



Editorials

Think New Mexico Spanks Lottery CEO

We need Think New Mexico Executive Director Fred Nathan in the journalism business. He spanked the New Mexico Lottery Sept. 3 when he called out New Mexico Lottery Authority Board Chair Dan Salzwedel regarding the Board's recent decision to give Lottery CEO David Barden a 26 percent pay raise.

Salzwedel told the *Albuquerque Journal* in a July 19 article that Barden's new \$220,000 salary was "below market, comparatively speaking," according to the article.

Nathan's letter states, "Based on your statement, we presumed the Lottery Authority had completed a comparative study of lottery director pay." No, that did not happen.

But Nathan did perform such a search and that's what became the egg on Salzwedel's face.

First, a short explanation of Barden's compensation package. He was making \$174,142 annually, plus a car allowance and a sweet golden parachute. If the Board terminated Barden without cause before the contract ends, it would have to pay Barden \$677,600.

Nathan rightly points out that amount would come at the expense of New Mexico college students.

Nathan's search placed Salzwedel at odds with the truth and his leaning on his "more than five years serving as chair of the NMLA Board of Directors." Turns out his experience meant nothing.

New Mexico's lottery CEO is the sixth-highest paid in the country and only 37 states have lotteries. Here's a brief comparison to those states whose CEO pay is close to Barden's.

South Carolina took in \$1.75 billion (yes, a B) last year. Its CEO is

paid \$226,829.

New Mexico took in \$134 million last year and Barden is now paid \$220,000.

North Carolina took in \$2.6 billion last year and its CEO is paid \$216.

Texas made \$5.63 billion last year and its CEO is paid \$211,191.

It is easy to see the disparity of what states with much larger revenue pay their CEOs in comparison to ours.

This is one in a string of moves made by the Lottery Commission over the past decade to drive more money to administrative costs (to include Barden's salary) at the expense of scholarships.

Speaking of administrative costs, Nathan called Salzwedel out on his very misleading statement that lottery administrative costs were 3 percent. Salzwedel was conveniently leaving out the cost of the contract to an outside company to actually operate the lottery. That brings it up to 16 percent.

He closes his letter to Salzwedel with a reminder of what the Board's and CEO's jobs are: maximize revenues for student scholarships. That is the sole purpose for these miscreants in their roles with the Lottery Authority.

Why must they be reminded continually of their purpose and goals and groups like Think New Mexico do battle with them annually at the Round House?

We hope Nathan got the governor's attention, as she was copied on his letter to Salzwedel. There needs to be a change of command on the Board and perhaps a refresher course on the oath they took.