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## FISCAL IMPACT REPORT

ORIGINAL DATE 3-16-09

SPONSOR   SRC   LAST UPDATED            HB           

SHORT TITLE   Transfer Intertribal Ceremonial   SB   654/SRCS  

ANALYST   Lucero  

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	(\$160.1)	Recurring	General Fund
	(\$20.0)	Recurring	Other Transfers *

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		(\$160.1)	(\$160.1)	(\$480.3)	Recurring	General Fund
		(\$20.0)	(\$20.0)	(\$60.0)	Recurring	Other Transfers

(Parenthesis ( ) Indicate Expenditure Decreases)

**\*(Transfer from Tourism Department)**

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Intertribal Ceremonial Office (ICO)

Tourism Department

### SUMMARY

#### Synopsis of Bill

Senate Bill 654 amends Section 6-3-6 NMSA 1978 regarding State budget division and periodic allotments. The bill eliminates the Intertribal Ceremonial Office (ICO) from the exemption from the “50 percent” rule regarding expenditure budgets in odd-numbered fiscal years and regulation of expenditures by the Department of Finance and Administration.

The bill also repeals Sections 9-15C-1 through 9-15C-5, Intertribal Ceremonial Act. The provisions contained in the bill have an effective date of July 1, 2009.

## **FISCAL IMPLICATIONS**

The Intertribal Ceremonial Office (ICO) includes two FTE positions, a FY09 operating budget of \$182.2 and a FY10 budget of \$180.1. This bill would save general fund recurring revenues of \$160 thousand and transfers from the Tourism Department (TD) of \$20 thousand.

State support for the ICO operations is unique. Other annual events including the International Balloon Fiesta, UFO Festival, Whole “Enchilada Festival, etc., operate as non-profit entities receiving support from fundraising activities, grants, and local governments.

## **SIGNIFICANT ISSUES**

The annual Intertribal Ceremonial event is administered, promoted, and produced with the assistance of four separate entities. The entities include a non-profit – Gallup Inter-tribal Indian Ceremonial Association, the ICO, a Intertribal Ceremonial Board, and the New Mexico Tourism Department. As noted in the June 30, 2007 annual audit, the four entities do not have a clear understanding of the functions of the different entities. The confusion has led to dysfunction.

Despite efforts and support on the part of the ICO to assist the group in managing the production of the event, the event continues to lose thousands of dollars each year, and attendance continues to decrease each year. As a result, the ICO has never been able to meet its strategic plan objectives relating to ticket sales, number and dollar value of sponsorships, and percent of operating revenue from other than the General Fund.

The non-profit, Gallup Inter-Tribal Indian Ceremonial Association, was performing all the duties prior to the creation of the ICO. This bill eliminates two out of the four entities, in hopes of reducing the layers of governance over the annual event.

The repeal of the Act would eliminate the ICO and the Intertribal Ceremonial Board, but leave intact the non-profit Gallup Inter-Tribal Indian Ceremonial Association. The non-profit could apply for Cooperative Advertising grants from the Tourism Department to help promote the annual event.

## **ADMINISTRATIVE IMPLICATIONS**

After having worked with ICO, as an administratively attached agency, TD feels strongly that this program and related activities should be exclusively operated and controlled by an independent, not-for-profit entity, such as is the case with the Albuquerque Balloon Fiesta, Gathering of Nations, Whole Enchilada Fiesta, Santa Fe Indian Market, Deming Duck Race, Santa Fe Spanish Market, etc.

## **OTHER SUBSTANTIVE ISSUES**

The annual Intertribal Indian Ceremonial in Gallup – now in its 88th year – includes Indian art sales and exhibits, tribal dances, the All-Indian Rodeo, parades, a contest Pow-Wow, and an Indian Art Village. The event offers visitors an opportunity to experience Native American art, culture, and traditions of New Mexico. Indigenous peoples from throughout the United States, Canada, and Mexico travel to Gallup to share their creative and performing talents.