \$1.3 billion in fiscal actions described as risky. In addition to the new gambling money, Hevesi said the budget assumes the state will receive other uncertain revenues, such as increased federal transportation aid. The report also notes that generating \$1 for education aid requires intakes of \$2.20 for instant lottery games, \$4 for Quick Draw games and \$20.41 for video lottery terminals, which pay out a greater proportion of revenues as winnings.

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