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FISCAL IMPACT REPORT

SPONSOR Stapleton ORIGINAL DATE 2/24/17
LAST UPDATED _____ HB 429
SHORT TITLE African American Performing Arts Programs SB _____
ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Expo New Mexico

Department of Finance and Administration

SUMMARY

Synopsis of Bill

HB 429 appropriates \$200,000 from the General Fund to the Department of Finance and Administration (DFA), Local Government Division (LGD) for the African American Performing Arts Center (AAPAC) in Bernalillo County.

The appropriation is for expenditure in Fiscal Year 2018 (FY18) for AAPAC to provide scholastic and technological programs and projects that advance research and to preserve the intellectual and cultural history of African Americans. Any unexpended or unencumbered balance at the end of FY18 shall revert to the general fund.

FISCAL IMPLICATIONS

HB 429 appropriates \$200,000 from the General Fund to DFA, Local Government Division for the African American Performing Arts Center in Bernalillo County.

Expo New Mexico states that the success of AAPAC programming can have an indirect impact on EXPO NM in that they need to continue to generate revenues in order to pay rental income to EXPO NM, which EXPO NM relies on in part to cover operating costs of running the facilities

which are not provided through the general fund.

SIGNIFICANT ISSUES

Currently, there is an African American Performing Arts Center and Exhibit Hall at Expo NM owned by the State Fair Commission. Their goals are “To promote visual and performing arts that support African American Culture; and to sponsor scholastic and technological programs and projects that advance the research and preservation of the intellectual and cultural history of African Americans.” The language in this appropriation ties directly to their goals.

According to a 2012 American Community Survey conducted by the U.S. census, African Americans comprised 3.4% of the population with an unemployment rate of 9% with 25.2% living below the poverty level. Additional information from the New Mexico Youth Risk and Resiliency Survey conducted by DOH in 2012 revealed:

- Higher percentages of African American students report drug use and related behaviors than other student groups;
- Higher percentages of African American students report negative behaviors related to school safety issues than most other student groups; and
- Lower percentages of African American students report feeling supported at home and at school than most other student groups.

The following significant issues were provided by Expo New Mexico:

The African American Performing Arts Center was constructed on the grounds of the New Mexico State Fair for \$4.3 million and consists of 23,000 square feet, including 300-seat auditorium, exhibit hall, museum, classroom, and offices. The building opened in June 2007.

The building is the most technologically advanced on the Fairgrounds driven by the fact that HVAC and air treatment systems are designed to support museum space. The cost of the contracts to maintain these specialized systems as well as the necessary personnel to man this specialized space drive the operational cost of the building to over \$200,000 annually.

The New Mexico State Fair receives no appropriated monies to maintain this or any other space on the Fairgrounds. Therefore the bulk of the funding to maintain the African American Performing Arts Center comes from revenue generated by other, unrelated activities (State Fair Event, facility rentals, Downs lease, etc.) that take place on the Fairgrounds.

The AAPAC foundation provides these types of educational services outlined in the legislation as part of their mission. The success of their programming can have an indirect impact on EXPO NM in that they need to continue to generate revenues in order to pay rental income to EXPO NM, which EXPO NM relies on in part to cover operating costs of running the facilities which are not provided through the general fund.

PERFORMANCE IMPLICATIONS

The Department of Finance and Administration states that the LGD does not have expertise or knowledge in scholastic and technological programs and projects that advance research and preserve history. As such, it is not clear why the bill proposes to appropriate this funding through

LGD.

ADMINISTRATIVE IMPLICATIONS

This appropriation could go directly to Expo NM, which currently houses the AAPAC or to the Department of Cultural Affairs, which preserves New Mexico history.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

No major impact or consequences to the New Mexico State Fair.

JM/sb