 Click to Print[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Perry touts lottery sale, gets mixed reviews

By [W. Gardner Selby](#)

AMERICAN-STATESMAN STAFF

Friday, February 09, 2007

Gov. Rick Perry, hunting support for selling the Texas Lottery, told a Capitol crowd Thursday that the state might get more than \$20 billion for selling a 40-year concession — with the option of buying back the lottery after that.

The figure is \$6 billion more than what Perry pitched as his conservative estimate for selling the lottery in his State of the State speech on Tuesday.

The GOP governor wants proceeds from selling the lottery to establish three endowments. Interest from one fund would be devoted to cancer research, interest from another would help low-income Texans purchase health insurance, and interest from the third would go to public schools, which would need to replace \$1 billion a year they now get from the lottery.

Perry has said the state will earn 9 percent a year on the invested funds, raising more money for the designated projects than could be generated other ways.

"Look, the numbers work on this," Perry told members of the Texas Public Policy Foundation, a conservative think tank.

"And I happen to believe that the governor who sold the lottery plan to benefit education, Ann Richards, would look with pride upon us for what we're doing to find a cancer cure that's out there in the future."

The proposal received mixed reviews from those in the audience.

Economist Wendy Gramm, a foundation board member, noted that lottery revenue fluctuates and said the state could remove the impact of that fluctuation by selling the lottery.

"Sounds like a great proposal," Gramm said.

Byron Schломach, the foundation's chief economist, said before Perry spoke that the group found the sales idea interesting but that it would need to study it more carefully.


Republican Rep. Charlie Howard of Sugar Land wasn't won over, saying: "Do you know any place you can get a 9 percent return? I question who (Perry) is getting his advice from." Ernest Angelo of San Angelo, a former member of the Republican National Committee, said Perry deserves time to make his case.

"I don't know the potential buyers," Angelo said. "That could make the difference."

wgselby@statesman.com; 445-3644

Find this article at:

<http://www.statesman.com/news/content/region/legislature/stories/02/09/9lottery.html>

 Click to Print[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#) Check the box to include the list of links referenced in the article.