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FISCAL IMPACT REPORT

Fajardo/Dow/
 Gallegos, M/ Rubio/ **ORIGINAL DATE** 2/04/19
SPONSOR Herrera **LAST UPDATED** 2/26/19 **HB** 303/aHF1#1/aSIAC
SHORT TITLE Foster Family Park & Museum Free Admission **SB** _____
ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Impact	See Fiscal Impact	See Fiscal Impact	See Fiscal Impact	See Fiscal Impact

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy Minerals and Natural Resources Department (EMNRD)

Cultural Affairs Department (DCA) – on original bill

SUMMARY

Synopsis of SIAC Amendment

The Senate Indian and Cultural Affairs Committee amendment to House Bill 303 deletes item 2 of the House floor amendment, and replaces it with the identical paragraph. The committee adds in that the free admission to both the state owned museums and state parks are for day use only.

Synopsis of HF1 #1 Amendment

The House floor amendment to HB 303 clarifies the process for providing free admission to New Mexico State Parks (State Parks) and State owned museums for foster parents and children. Under the amendment, the free admission is limited to New Mexico residents who provide proof of eligibility. The Cultural Affairs Department and the Energy, Minerals and Natural Resources Department (EMNRD) are authorized to adopt rules governing this process.

Synopsis of Original Bill

House Bill 303 would allow foster parents and children in the custody of foster parent's free admission to state-owned museums and state parks.

FISCAL IMPLICATIONS

EMNRD submitted the Following on HB303 as amended:

HB 303a would have fiscal impacts to State Parks due to the loss of revenue. However, the total amount of impact is uncertain as the bill states that foster families would have free admission to State Parks, but it is not clear if this is for day-use, camping or the use of all facilities.

State Parks rely upon 75 percent self-generated funds for its operations to include fees for day-use, camping and facility rental. If HB 303a is enacted, day use, camping and other facility rentals revenue could potentially be lost.

DCA Submitted the Following:

Minimal fiscal impact to the Department of Cultural Affairs. Children up to age 16 are already allowed free admission to 7 of 8 state museums and 7 Historic Sites. And many adults already take advantage of free admission days at select facilities. According to the LFC, the number of foster children averages around 2,600. Assuming that each foster child would be accompanied by one adult for 2 visits to Cultural Affairs museums and historic sites per year that would total 5,200 adult visits. With an average admission cost of \$7 for in-state residents the cost would total only \$36 thousand, a minimal negative impact on total admissions revenue.

SIGNIFICANT ISSUES

EMNRD submitted the following on HB303 as amended:

HB 303a does not define if admission is day-use, camping or other facilities which could cause both fiscal and operational impacts to State Parks. If free admission was limited to day-use, this would be amenable to the agency.

HB 303a also indicates that free admission would be contingent upon accordance with rules of the Energy, Minerals and Natural Resources Department, which would require the Department to immediately undertake a rule change process once this bill is enacted. There is a minimum 30-day public comment period on rule changes as well as additional publication requirements through Records and Archives, and immediate implementation of HB303a would be administratively difficult.

EMNRD submitted the following on the original bill:

HB 303 would cause both fiscal and operational impacts to NM State Parks. It is unclear if HB 303 applies to all fees in State Parks. It will also be difficult to verify if visitors are foster families and would have operational, performance and administrative difficulties.

In the current budget State Parks are funded at approximately 25 percent general fund and 75 percent other revenues, which includes fees. These funds are utilized for staffing and operations of State Parks. Both budget and positions have been substantially cut in the past eight years as general fund support declined.

Any additional revenue reductions would continue to erode the operations and services of State Parks if the funding was not supplanted by general fund. Currently HB 303 does not address the cuts to the budget due to diminished revenues by making admission free to foster parents.

State Parks are very affordable and fees for entry, camping and utilities, and facilities within State Parks are some of the lowest in the country. Most fees have not changed in 20 years. State Parks admission is set at \$5 per vehicle for day use, \$8 per night for primitive camping and \$10 for a developed camping site.

DCA submitted the following:

Museums and State Historic Sites are major tourist attractions and provide arts, culture and science education to countless New Mexicans. It is important to provide cultural opportunities for foster parents and children.

PERFORMANCE IMPLICATIONS

EMNRD submitted the following:

Passage of HB 303 would increase operational demands on State Park staff who would need a method to verify that visitors are foster families.

In addition, if camping and facilities were included, State Park staff would also have to verify status of all visitors and this could require manual checks. Due to over seventy position cuts over the last eight years and a high vacancy rate, this verification process will take available park staff away from their primary work of customer service, public safety, education, and natural/cultural resource protection. In summary, a new method of fee verification would need to be devised to implement this bill.

DCA submitted the following:

Free admission for foster children and parents will increase attendance at Cultural Affairs facilities, with a minor negative impact on revenue.

ADMINISTRATIVE IMPLICATIONS

EMNRD submitted the following:

HB 303a would require that State Parks implement a rule change regarding and would need to create a new fee verification system for foster families for field staff within 34 State Parks statewide. There is a minimum 30-day public comment period on rule changes as well as additional publication requirements through Records and Archives, and immediate implementation of HB303a would be administratively difficult.

DCA submitted the following:

CYFD would have to work with the Office of the Secretary for Cultural Affairs to

establish program guidelines including acceptable documentation of foster parent status for free admission. Guidelines would also clarify base admission versus special add-on events such as motion pictures, planetariums, concerts, festivals, etc.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

EMNRD submitted the following:

HB 303a is related to House Bill 284 (Free Sunday State Park Admission) and Senate Bill 53 (Ensure that Parks are Affordable and Accessible).

HB 303 is also related to Senate Memorial 69, which requests that State Parks undertake a fee study to determine how to keep State Park fees affordable and reasonable, to include studying free use of State Parks.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB 303 is not enacted, there will not be free admission to State Parks or state owned museums for foster families.

AMENDMENTS

EMNRD submitted the following:

It is proposed that HB 303a be amended on page 2 to define admission to State Parks for day-use admission. As such, under Section 1. Paragraph B., the text would read, “B. energy, minerals and natural resources department, for free day-use admission to state parks.”

In addition, it is proposed that HB 303a be amended to include a second section to indicate that this HB 303a is not effective until November 1, 2019, in order to give the agency time to promulgate a new rule, devise a new fee verification system and train staff on this new system.

JM/sb