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EDITORIAL

Don't gamble with fund

Every time someone purchases a lottery ticket, a minimum of 30 cents of every dollar they spend goes into a scholarship fund for New Mexico high school graduates.

It has been like that for six years, thanks to a mandate approved by state lawmakers. But New Mexico's top lottery official is now pushing for state lawmakers to cut the 30 percent minimum it is required to set aside, contending that removing that mandate would enable the lottery to offer bigger prizes on its instant-win scratchers. David Barden, the lottery's CEO, told the Albuquerque Journal he believes that bigger payouts will attract more players and thereby increase sales.

Frankly, we're not convinced that the change would result in more money for Legislative Lottery Scholarships, and given the financial challenges that the scholarship fund has been having in meeting its obligations, we worry that this proposal could make the situation even worse.

In our view, this is a gamble that state lawmakers would be smart to avoid.

And we're not alone on that view.

Fred Nathan, the executive director of Think New Mexico, notes that California did away with its minimum set aside, and the result has been that its lottery beneficiaries have received a smaller piece of the revenue pie. In 2010, lottery beneficiaries received 34 percent of lottery revenues; by 2013, that share had dropped to 28 percent.

Nathan argues that the biggest winners if lawmakers decrease the 30 percent minimum will be vendors and lottery administrators who stand to make more in bonuses if lottery sales increase.

Barden emphasizes that the change could actually result in more money for education.

Unfortunately, there are no guarantees that decreasing the 30 percent set-aside requirement will result in increased revenues for education. The opposite could easily happen, and then lawmakers will have to scramble to come up with more money to plug an even bigger gap than what we have today.

That feels a little like gambling your rent money to come up with money for your car payment. And that simply isn't a prudent move.