Dear Editor:

Last week, Governor Blagojevich offered a proposal to generate new revenues for school funding by selling or leasing the state lottery. I appreciate the governor’s desire to increase state support for our schools and I have always been willing to give fair consideration to any serious proposal that seeks to do so. In 1997, I worked closely with Republican Governor Jim Edgar, education advocates, and minority groups to attempt to fundamentally reform the state’s approach to school finance by replacing the property tax-based system with one paid for by income taxes.

The governor’s multifaceted, far-reaching plan would have profound long term consequences for state finances and schools. It deserves serious consideration. It is now incumbent upon policymakers to begin an in-depth review process. Among the host of questions that must be answered in the coming months are:

- How will school districts and the state cope when we reach the anticipated “four-year cliff” after having spent $6 billion over four years, and a potential “fifteen-year cliff” when all of the remaining money in the $6 billion annuity is gone? What additional details can be provided to help the legislature understand the economic and budgetary assumptions behind this spending plan?
- How was the $10 billion valuation for the sale or lease of the lottery determined? What adjustments would be necessary in the spending plan if less than that amount was raised?
- If the $10 billion valuation is based on projected higher annual revenues, can the state unlock that value by keeping the asset and doing a better job of managing it?”
- Have other states contemplated a similar proposal and what fair-market values were determined for their lotteries?
- Which school districts would benefit and how would various regions of the state fare?
- What criteria would be used to determine what qualifies as a “chronically failing school” and how would resources be distributed to address such situations? Is the State Board of Education’s administrative apparatus truly prepared to take on the added responsibility of operating such schools?
- What impact would a sale or lease have on the citizens of the state beyond the infusion of cash to the schools? For example, would the new operator undertake more aggressive marketing, perhaps towards minority groups, the poor or the elderly? Would more frequent opportunities to play be offered, including the construction of keno parlors in communities throughout the state?

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• Would some new programs be offered on a pilot-basis, to be discarded after four years if shown not to be effective?

The state’s leading education groups, including the Illinois Federation of Teachers, Illinois Education Association and A+ Illinois, have prudently taken a wait-and-see approach to this new initiative. With so many questions yet to be answered, this is wise. I look forward to hearing their analyses and concerns. I also believe that this review process provides an opportunity to study the criteria we should use to evaluate which government assets should be properly held in trust, for the perpetual benefit of the people.

Guiding the review process should be this principle: We must consider our obligations not only to those who need help today, but also that we keep the state on a sound financial footing so that we can meet our responsibility to those who will need help tomorrow.

Sincerely,

MICHAEL J. MADIGAN
Speaker of the House