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FISCAL IMPACT REPORT

ORIGINAL DATE 2/12/09

SPONSOR K Martinez LAST UPDATED _____ HB 666

SHORT TITLE NMSU-Grants Media Industries Program SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 Public Education Department (PED)
 Economic Development Department (EDD)
 New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

House Bill 666 appropriates \$100.0 from the general fund to the Board of Regents of New Mexico State University for the Grants campus Fine Arts and Creative media Industries Program to expand art and creative media facilities and provide students with career pathways as entrepreneurs and artists and as part of the burgeoning state film industry.

FISCAL IMPLICATIONS

The appropriation of \$100.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2010 shall not revert to the general fund.

SIGNIFICANT ISSUES

The HED states that this request was submitted by NMSU to the HED for review, but is not recommended for funding for FY10, regardless of whether the State's fiscal picture improves.

The LFC Appropriation Recommendations, Volume II, pages 364-365 states:

The committee has concerns about the growth of research and public service projects within the higher education budget, as well as the alignment of these projects with state goals and strategic plans. The committee also continues to have significant concerns about accountability and performance outcomes for these projects.

The committee recommendation reduces funding included in the HED request by varying levels from FY09 funding amounts for research projects, public service projects and P-20 pipeline projects focusing on students.

With respect to special projects, higher education institutions advanced 114 proposals for new projects and expansions at a total general fund cost of \$54 million during the HED budget request process in fall 2008.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Executive Budget in Brief notes that over the years more than 300 RPSPs have been created, accounting for a large portion of institution budgets. The current RPSPs were reviewed while considering the relevance of the project to the core mission of the institution, the community benefit and the outcomes associated with each project. (Budget in Brief and Policy Highlights, P 9-10.)

NMSU states that NMSU-Grants proposes to supply and equip three new art laboratories and a new creative media studio to provide expanded opportunities for our students to build career pathways generated from the positive economic impact of the arts and cultural industries in New Mexico. Completion of the Associate of Arts in Fine Arts degree at NMSU-Grants will prepare students for one of two tracks:

1. Entrepreneurial career in the arts, employment by a local art gallery or art association; or
2. Articulation to a baccalaureate degree program in the Fine Arts at a 4-year institution.

Completion of a Creative Media Certificate will prepare students for entry level work in the expanding film industry in New Mexico as well as public relations and marketing industries.

NMSU notes further that NMSU-Grants does not currently have an established curriculum in the Fine Arts nor does it offer courses sufficient to sustain a varied program in the Fine Arts. In academic settings a full-time faculty dedicated to an academic area is a necessity to build a new program area. While NMSU-Grants does offer all courses required to fulfill the general education requirements for an Associate of Arts in New Mexico, this is a general degree program without a focus on Fine Arts. The General Education course work offered at NMSU-Grants articulates to any 4-year institution in New Mexico. There is not articulation, however, for elective requirements that would be the core requirements in the concentration areas to complete the Fine Arts Associate degree.

The EDD comments that the Grants campus of NMSU developed a film program several years ago – literally on a shoe string. The feedback from the industry is that they have done a great job and have encouraged many young students to become engaged in this industry.

The HED states that NMSU-Grants is the only school in the state that is a majority-minority serving institution (37% Native American and 33% Hispanic); the diverse nature of the student body will add value to the unique nature of the arts and cultural industries of New Mexico in support of rural economic development and creation of entrepreneurial careers opportunities in art and creative media industries that support career pathways for New Mexico's rural student population.

GH/mt