

# SANTA FE NEW MEXICAN

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## Lottery scholarship is under siege again

**N**ew Mexico college students should beware of trickery at the state Capitol.

A proposal that seems innocuous at first glance would undermine the state scholarship program that serves them well.

I call your attention to Senate Bill 283. It's the latest attempt to fatten the income of vendors for the state lottery at the expense of New Mexico's students.



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Ringside Seat

The title of this legislation by Democratic Sens. Jacob Candelaria of Albuquerque and John Arthur Smith of Deming is as deceptive as any I've seen.

It reads: "Limit lottery operational expenses."

Restrictions on what the New Mexico Lottery Authority could spend to run its gambling operation are only a small part of this proposed legislation. And they're the least important part.

The bill by Candelaria and Smith would eliminate a section of law requiring the lottery to provide at least 30 percent of its gross monthly revenues for college scholarships. Instead, the bill contains a stark reference to net revenues going to the scholarship fund.

Previous bills to junk the 30 percent requirement always specified a minimum amount of funding for scholarships. For instance, the lottery staff once favored a bill that would provide \$37 million a year for scholarships — a low-ball figure, but an assurance nonetheless.

This bill has no such guarantee.

Under state law, the New Mexico Lottery exists for one reason only: to fund college scholarships.

But the bill by Candelaria and Smith is more about lobbyists and lottery vendors than it is about students.

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# Lottery scholarship under siege again

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Vendors want more money from lottery proceeds to be spent on prizes and advertising. This would create more demand for lottery tickets and more money for them.

To sidestep this reality, lobbyists for lottery vendors make the same tired pitch every year. They say ending the requirement of 30 percent gross revenues for scholarships would eventually help more college students.

The Lottery Authority vouches for his specious claim. It says the 30 percent requirement stifles the lottery's ability to grow by enticing more gamblers.

Just remove this onerous law, the lottery bosses say, and ticket sales will explode. In turn, they claim, the day will come when more lottery proceeds than ever will go to the scholarship program.

Put another way, they want students to take less now in exchange for pie in the sky.

The Lottery Authority does a pitiful job of trying to make its case. What follows is the authority's assessment from its most recent financial statement. I have left the statement exactly as the lottery staff wrote it.

"In fiscal year 2018, increased sales for draw games helped the

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Lottery return \$40.2 million to the Legislative Lottery Scholarship, otherwise the return would have been similar to the \$37.8 return in fiscal year 2017. Whereas, instant ticket sales should be the foundation for year-over-year sales growth for the Lottery with high jackpots for draw games adding incremental sales, with the instability of growth for instant ticket sales caused by low prize structures due to the 30% return, this is not the case in New Mexico."

That paragraph would earn the Lottery Authority an F in any fifth-grade composition class.

The Lottery Authority's math and history are just as bad as its syntax.

Before 2008, the lottery was not required to turn over 30

percent of gross revenues for college scholarships. In that era, vendors received as much as \$7.4 million a year in lottery contracts.

Since the change, vendors have seen their take drop by as much as \$5 million a year. That money instead went to scholarships.

So, in those supposedly glorious days when the Lottery Authority could do as it pleased, it provided far less money for scholarships than it does now.

Because of rising tuition costs, the lottery scholarship covers a lower percentage of a student's college expenses than it once did.

But in most years, students have collectively received more than \$40 million in lottery scholarships.

This means many of them finish college in four years without accumulating the crushing debt of student loans.

The bill by Candelaria and Smith is unnecessary. Worse, it is full of risks.

None of these risks would burden a vendor, a lobbyist or an employee of the lottery. All of them would be borne by students.

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