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FISCAL IMPACT REPORT

ORIGINAL DATE 01/22/09

SPONSOR Garcia LAST UPDATED _____ HB _____

SHORT TITLE Arts Services Contracts SB 24

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$900.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of Bill

Senate Bill 24 appropriates nine hundred thousand dollars (\$900,000) from the general fund to the Department of Cultural Affairs (DCA) for expenditure in fiscal year 2010 to contract for arts services with organizations throughout the state.

FISCAL IMPLICATIONS

The appropriation of nine hundred thousand dollars (\$900,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

According to the Department of Cultural Affairs, the Economic and Rural Development Committee pre-filed this bill which is based on an effort by arts organizations funded by New Mexico Arts to increase the current arts services contracts budget. Grantees testified to the committee that they have not received an increase in funding for arts services contracts in several years. DCA states that the average arts services contract has decreased over the past ten years as shown in a handout from the arts organizations to the committee.

The arts organizations greatly benefit the citizens of their communities, including children who can have life-changing experiences provided by these organizations. An increase in funding for arts services will enable New Mexico Arts to fund the state's arts organizations. This, in turn, will enable these crucial organizations to provide an increased quality of life to New Mexicans across the state, and help insure that jobs in the arts sector increase.

PERFORMANCE IMPLICATIONS

DCA states that the appropriation would help New Mexico Arts exceed current performance measures.

ADMINISTRATIVE IMPLICATIONS

According to DCA, New Mexico Arts has an RFP process in place that involves peer panelists who review and score all applications for funding, as well as staff experienced in administering the arts services contracts program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This relates to the LFC recommendation for the Arts Division in the Department of Cultural Affairs.

OTHER SUBSTANTIVE ISSUES

At the New Mexico Arts Division, grants made to local arts organizations are made through a combination of state and federal funds and cross the state fiscal years.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

DCA states that Arts organizations across New Mexico may go out of business which will have negative consequences for the economies and quality of life in their communities, especially in rural New Mexico.

AMENDMENTS

The Department of Cultural Affairs proposed the following amendments:

Section 1, Line 19 should read:

end of fiscal year 2010 shall not revert to the general fund

PTV/svb