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FISCAL IMPACT REPORT

SPONSOR Pinto **ORIGINAL DATE** 02/02/14
LAST UPDATED 02/05/14 **HB** _____

SHORT TITLE Intertribal Indian Ceremonial **SB** 244

ANALYST Clark

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Tourism Department

SUMMARY

Synopsis of Bill

Senate Bill 244 appropriates \$100 thousand from the general fund to the Tourism Department for the purpose of promoting the intertribal Indian ceremonial.

FISCAL IMPLICATIONS

The appropriation of \$100 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 2015 shall revert to the general fund.

This appropriation would nearly double the current funding of \$105 thousand for promoting the ceremonial event.

SIGNIFICANT ISSUES

Four entities administer, promote, and produce the intertribal ceremonial event: the Intertribal Ceremonial Office (ICO), a state agency; the Gallup Intertribal Ceremonial Association (GICA),

a nonprofit organization; the Intertribal Ceremonial Board, part of the nonprofit; and the New Mexico Tourism Department, the state agency that provides administrative oversight.

The 2010 Government Restructuring Task Force endorsed legislation to repeal the Intertribal Ceremonial Act and transfer the assets and function of ICO to the Tourism Department or a consolidated Commerce Department. In addition, the governor vetoed 93.8 percent of the FY10 operating budget and all of its FTE without an explicit explanation. ICO has remained at 0 FTE, but general fund appropriations increased from \$30 thousand in FY12 to \$105 thousand for FY13 and FY14. The agency requested an FY15 budget flat with FY14.

Results for the FY13 ceremonial show a significant decrease in tickets sold, down from nearly 8,000 in FY12 to almost 5,000 in FY13. This was due in large part to the unexpected cancellation of the traditional three-day pow-wow, originally slated for the weekend of the ceremonial and usually responsible for bringing significant numbers of spectators and participants to the ceremonial. Despite this, the organization increased the dollar value of sponsorships beyond the FY12 level and the percent of operating revenue from sources other than the general fund declined just 0.1 percent.

ICO spent the FY13 appropriation of \$105 thousand for the 2012 ceremonial in the following categories: \$4.5 thousand for the state audit, \$30 thousand for dance and arena performers, \$17.5 thousand for security, \$35.5 thousand for artist awards, \$2 thousand for tent rentals, and \$15 thousand for the ceremonial magazine, with \$500 left unspent.

The Tourism Department reports its position is that the current level of funding pursuant to the General Appropriation Act of 2014 is sufficient to support the ceremonial and an additional appropriation of \$100 thousand is unnecessary.

PERFORMANCE IMPLICATIONS

The Tourism Department notes the performance of ICO is partly evaluated by the “percent of operating revenue from sources other than the general fund.” Additional funding will therefore negatively impact the performance of ICO by increasing the percentage of operating revenue from the general fund.

RELATIONSHIP

The LFC budget recommendation contains an appropriation of \$105 thousand for the Intertribal Ceremonial Office to promote the ceremonial event. This recommendation provides for flat funding compared to the funding contained in the General Appropriation Act of 2013.

JC/ds:jll