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EDITORIALS

Lottery Lobbyist Fails Scratch-and-Sniff Test

There's truth in advertising on the New Mexico Lottery Web page, where "Lottery Scholarships" comes after "Winners." A minimum of half of all revenues — \$154 million in fiscal 2006 — goes to payouts, while less than a quarter went to scholarships last year.

There's also the unadvertised truth that administrative and operating costs eat up an inordinate amount of lottery revenues — more than 20 percent — at the expense of scholarships for state students.

Gov. Bill Richardson is on record supporting an earmark of 30 percent of lotto revenues for scholarships to stay in the black. Ten other states already set aside from 30 to 35 percent from their take for specific beneficiaries. Senate Majority Leader Michael Sanchez, D-Belen, is expected to introduce a 30-percent set-aside bill.

Lottery officials, meanwhile, put lobbyist Ed Mahr on contract to "assist us through the legislative process," according to Lottery Authority CEO Tom Romero. The Lottery Authority has no position on the Sanchez bill, according to officials. It also has no proposed legislation, nothing that would require \$32,000 worth of lobbying. Well, nothing except protecting the 21.4 percent take for administrative and operating costs. A take higher than 35 states and the District of Columbia. Massachusetts is the most frugal, spending a scant 7.5 percent on operations.

Think New Mexico, a Santa Fe think tank, recommends cutting those costs, in part by renegotiating contracts with suppliers and vendors. Lotto officials took that advice, putting out a request for proposals last week for its gaming system and related products and services.

Think New Mexico's Fred Nathan says, "Every dollar that they spend on this lobbyist is a dollar less for scholarships." And while plenty of scholarships have been awarded — more than \$233 million to more than 43,000 New Mexico students since 1996 — officials should take that advice, too.

Because when private entities are making bank at the expense of scholarships, New Mexico students are the real losers.