



# Legislature Shores Up Tuition Program

## More Lottery Revenues Kept for Scholarships

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*The Associated Press*

SANTA FE — The Legislature gave final approval Sunday to a bill to strengthen the finances of a lottery-backed college scholarship program.

The measure, which goes to Gov. Bill Richardson, will earmark at least 27 percent of lottery revenues for the scholarship program through 2008 and 30 percent, starting in 2009.

Richardson's office said Sunday the governor is expected to approve the change.

Passage of the lottery scholarship measure (SB 364) came as the Legislature entered the final week of its 60-day session, which ends Saturday.

The House on Sunday voted to sweeten pension benefits for legislators, but the legislation must return to the Senate for

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further action.

Supporters say the lottery legislation will require the lottery to prune its administrative and operating expenses — freeing up extra money for scholarships.

The scholarships cover tuition for eligible students who graduate from high school in New Mexico. The program's cost has been rising because of tuition increases and student demand for scholarships.

If no action is taken to shore up the program's finances, costs of the scholarships will exceed yearly revenues from the lottery in several years and cash reserves will be exhausted. A shortfall could happen as soon as the budget year starting in July 2010, according to a projections made last year.

The bill cleared its final legislative hurdle when it passed the House unanimously. The Senate had previously approved the measure.

The state can keep the program financially sound by lowering the amount of the scholarships to less than the full cost of tuition, but supporters say the legislation should help prevent that from happening.

To qualify for a scholarship, students must enroll in a public college or university in New Mexico the semester after graduation, attend full time and maintain a 2.5 GPA.

The legislation was developed in response to a report last year that found almost 20 percent of lottery revenues were spent on administrative and operating costs in 2005.

Only four states were higher, according to the report by Think New Mexico, an independent think tank. About 24 percent of revenues went to the scholarship program and 56 percent covered prizes to lottery players.

On the legislative retirement issue, the House on Sunday approved the Senate-passed bill to revamp the formula for determining pensions of current House or Senate members on a 36-21 vote.

The measure (SB 680) will go to Richardson if the Senate accepts changes made by the House: to require legislators to make a contribution to the improved pension plan by Dec. 31 if they wish to participate in it and provide for an annual public disclosure of the names of lawmakers in the improved pension system.

Legislators do not receive a salary but get daily expense payments for the legislative session and attending some meetings. The so-called per diem rate is tied to the Internal Revenue Service's expense rate for Santa Fe, and is currently \$142.

Richardson has vetoed proposals the past two years that would have improved the legislative pension plan.