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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/13  
 SPONSOR Kane LAST UPDATED 03/06/13 HB 609  
 SHORT TITLE Music Commission Staff SB \_\_\_\_\_  
 ANALYST Soderquist

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$80.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$80.0	\$80.0	\$160.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Cultural Affairs (DCA)

### SUMMARY

#### Synopsis of Bill

House Bill 609 creates a staff position within the New Mexico Arts Division of the Department of Cultural Affairs (DCA) to oversee programs of the commission, collaborate with other state agencies, including the New Mexico film division and other divisions of the economic development department, the tourism department, the public education department and cultural affairs.

### FISCAL IMPLICATIONS

The appropriation of \$80.0 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY14 shall revert to the

general fund. The appropriation includes \$60.0 thousand to pay for the music commission position and \$20.0 thousand for music commission programs, services, or operations.

The response from the DCA expresses a concern that because the proposed legislation contains appropriations for FY14 alone, the proposed legislation an unfunded mandate for the department. Funding for this position was not included in the department FY14 budget request.

**SIGNIFICANT ISSUES**

A projected exhaustion of fund balance revenues as early as FY15 – ninety percent, or \$1.8 million, of which is used on personal services and employee benefits funding – suggest that the department will be forced to make some very difficult choices related to the funding of FTE positions in the near future.

**PERFORMANCE IMPLICATIONS**

The creation of an FTE position specifically dedicated to the Music Commission might assist it in better fulfilling its mission. However, in future fiscal years funding for that specific FTE position might mean other critical activities at the department might not be performed as necessary because existing FTE positions may not be filled.

**ADMINISTRATIVE IMPLICATIONS**

None identified.

RS/blm