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N.M. Lottery Losers

The best play in the New Mexico Lottery was a group of letters, not numbers. Shares of GTK — stock exchange code for Gtech, the lottery's online vendor — were bought up at a premium by Italy's Lottomatica SPA. The merged company touts bright prospects "for accelerated growth in global gaming markets."

Prospects are somewhat less bright for future beneficiaries of New Mexico lottery scholarships. High overhead, due at least in part to Gtech negotiating a nice deal for itself, is projected to cut into scholarship funds by 2011. That would mean reducing the amount of individual scholarships or restricting eligibility. Or, suggests Think New Mexico, a Santa Fe think tank, reducing lottery overhead.

At 19.6 percent of revenues, it's on the high side. The District of Columbia and 35 states have lower expenses — as low as 7.5 percent.

Just one of New Mexico's expenses, the Gtech contract, is more than that. Gtech takes 8.5 cents per dollar off the top of online sales. Other Gtech fees brought the total in 2005 up to 12.14 percent of online sales. Lucky Nebraska pays only 2.39 percent.

The lottery passed on competitive bidding in 2002 to renegotiate the Gtech contract, which runs until 2008. The state should look at renegotiating that deal, as well as other cost-cutting measures listed by the think-tank.

Otherwise, would-be scholars should put some of the college fund on LTO, Milan exchange code for Lottomatica — one of the few sure lottery winners.