

1 SENATE JOINT MEMORIAL 27

2 **50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012**

3 INTRODUCED BY

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10 A JOINT MEMORIAL

11 REQUESTING THE LEGISLATURE AND THE HIGHER EDUCATION DEPARTMENT
12 TO APPOINT A TASK FORCE TO STUDY THE SOLVENCY OF THE LOTTERY
13 TUITION FUND AND MAKE RECOMMENDATIONS.

14
15 WHEREAS, since legislative lottery scholarships were first
16 awarded in 1996, more than seventy-five thousand three hundred
17 students have attended New Mexico public colleges, universities
18 and technical colleges with the help of the scholarships; and

19 WHEREAS, from 1996 through the spring semester of 2012,
20 approximately four hundred thirty-three million six hundred
21 thousand dollars (\$433,600,000) in lottery profits have been
22 directed to college tuition; and

23 WHEREAS, legislative lottery scholarships pay for one
24 hundred percent of a student's tuition for eight consecutive
25 semesters of eligibility, beginning with the student's second

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1 semester of college enrollment; and

2 WHEREAS, of the legislative lottery scholarship students
3 attending college, more than thirty-four thousand have earned
4 their college degrees; and

5 WHEREAS, because of a ten-million-five-hundred-thousand-
6 dollar (\$10,500,000) shortfall in lottery ticket sales in 2011,
7 the New Mexico lottery fell short of its scholarship revenue
8 goal, even while delivering approximately forty-one million
9 three hundred thousand dollars (\$41,300,000) to the program;
10 and

11 WHEREAS, lottery officials attribute the lack of growth in
12 ticket sales to the current economic recession and prolonged
13 recovery, to the loss of lottery ticket retailers that went out
14 of business and to increasing food and gas prices; and

15 WHEREAS, the state's colleges and universities have
16 continued to raise tuition rates nearly each year since the
17 lottery began funding the legislative lottery scholarships in
18 1996; and

19 WHEREAS, recent projections from the higher education
20 department presented to the legislative education study
21 committee show that the lottery tuition fund balance will fall
22 sharply, with a tuition increase of only five percent, and with
23 an increase of seven percent, the fund will be insolvent in
24 fiscal year 2014; and

25 WHEREAS, the same projections also show that tuition

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1 increases for fiscal year 2012 average between six and eight-
2 tenths percent and eleven and two-tenths percent; and

3 WHEREAS, recent data provided to the legislative education
4 study committee show that legislative lottery scholarship
5 recipients account for more than thirty-five percent of the
6 total undergraduate students at the university of New Mexico;
7 and

8 WHEREAS, the New Mexico lottery authority has reduced its
9 expenditures over the past several years by reducing
10 advertising costs and freezing lottery authority staff
11 salaries, but it cannot increase revenues for scholarships with
12 budget-cutting alone;

13 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
14 STATE OF NEW MEXICO that the higher education department, in
15 cooperation with the legislative education study committee and
16 the legislative finance committee, convene a task force to
17 study the solvency of the legislative lottery scholarship
18 program; and

19 BE IT FURTHER RESOLVED that this task force be composed of
20 the following members:

21 A. three members from the house of representatives
22 and three members from the senate appointed by the New Mexico
23 legislative council;

24 B. three members appointed by the governor;

25 C. three members representing institutions of

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1 higher education appointed by the university council of
2 presidents; and

3 D. three students representing New Mexico
4 institutions of higher education, one representing research
5 universities, one representing comprehensive universities and
6 one representing community colleges appointed by the secretary
7 of higher education from self-nominations and nominations from
8 student government bodies; and

9 BE IT FURTHER RESOLVED that staff for the task force be
10 provided by the higher education department, the legislative
11 education study committee and the legislative finance
12 committee; and

13 BE IT FURTHER RESOLVED that the task force meet at least
14 four times during the 2012 interim to research and consider the
15 extent of the problem of lottery tuition fund insolvency and
16 possible solutions to the problem of insolvency and make
17 recommendations by December 1, 2012 to the governor and the
18 first session of the fifty-first legislature; and

19 BE IT FURTHER RESOLVED that copies of this memorial be
20 transmitted to the co-chairs of the New Mexico legislative
21 council, the secretary of higher education, the directors of
22 the legislative education study committee and the legislative
23 finance committee and the executive director of the council of
24 university presidents.