

Title: **House overhauls lottery bill to ensure more funds for students**  
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# House overhauls lottery bill to ensure more funds for students

The state House of Representatives on Saturday approved a bill seeking to create bigger prizes in the state lottery, but not before heavily amending the measure to protect the lottery scholarship fund for college students.

House Bill 147, sponsored by Rep. Jim Smith, R-Sandia Park, cleared the House on a vote of 37-30. It eliminates a requirement that the lottery turn over 30 percent of its gross revenue for scholarships.

The lottery staff and lobbyists for lottery vendors said scrapping the funding requirement actually would one day lead to significantly more money for scholarships. Democrats and Republicans alike were skeptical of that claim.

They amended Smith's bill, saying they wanted to build in accountability from the lottery staff and guarantee more money for scholarships.

One amendment, by Rep. Jason Harper, R-Rio Rancho, limits the lottery to spending no more than 15 percent of its gross revenue for operating costs.

"When the lottery was required to spend 30 percent scholarships, its operating costs fell from 20 percent to 15 percent," Harper said. "That's great. We want to maintain those cost savings and keep maximizing money for students."

Then Rep. Matthew McQueen, D-Galisteo, got through another amendment that raised the minimum amount guaranteed for scholarships from \$38 million to \$40 million.

"The guarantee of \$38 million is too low," McQueen said. "Students have received an average of \$42 million under the 30 percent guarantee."

Harper agreed, pointing out that more than \$40 million has been dispersed to the scholarship fund in nine of the last 10 years.

The final amendment, by Rep. Alonzo Baldonado, R-Los Lunas, requires that any unclaimed lottery prize money would go to the scholarship fund, and that this money would be in addition to the guaranteed \$40 million.

Smith opposed all the amendments as unfriendly. He

lost every round as his attempt to keep his bill intact unraveled.

Among the Santa Fe-area delegation — all Democrats — Reps. Jim Trujillo of Santa Fe and Stephanie Garcia Richard of Los Alamos voted for the bill.

McQueen, and House Speaker Brian Egolf and Rep. Linda Trujillo, both of Santa Fe, voted against it.

Rep. Carl Trujillo was not present for the final vote, even though he had voted for all three amendments.

Since the Legislature imposed the 30 percent requirement, the lottery went from providing \$32.2 million for scholarships in 2005 to \$41.1 million a decade later. That climbed to \$46.3 million in 2016.

But lottery sales dipped last year.

And the lottery scholarship has been covering a smaller and smaller share of students' tuition in recent years as universities have raised tuition.

Besides lottery officials pushing for Smith's bill, national lottery vendors companies that contract with the lottery have hired prominent lobbyists to push the legislation.

Among them is Pat Rogers, a former member of the Republican National Committee, Mickey Barnett, a former state senator who also formerly served on the RNC, and Vanessa Alarid, a lobbyist married to Democratic Rep. Antonio "Moe" Maestas, D-Albuquerque. Maestas voted in favor of the bill and against all three amendments.

Fred Nathan, of the Santa Fe-based policy organization Think New Mexico, had led the fight against the bill. But he liked the amendments.

"This is a huge victory," Nathan said. "I'm delighted that the House voted to protect students. But I'm surprised that [lottery officials] opposed all three amendments after saying that they were acting in the students' interests."

The bill now goes to the Senate.

Reporter Andrew Oxford contributed to this report.

—STEVE TERRELL