

Topic Area: Closing out the LegisStat Process for Tourism

Given capacity constraints, the LegisStat process focuses on only a set number of agencies at a time, targeted to those on which the Committee believes LegisStat will have the biggest impact. As a result, when an agency currently involved in LegisStat makes enough progress on its key challenges, it is time to rotate that agency out of LegisStat (at least for now) and bring in a new agency. Because of the Tourism Department’s focus on results and commitment to continuous improvement, LFC staff recommends rotating the department out of the LegisStat process. The Committee does this with a belief that the Department and its leadership will continue advancing the use of data, evidence and results-focused strategies to get the most impact on marketing expenditures, tourism development, and overall economic growth.

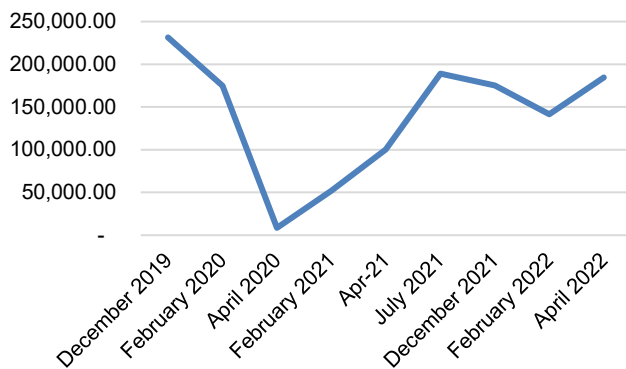
Key Data

Change in New Mexico Leisure and Hospitality Employment

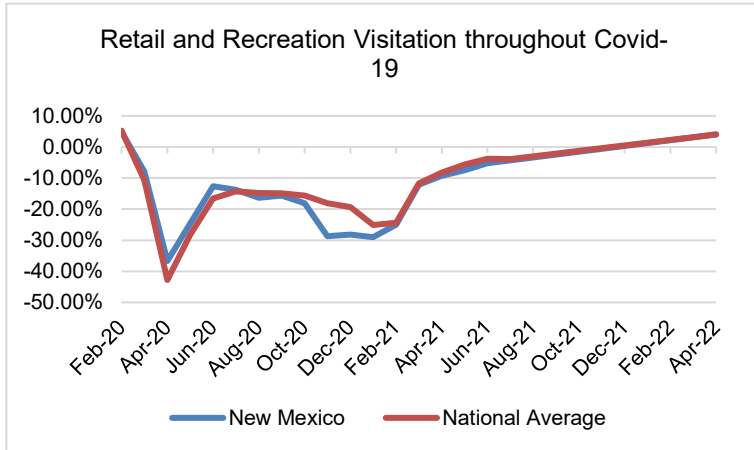


- Employment in the hospitality industry took serious hits throughout the pandemic.
- In FY22, the industry saw positive year-over-year growth in employment for the first time since FY20. Employment came within a percentage point of the national average.

Passengers Deplaned at Albuquerque International Sunport



- Passengers deplaned at the Albuquerque International Airport increased by about 70 percent compared with last April.
- Data provided by the department and the Support is not benchmarked to other states, making it unclear if 1) New Mexico’s travel recovery is on par with surrounding states and 2) how Legislative investment in marketing contributed to growth.



- Movement in the state, including visitation to parks and commercial vendors surpassed prepandemic levels in April 2022

Performance Challenge: Linking Tourism Sector Recovery to Department Efforts

LegisStat Recap

The New Mexico Tourism Department (NMTD) was a pilot agency for the LegisSTAT hearing process, first appearing before the committee in August 2021 alongside the Economic Development and Workforce Solutions departments to discuss data-driven, collaborative approaches to economic recovery. NMTD focuses on data more than most state agencies, and hosts a public economic recovery dashboard on its website. The dashboard features data from various sources on visitor spending, vaccination rates, small business performance, and hotel occupancy rates.

Progress

- Since the first LegisSTAT hearing, NMTD partnered with the Workforce Solutions Department to create a joint website advertising and connecting workers with available jobs in the leisure and hospitality industry. The departments continue to collaborate and now have a shared FTE.
- The department also completed a workforce needs study focused on the gaps between the workforce and employer needs, including skills training, education, and increased wage expectations.
- The department created the Rural Pathway Program to provide technical assistance to tourism stakeholders within rural New Mexico through providing tools, resources, support, and matching funding to support the implementation of tourism products.

Final Follow-Ups

- Members requested the department better collaborate with the State Parks Division and the Department of Cultural Affairs. The agency initiated discussions with both departments and may request collaborative special appropriations to broaden tourism opportunities for other agencies.
- LFC members requested a break out of county level visitor spend data. This is not yet available for 2021 through the Taxation and Revenue Department, but will be provided in November and shared with the committee.
- NMTD shared a 2021 return on investment study of the Los Angeles Market with LFC staff. The report surveyed travelers about what ads they remember seeing and how likely they were to visit a place because of an ad. Still photo ads performed better than video ads, and influenced approximately \$107 million in visitor spend, a return on investment of \$56 per every dollar spent.

Budget Questions

- How will the department translate the data driven approach for marketing to new budget priorities, such as tourism development?
- What is the status of collaboration with the Department of Cultural Affairs, who's museum and historic site visitation has not recovered at the same pace as the broader the tourism sector?
- How can the department spread out large one-time marketing appropriations, such as the \$15 million appropriated and spent this year?
- How does the department coordinate with other state agencies, specifically with the Cultural Affairs Department to market historic sites and museums?