

# Where Does the Lottery Money Go?



Millions of lottery dollars do go to public schools, but the lottery has been no jackpot at the end of a rainbow. **Find out why.**

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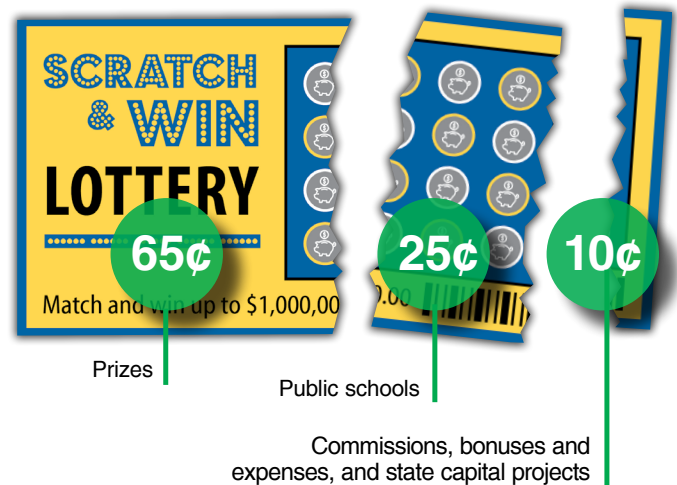
In its history, most of the revenue from the Illinois State Lottery, 65 cents of each \$1, goes to prizes. Another 10 cents per dollar is reserved for commissions, bonuses, and operating expenses. That leaves 25 cents available for state funds, including the Common School Fund.

In FY 2019, the Illinois State Lottery generated approximately \$3 billion in revenue. From that total, \$2 billion went to prizes, \$165 million covered commissions and expenses, \$18.5 million went into the Capital Projects Fund, and \$4.3 million to funds designated for specific games. That left \$731.3 million for the Common School Fund.

## The Lottery's Place in Education Funding

Profits from the lottery are small compared to the total needs of the state's 852 public school districts (2019). The lottery delivered \$731.2 million to schools in the 2019 fiscal year, but it cost \$35.2 billion in local, state, and federal revenues to fund 3,872 public elementary and secondary schools in 2019. The state's share represented 20%, or \$16.9 billion, of that total cost. Lottery money comprised just 5.5% of the state's commitment to public schools.\*

So where did the rest of the support come from? Most of it, 51.9%, came from local funding, including property taxes. The remaining 10.4% were federal dollars.



The amount of lottery funding for schools is a fixed amount. Since March 1, 2010, annual transfers to the Common School Fund are to equal the amount transferred in FY 2009, adjusted for inflation.

## The Lottery Helps Fund Schools

The lottery is still a helpful source of income for public education in the state of Illinois. Without the lottery, the state would have two choices: raise other taxes or cut more than \$700 million from its annual budget.

As the state's eighth-largest revenue source, however, the lottery generated \$718 million, or a mere 1.9% of the state's total General Fund revenue of \$37.7 billion in 2018. By comparison, the two largest revenue sources, individual income and sales taxes produced \$17.7 billion and \$7.8 billion, respectively. Even driver's licenses and motor vehicle fees produced more revenue (\$1.3 billion) for the General Fund than the lottery.

While the lottery is involved in school funding, this is just a small portion that schools receive from state and federal funding. To learn more about what makes up a school budget, and how our state's funding compares to others, we recommend [Understanding School Finance: 12 Questions and Answers](#), on the School Finance pages of [iasb.com](http://iasb.com).

\*The values for percent of lottery funds (5.5%) and local funding (51.9%) were revised on October 14 from original July 2020 publication. Source: Illinois State Board of Education. (January 2020). FY 19 Annual Report. Retrieved from ISBE website <https://www.isbe.net/Documents/2019-Annual-Report.pdf>.