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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/09

SPONSOR Steinborn LAST UPDATED \_\_\_\_\_ HB 59

SHORT TITLE Veterans Museum Act SB \_\_\_\_\_

ANALYST Varela

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

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		\$0.01	\$0.01	\$0.01	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 9

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)  
 Department of Cultural Affairs (DCA)  
 Department of Higher Education (HED)  
 Veterans' Services Department (VSD)

### SUMMARY

House Bill 59 creates the Veterans Museum division in the Department of Cultural Affairs along with an eleven member board of trustees to govern the museum and a museum director who would be responsible for museum operations.

### FISCAL IMPLICATIONS

This bill creates a Veterans Museum division within the Department of Cultural Affairs along with an eleven member board of trustees to govern the museum and a museum director who would be responsible for museum operations. The bill describes the composition of the Governor-appointed board, and it gives the Governor authority to designate the board president. The bill states that the trustees shall receive per diem and mileage.

The Department of Cultural Affairs would be responsible for the budget necessary to cover board members' mileage and per diem. The bill does not address budget for the salary of the museum director nor does it specify funding for other necessary museum staffing or operations. According to DCA, construction and exhibition estimates total approximately \$20 million. Once the facility is complete, annual operating costs will be approximately \$1.2 million. Construction should take approximately three years to complete.

**SIGNIFICANT ISSUES**

The LFC recommendation for capital outlay and general fund solvency identifies prior year appropriations of \$1.2 million and \$260 thousand for the Veterans Museum as necessary in addressing general fund solvency issues.

DCA states that the Cabinet Secretary and other members of the department have been in conversations with the proponents of the proposed new Veterans Museum and support the initiative. Similar bills, introduced in the 2008 Session (SB 247 and HB 313), were passed by the Legislature. However, they were vetoed by the Governor who strongly supported the initiative but wanted to further study the best location for such a Veterans Museum in the state. The Governor created a task force in 2008 to query New Mexico communities, study possible locations, and make a recommendation. The task force recommended the city of Las Cruces for this new museum.

**PERFORMANCE IMPLICATIONS**

If enacted, the LFC recommends that the Department of Cultural Affairs submit a plan for program evaluation with specific program goals and criteria for assessing the effectiveness and provide suggested outputs, outcomes and performance measures to evaluate the performance of state government programs as prescribed in the Accountability in Government Act. Existing performance measures for attendance and outreach events would be positively affected by the creation of a new museum.

**ADMINISTRATIVE IMPLICATIONS**

According to DCA, the department would work closely with the Governor-appointed board of trustees to search for and hire a director for the museum. It should be noted that the DCA already operates a museum in Las Cruces – the New Mexico Farm & Ranch Heritage Museum. The facilities and resources at this museum could be of assistance in the development of a new museum in the city.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 59 relates to House Bill 9.

PTV/mt