

ACTION PLAN

Submitted by agency? Yes
Timeline assigned? Yes
Responsibility assigned? Yes

LegisSTAT Pilot Agency

The New Mexico Tourism Department participated in the Legislative Finance Committee's first LegisSTAT panel, a new hearing format hyper-focused on performance metrics and agency action plans.

The agency addressed key economic recovery indicators, including visitation rates and leisure and hospitality employment rates. The department will be asked to update members on recovery metrics in future appearances before the committee, including:

- Return on Investment (ROI) from various marketing initiatives
- Change in leisure and hospitality employment
- Amount of earned media generated in millions

Tourism Department

With the state's peak tourism season (April-August) in full swing, tourism sector job growth steadily recovering, and a nearly 15 percent budget increase on the horizon for FY23 in addition to \$15 million in one-time money appropriated during the second special session of 2021, the Tourism Department (NMTD) is positioned to make real impact in an industry that took seemingly endless hits throughout the pandemic. The department's action plan states it will continue to use data to grow quarterly gains in leisure and hospitality employment, maintain its high earned media outcomes, and navigate the constantly changing marketing industry to strengthen and grow the bruised sector, which makes up approximately 7 percent of the state's total economy.

Marketing and Promotion

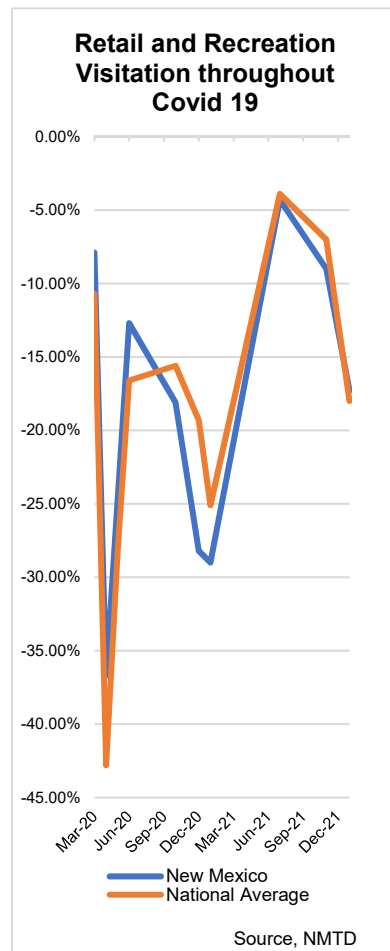
After a nearly two yearlong recovery period, jobs in the New Mexico leisure and hospitality sector pulled within 1 percentage point of pre-pandemic employment levels. The department reports 28.9 percent more jobs in the sector in the third quarter of FY22 year over year, and 4,500 more jobs compared with last quarter.

The department participated in the ongoing LegisSTAT hearing format, wherein agencies consistently respond to specific metrics to gauge economic recovery. In response to an August LegisSTAT hearing where members questioned how the department could collaborate with state and local organizations to recover the tourism sector workforce, the department collaborated with the New Mexico Small Business Development Center to provide counseling and resources to save 2,000 tourism related jobs this fiscal year. NMTD also partnered with the Department of Workforce Solutions to launch a website showcasing all leisure and hospitality jobs in the state, which the department partially credits for additional job growth in the third quarter.

Budget: \$14,795.1 FTE: 16							
Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Year over year change in New Mexico leisure and hospitality employment	-27.5%	-14%	3%	21%	19.5%	28.9%	G
Change in total digital engagement	New	16.8%	3%	0.9%	-20%	-39%	R
Amount of earned media value generated in millions	New	\$1.7	\$1.0	\$0.8	\$1.6	\$2.1	G
Program Rating	R	Y					Y

The department leveraged pandemic-related closures to significantly grow its social media presence in FY21, but digital engagement fell in every quarter of FY22. The agency offers several explanations for decreased engagement, most notably that new platform algorithms tend to boost "incendiary" or "controversial" posts. The agency's strategic plan addresses this directly, noting that the department made a deliberate shift in posting neutral but engaging content, and the department is working closely with LFC to voluntarily report other, more useful measures. The department secured two times the target for earned media in the third quarter alone from various news sports and magazine features, and reports a return-on-investment of \$5.60 in earned media for every \$1.00 spend on national marketing.

Tourism Recovery Metrics		
	February 2020	February 2021
Travel Spending*	-67.1%	-11%
Drive Market Visitors*	-54%	-4%
Passengers Deplaned At Albuquerque International Airport	20,313	122,931
Hotel Occupancy rates*	25.9%	40.3%
*percentage increase (decrease) compared with FY19		



NMTD focuses on data for tourism revitalization, and hosts a public economic recovery dashboard on its website. The dashboard features data from various sources on visitor spending, vaccination rates, small business performance, and hotel occupancy rates. This tool enables legislators and members of the public to track the efficacy of marketing and promotion spending, and the department should consider continuing the dashboard post-pandemic in addition to including relevant measures its quarterly reports.

New Mexico Magazine

New Mexico Magazine did not reach its target for advertising revenue per issue, in part because the agency reduced the number of issues from 12 to 10 per year, with the first two quarters having less issues than quarters three and four. The agency also notes it has shifted much of its readership and advertising to online rather than in print, and will work with LFC and state budget division to formulate new, more appropriate measures to gauge actual revenue. The magazine's digital engagement reaches more than 200 thousand visitors per month across various platforms.

Budget: \$3,231.9 FTE: 10	FY20	FY21	FY22	FY22	FY22	FY22	
Measure	Actual	Actual	Target	Q1	Q2	Q3	Rating
Advertising revenue per issue, in thousands	\$75	\$182.2	\$80	\$65	\$64	\$61	Y
Program Rating	G	G		Y			Y

Tourism Development Program

The program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants. The program made collaboration with Native American partners a priority in recent years, hiring a full-time cultural heritage coordinator in late FY20. The New Mexico True Certified program continued to grow in the second quarter of FY22, and helped businesses weather the pandemic through creating holiday gift guides and various road trip guides. NMTD notes that the New Mexico True certified program has quadrupled since its creation in 2014, and projects continued growth as more businesses realize its branding potential.

Budget: \$2,305.8 FTE: 18	FY20	FY21	FY22	FY22	FY22	FY22	
Measure	Actual	Actual	Target	Q1	Q2	Q3	Rating
Number of meetings or events conducted with Native American entities	NEW	21	16	12	6	3	G
Number of participants in New Mexico True Certified Program	NEW	414	250	450	452	410	G
Program Rating		G		G			G