

GOP blames scholarship woes on lagging lottery

Oklahoma's Republican Party on Friday blamed lacking lottery revenues for the shortfall in funding for a college scholarsh

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OKLAHOMA CITY -- Oklahoma's Republican Party on Friday blamed lacking lottery revenues for the shortfall in funding for a college scholarship program.

The Oklahoma State Regents for Higher Education this week notified universities that OHLAP payments for the spring semester were being suspended.

The regents have asked lawmakers to provide \$5.5 million in supplemental funding to pay for the spring scholarships.

"The Oklahoma Higher Learning Access Program paid out more than \$5 million in state scholarships based on money it thought would be coming in from the lottery," said Tom Daxon, chairman of the Oklahoma Republican Party. "But the revenue hasn't materialized."

OHLAP scholarships provide tuition to state colleges or career technology schools for students who enroll while they are in high school, make good grades and stay out of trouble.

The program is open to children of families with annual incomes of \$50,000 or less.

Lottery proceeds account for about 45 percent -- or \$16.7 million -- of OHLAP's budget.

The lottery's projected revenues are down about 41 percent from original estimates.

In December, the lottery revised its projected budget, reporting that sales figures for fiscal year 2007 were expected to reach \$243.6 million, with the state receiving \$83.3 million.

The projections initially called for \$413 million in sales, although officials cautioned then that the estimate was "aggressive."

Rollo Redburn, the Lottery Commission's administration director, said the original estimates were made before the lottery had operated for a year and before certain games were implemented.

He said officials now have more experience with the lottery and a better idea of projections.

Amanda Paliotta, the state regents' vice chancellor of budget and finance, said the regents' emphasis now is on paying the state's obligation rather than focusing on which revenues are falling short.

She said that while the expected lottery revenues are less than estimated, the money OHLAP receives from casino gaming and gross-production taxes is more than expected.

Bryce Fair, associate vice chancellor for scholarships and grants, said, "We're really confident the Legislature will address this issue."

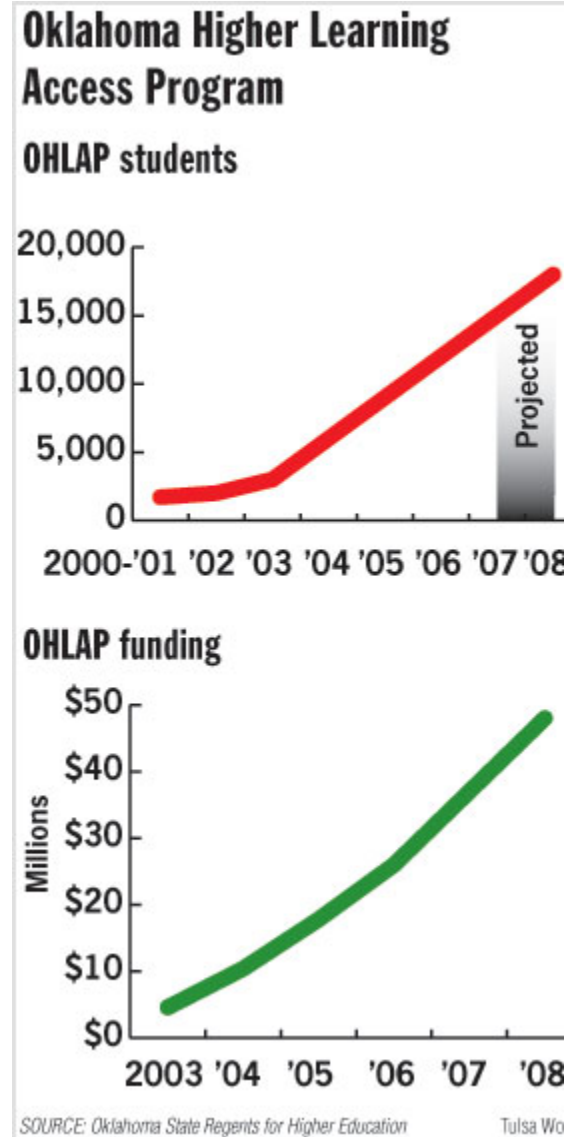
Supplemental funds have been requested for OHLAP during the last two years, he said, attributing the need then to lower-than-expected casino gaming revenues.

A measure that would provide a steady source of income for the OHLAP program was unanimously approved by the Senate this week. Senate Bill 820 by Senate President Pro Tem Mike Morgan, D-Stillwater, would allow a certain amount of money requested by the regents to be set aside from the general revenue fund each year.

Few students are expected to be affected by the suspension of payments for the spring semester.

University of Oklahoma President David Boren said in a written statement that OU already has applied OHLAP funding to students' accounts and in some cases provided cash refunds to help students meet their financial needs.

The university also advanced more than \$2 million from other funds to cover the shortfall temporarily.



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