

A JOINT MEMORIAL

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

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

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

WHEREAS, legislative lottery scholarships pay for one hundred percent of a student's tuition for eight consecutive semesters of eligibility, beginning with the student's second semester of college enrollment; and

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

WHEREAS, because of a ten-million-five-hundred-thousand-dollar (\$10,500,000) shortfall in lottery ticket sales in 2011, the New Mexico lottery fell short of its scholarship revenue goal, even while delivering approximately forty-one

million three hundred thousand dollars (\$41,300,000) to the program; and

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

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

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

WHEREAS, the same projections also show that tuition increases for fiscal year 2012 average between six and eight-tenths percent and eleven and two-tenths percent; and

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

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

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

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

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

B. three members appointed by the governor;

C. five members representing institutions of higher education, three to be appointed by the university council of presidents, one appointed by the New Mexico association of community colleges and one appointed by the New Mexico independent community colleges;

D. three students representing New Mexico institutions of higher education, one representing research universities, one representing comprehensive universities and

one representing community colleges appointed by the secretary of higher education from self-nominations and nominations from student government bodies; and

E. one member of the New Mexico lottery authority appointed by the New Mexico lottery authority board of directors; and

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

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

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