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HOUSE JOINT MEMORIAL 14

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

INTRODUCED BY

Ray Begaye

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

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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.