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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/13

SPONSOR Herrell LAST UPDATED 02/13/13 HB 409

SHORT TITLE Museum of Space History Improvements SB \_\_\_\_\_

ANALYST Cerny

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$ 425.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		
		\$54.7	Recurring	Other State Funds

(Parenthesis ( ) Indicate Revenue Decreases)

Duplicates SB 523

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)

### SUMMARY

#### Synopsis of Bill

House Bill 409 (HB 409) appropriates \$425.0 from the General Fund to the Department of Cultural Affairs (DCA) for the purpose of making operational improvements to programs and exhibits, asset management, security, facility, grounds, personnel and strategic planning at the New Mexico Museum of Space History in Alamogordo (NMMSH).

## **FISCAL IMPLICATIONS**

DCA states: “Expenditure is for hiring short-term staff at NMMSH. This will allow for security at the Museum for the first time ever; restoration and exhibit construction for the first time in almost seven years; and additional services in the education and the events/public relations/grant-writing areas. With increased publicity, the museum would expect a very modest increase in visitation of at least 10,000 persons per year.”

DCA estimates the projected increase in earned income would be \$54,750.

The projected revenue increase is based on estimated attendance increases at the IMAX theater and the Planetarium, two of the facilities at the NMMSH where there are no free admissions.

Further, improvements to the museum are expected to generate increased support from grants from NASA, Institute of Museum and Library Services, and other private foundations to make additional improvements in subsequent years.

DCA states that the appropriation is expected to be a one-time nonrecurring appropriation. However, LFC expects that the appropriation of \$425.0 contained in this bill will be a recurring expense to the General Fund, particularly since a security staff is being hired and is essential to the ongoing operation of the museum.

## **SIGNIFICANT ISSUES**

Located in Alamogordo, New Mexico, the mission of the NMMSH is to educate the people of New Mexico and visitors from around the world in the history, science, and technology of space. The museum stresses the significant role that the state of New Mexico has played in the development of the U.S. Space Program through collecting, preserving, and interpreting significant artifacts relevant to the history of space. The NMMSH also houses the only IMAX theater in southern New Mexico, a Planetarium, and hosts the New Mexico Space Academy and a series of educational programs for youth and schoolchildren. The NMMSH is an important touristic resource for Alamogordo, a community of 35,000 residents.

According to DCA, attendance at the Museum of Space History in 2012 was 74,064 visitors with current staffing at the museum at 21.0 FTE. In FY 09, attendance was 89,000 visitors.

Historically, the museum had been at 35.0 FTE for operations when visitation was at a height of 181,000 visitors per year, in 1996. As staff has decreased and been stretched thin, so has visitation and thus earned income.

This funding will enable the museum to hire security for the facility for the first time in its history and re-establish a team to perform artifact restoration and exhibit construction and repair.

Without those two capabilities, the museum will be unable to retain its American Alliance of Museums (AAM) accreditation, which is a departmental mandate and a benefit to the museum, bringing with it status and the ability to accept loans from other accredited institutions.

The potential loss of AAM accreditation status, which is a departmental mandate, will jeopardize the museum’s ability to be competitive for grants, attract donors, and accept loans from other accredited institutions. There is also the potential of loss and damage to historical artifacts owned

by the state and federal agencies, such as NASA and the Smithsonian Institution, which could lead to a recall of their space artifacts on loan to NMMSH.

### **PERFORMANCE IMPLICATIONS**

According to the DCA, the Museum is currently extremely understaffed for a facility of this size and visitation. There is an inability to execute basic museum missions due to the understaffing. Security is non-existent so collections are at risk; safety to visitors is also at risk as there is no supervision of the indoor and outdoor exhibits.

DCA cites “continued high turnover of staff and loss of high quality staff members” as another performance concern.

### **ADMINISTRATIVE IMPLICATIONS**

With this funding, the museum staff will be able to develop and submit requests for funding from grant sources, leveraging the state appropriation. The museum will also be able to conduct a more robust fundraising and event programs to develop more funds from private sources.

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