



NEW MEXICO DEPARTMENT OF CULTURAL AFFAIRS

Presentation to the Legislative Finance Committee

Dec 5, 2017



Over 7,600 people from across New Mexico and further afield came to the New Mexico Museum of Art to celebrate the 100th birthday kick-off celebration of the museum's Centennial year. Photo by Addison Doty.

FY 19 Budget Request

***Recurring Base Operating Budget Request**

- \$200,000 General Fund base increase for fixed costs utilities, GSD (recurring GF)

***Non-recurring Special Appropriations Request (non-recurring GF)**

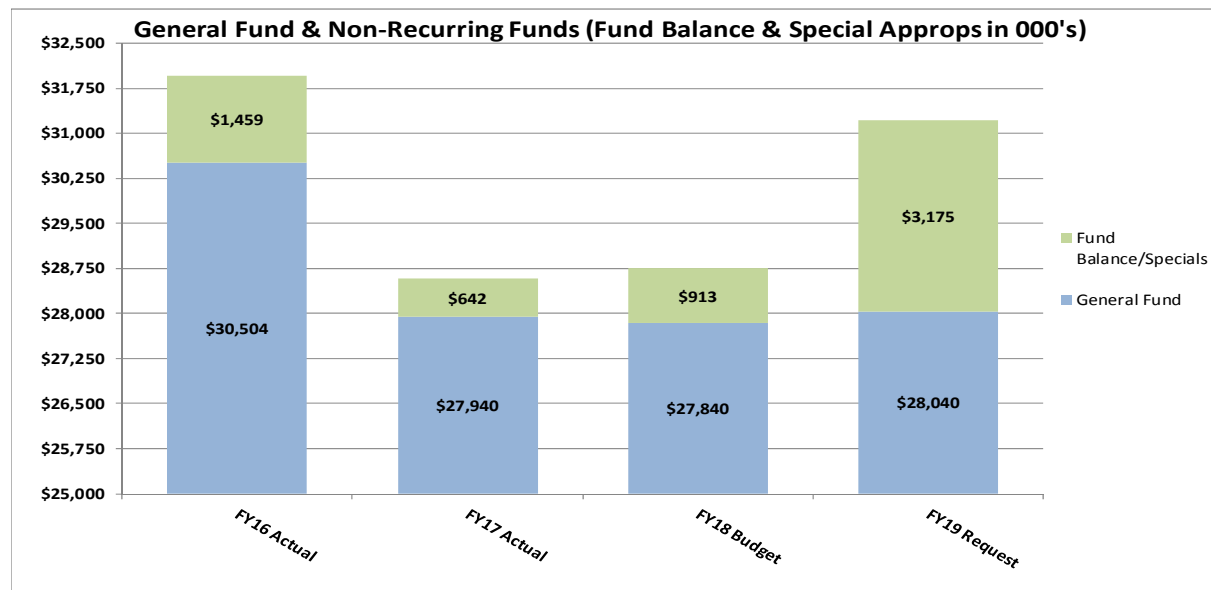
- \$2.1 million Special Appropriation to mitigate operating budget shortfall
- \$1 million Special Appropriation for critical capital repairs
- \$75 thousand Special Appropriation for e-rate services for public & tribal libraries statewide

*DCA's budget request was submitted before recent revenue estimates. DCA's Budget Transmittal letter noted that as more money becomes available, our hope is to address the agency need through recurring funds.

FY 18 Budget Status

DCA is operating with critical shortfalls, leaving the agency unstable and at risk. Additional funding is critical to stabilize DCA operations.

- The overall impact of decreased budget has been a significant reduction in force (RIF) and diminished museum and historic sites' public access and agency services.
- In FY 18, DCA is now operating with 144 fewer filled positions (27% fewer staff on the payroll) than when Los Luceros and Fort Stanton were transferred to DCA; transfers that total 343 additional acres and consist of 270,000 square feet in facilities; transfers that received no recurring General Fund for operations, staff, or programs.
- DCA currently has 100 vacancies, a 20% vacancy rate, moving towards 25%.
- DCA is not able to fill mission-critical positions, cutting into core services and programs FY 18 base operating budget is \$3.7 million less than FY 16, including \$2.7 million less in General Fund.
- In FY 17 and 18, DCA's operating budget has relied on a special non-recurring appropriation of \$1.5 million to cover costs of personnel, who should be funded with recurring funds.
- 71% of DCA's operating budget is personnel services and benefits.



Reductions in Services -- Impact from Budget Cuts

Public Services across the agency have been curtailed. Across the department, programs and activities are stagnant and many put on hold, while staff struggle to maintain basic services, given the significant reduction in number of filled positions. Reductions in programs translate to reduced public participation and reduced earned revenues because new and changing public programs and exhibits are essential to attract visitors.

