

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/18/08

SPONSOR Nunez LAST UPDATED _____ HB 87

SHORT TITLE NMSU Economic Development Through Tourism SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$331.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

Tourism Department (TD)

New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Bill 87 appropriates \$331.0 from the general fund to the Board of Regents of New Mexico State University to support the rural economic development through tourism program.

FISCAL IMPLICATIONS

The appropriation of \$331.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

According to the HED, this request was submitted by NMSU to the New Mexico Higher Education Department for review, but is not included in the Department's funding recommendation for FY09.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies this project as a "Would not oppose if funding available" project. Reasons for this classification decision are not provided. (LFC Report 07-20, Higher Education Department

Review of Selected Research and Public Service Projects, January 12, 2008, Table 4, p75.)

SIGNIFICANT ISSUES

NMSU states that the Rural Economic Development Through Tourism Project (REDTT) began in 1992 and was designed to boost tourism development and research in five New Mexico counties. The service area in 2007 is 17 counties encompassing 47 villages, towns, and cities, 10 Native American pueblos and two Native American tribes. REDTT, administered through NMSU's Cooperative Extension Service, would work collaboratively with the Tourism Research Center in the School of Hotel, Restaurant, and Tourism Management.

NMSU states further that the appropriation requested in House Bill 87 would continue the program, resulting in better industry access to university-wide extension tourism related resources. The REDTT Tourism Research Center will be positioned to allow students to participate in a quality hospitality and tourism graduate program in tourism development and research. The program will allow faculty and students in the Tourism Research Center of the School of Hotel, Restaurant and Tourism Management to gain valuable "hand-on" experience by working with local and tribal organizations on their tourism projects throughout New Mexico.

The HED states that House Bill 87 provides technical support to rural communities and Native American tribes and pueblos for the development of tourism sites and support systems.

The TD states that The REDDT program at NMSU is a very successful program that assists rural communities in promotion and production of their resources for tourism. With tourism being a multi-billion dollar industry, this program can help the smaller communities share in the benefits of the industry.

GH/nt