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FISCAL IMPACT REPORT

SPONSOR: Varela DATE TYPED: 02/06/01 HB 27
 SHORT TITLE: Tourism Advertising Appropriation SB _____
 ANALYST: Woodlee

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 3,000.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to the General Appropriations Act.

SOURCES OF INFORMATION

Tourism Department
LFC Files

SUMMARY

Synopsis of Bill

House Bill 27 appropriates \$3,000.0 from the general fund to the Tourism Department for tourism advertising.

Significant Issues

The Tourism Department has two main advertising programs. The general advertising is found within the Marketing program area of the agency. In FY01, the agency has \$3,770.3 in the Advertising line-item. In addition, the agency has the cooperative advertising, which is found in the Outreach program area. In FY01, the agency has \$1,054.2 in the Grants line-item for cooperative advertising contracts. The appropriation contained in this bill would increase the advertising appropriation by 62.1 percent, totaling \$7,824.5.

For the Marketing program, the following performance measures and targets are contained in the proposed General Appropriation Act:

Measure

FY02 Target

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New Mexico's domestic tourism market share	1.43 %
Number of e-mail inquiries received	61,639
Print advertising conversion rate	45.0 %
Broadcast advertising conversion rate	33.0 %

For the Outreach program, the following performance measures and targets are contained in the proposed General Appropriations Act:

<u>Measure</u>	<u>FY02 Target</u>
Number of cooperative advertising applications funded/received	148/175
Number of Indian training sessions conducted	13
Total number of outreach activities to communities	67

With additional funding, these program areas would have additional resources and the targets would need to be increased.

FISCAL IMPLICATIONS

The appropriation of \$3,000.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

MW/ar