- Attendance across DCA dropped by 74,000 visitors in FY 17 as a result of increased admission fees, reduced hours of operation, reduced free days for NM residents, and lack of marketing/advertising funds.
- Reduced hours at all DCA libraries and library services
 - Southwest Research Room at the NM State Library is open only two days a week, four hours a day, and the State Library Information Services is open only four hours a day every day.
 - New Mexico History Museum Fray Angelico History Library and the Palace of the Governors Photo Archives have closed to the public, and are now open by appointment only. Two entrances to the History Museum/Palace have been closed, including the heavily trafficked entrance directly on the Santa Fe Plaza along Palace Avenue, under the portal.
 - National Hispanic Cultural Center (NHCC) library has been staffed since July 2015 by only volunteers, and is now open three days/week depending on volunteer availability.
- Educational programs have been reduced at museums across DCA. For example,
 - The popular children's programs at the Museum of International Folk Art (winner of numerous awards and rated #1 Tourist Destination in Santa Fe on TripAdvisor) have been reduced by half, due to staff reductions.
 - At the Museum of Natural History and Science in Albuquerque, where students learn science about New Mexico's geology, paleontology and biology, reduced staffing levels resulted in reaching over 38,000 fewer students and adults through missed school tours and outreach opportunities. In addition, the bi-lingual science education at the museum has been eliminated.
- Exhibit upgrades have been delayed due to insufficient operating budget and staffing. For example, exhibit improvements at the Museum of Space History have been delayed by over a year with two galleries remaining unfinished and only partially open.
- Due to state budget cuts, advertising of Arts Trails was eliminated. Arts Trails was designed to stimulate local economies through marketing of arts businesses and rural-based tourism.
- No new Arts and Cultural Districts have been authorized by state since 2014 due to state budget cuts and reduced staff capacity – despite high demand to authorize more districts by local communities across New Mexico.
- Annual statewide Building Creative Communities Conference, designed to foster more resilient communities and stimulate local communities' economic growth, was canceled in FY17 and FY18 due to state budget cuts and reduced staff capacity. The annual conference was an important and valued meeting to local governments, arts organizations, and artists across New Mexico.

Reductions in Services -- Impact from Budget Cuts, continued

Museum operations, including Facilities Management, Security, and Revenue Generation functions, have been severely cut back.

- Facilities and collections are at risk as buildings are not receiving daily systems checks and attention due to staff deficiencies in facilities management.
- Lack of facility maintenance funds in operating budget increase cost of repairs and replacement, resulting from deferred maintenance.
- At the National Hispanic Cultural Center, revenue-generating rentals have been reduced due to insufficient custodial and technical staffing.

Communications -- Marketing and Public Relations, essential to attracting visitors and earned revenues, have been all but eliminated. Cuts in Communications, Marketing and Public Relations have further reduced public participation in the Museums and Historic Sites, continuing a downward spiral of attendance and associated earned revenues. Marketing includes paid and unpaid media, and Public Relations; it is about getting media coverage that will convert to attendance. It includes advertising, through in-state campaigns and out-of-state campaigns, news stories about special shows, events and successes in museum programs, such as the international coverage of the discovery of the first baby Pentaceratops ever found. Marketing includes social media which is now a primary communications channel, radio, television, newspapers, magazines, publications, outdoor advertising, calendar listings, and website updates.

- No communications staff for any of the four Santa Fe museums
- No communications staff for Cabinet Secretary and Department-wide issues
- No communications or marketing staff at the Museum of Natural History & Science in Albuquerque, with 250,000 in overall attendance annually.

Strategies Implemented to meet reduced operating budgets

Cost Reductions. DCA made deep cuts to programs and services to meet FY 17 operating budget levels.

- A reduction-in-force of 11 FTE and elimination of 1 Gov-Ex FTE was implemented as part of an effort to streamline operations and reduce costs.
- DCA reduced the number of free Sundays for NM residents from every Sunday to one/month
- Operating hours and days of operation were reduced at museums and historic sites to mitigate staffing shortages.
- DCA reduced contracts and other costs (categories 300's and 400's) by a total of \$1.8 million.
- DCA reduced spending in Personnel Services and Benefits (category 200's) by almost \$2.1 million. DCA is strategically holding vacancies, and freezing certain vacant positions.

Increase Revenues. In FY 17, DCA increased earned admissions revenues by \$203,000.

- DCA increased admission fees at all museums and historic sites



17,430 people visited DCA's new mobile museum in since it began operations in April of this year. Wonders on Wheels, funded through private sector grants and in partnership with NM Public Education Department, hosted an exhibit from the Museum of Natural History and Science during FY 17 that included real dinosaur fossils for school children to see and touch, made 115 stops in local and tribal communities in all 33 counties, at schools, libraries, youth centers, and public events, bringing collections from the state's museums to rural communities across New Mexico.

MUSEUMS AND HISTORIC SITES PROGRAM

- Museum of Indian Arts & Culture Della Warrior, Director
- Museum of International Folk Art Dr. Khristaan Villela, Director
- National Hispanic Cultural Center Rebecca Avitia, Director
- New Mexico Farm and Ranch Heritage Museum Mark Santiago, Director
- New Mexico History Museum Dr. Andrew Wulf, Director
- New Mexico Museum of Art Mary Kershaw, Director
- New Mexico Museum of Natural History & Science Margie Marino, Director
- New Mexico Museum of Space History Chris Orwoll, Director
- New Mexico Historic Sites Dr. Patrick Moore, Director
- Los Luceros Historic Property
- Museum Resources Division David Rohr, Director

PRESERVATION PROGRAM

- Historic Preservation Division Dr. Jeff Pappas, Director
- Office of Archaeological Studies Dr. Eric Blinman, Director

LIBRARY SERVICES PROGRAM

- New Mexico State Library Joy Poole and Ryanne Cooper, Interim Directors

ARTS SERVICES PROGRAM

- New Mexico Arts Loie Fecteau, Director

PROGRAM SUPPORT

- Administrative Services Division Greg Geisler, Director, CFO
- Information Technology Douglas Patinka, Interim CIO
- Office of the Cabinet Secretary Veronica Gonzales, Cabinet Secretary
Michael Delello, Deputy Secretary