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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/08

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE NM MainStreet Program Assistant Director SB 400

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$75.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Senate Bill 400 duplicates an appropriation in Section 4 of the General Appropriation Act for the Economic Development Department's recurring budget.

Senate Bill 400 also duplicates HB444 and relates to SB343 and HB440.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 400 appropriates \$75 thousand from the general fund to Economic Development Department to create a new full-time position of assistant program director at the New Mexico MainStreet program.

FISCAL IMPLICATIONS

The appropriation of \$75 thousand 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.

SIGNIFICANT ISSUES

The appropriation in the General Appropriation Act (GAA) for the Economic Development Department includes \$62.4 thousand and authorization for 1 FTE to serve as a MainStreet program assistant director.

According to EDD:

Currently, 21 communities are members of New Mexico MainStreet: Artesia, Bernalillo, Carlsbad, Clovis, Corrales, Clayton, Deming, Downtown Action Team (ABQ), Farmington, Grants, Hobbs, Las Cruces, Las Vegas, Los Alamos, Lovington, Portales, Raton, Roswell, Santa Rosa, Silver City, and Tucumcari. MainStreets's 6 satellite communities are Aztec, Belen, Cochiti Lake, Questa, Quemado, and Reserve.

MainStreet also manages three special projects—Chihuahita Roswell, Shiprock Chapter Navajo Nation, and the Zuni Pueblo—and has identified 5 potential Arts & Cultural Districts, which are Las Cruces, Portales, Las Vegas, Raton and Silver City.

MainStreet's program associates provide free training sessions on town design, promotion and publicity, organization, and economic restructuring. MainStreet also sponsors architecture projects through the University of New Mexico Design Planning and Assistance Center (DPAC). In the last year, these towns embarked on DPAC projects: Carlsbad, Dona Ana, Farmington, Los Alamos, Raton, Roswell, and Springer.

New Mexico MainStreet is the local division of the National Main Street Center in Washington, D.C., part of the National Trust for Historic Preservation.

The NM MainStreet budget for FY08 is about \$1 million. This includes salaries and benefits, travel and other operating expenses for 2 FTE. The bulk of the funding, \$825 thousand, is for contractors who provide the specialized services – e.g., architectural design, marketing, strategic planning, economic analysis, etc – to the communities. The budget has grown significantly since 2003. The largest increase came in 2006 when the Legislature appropriated an additional \$500 thousand specifically for the program.

The Legislature has appropriated another \$4.5 million in capital outlay over the last three years for MainStreet projects statewide.

ADMINISTRATIVE IMPLICATIONS

According to EDD:

The New Mexico MainStreet program is literally stretched to the limit. With two full-time staff, the program relies heavily on program associates (contractors) to provide technical assistance, program services, and workshops on behalf of the department. Although these contractors provide an invaluable service to the program, they are unable to assist MainStreet with the growing administrative responsibilities and new initiatives the program has inherited. The most notable new initiative is the creation of Arts and Cultural Districts throughout New Mexico.

Laws 2007, Chapter 160 (House Bill 606), created Arts and Cultural Districts as an economic stimulus program for local communities. The Arts and Cultural District program is attached to the Economic Development Department, which works in collaboration with Department of Cultural Affairs, and is responsible for designating districts annually in New Mexico. The intent was to support arts- and culture-based economic development for businesses, individuals, organizations, agencies and institutions to work collaboratively and to formally structure that collaboration creating an economic market niche. The legislation established EDD's MainStreet Program Director as the coordinator of the state's efforts and the New Mexico Arts Commission

as the authorizing body for such districts. The legislation did not include funding for the administration and implementation of the initiative.

HB 440 and SB 343 appropriate \$300 thousand for the creation of Arts and Cultural Districts, but without the assistant director, according to EDD, the MainStreet program will not have the human resources to successfully complete this initiative or grow the program beyond its existing level of service.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 400 duplicates an appropriation in Section 4 of the General Appropriation Act for the Economic Development Department's recurring budget.

Senate Bill 400 also duplicates House Bill 444 and relates to Senate Bill 343 and House Bill 440.

BE/mt