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FISCAL IMPACT REPORT

SPONSOR Lujan DATE TYPED 2/22/05 HB 965

SHORT TITLE State High School Basketball Tournament Costs SB _____

ANALYST Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 965 appropriates \$100.0 from the general fund to PED for the purpose of paying costs of the annual state high school basketball tournament to include personnel, management, security, custodial, utility and rental costs.

Significant Issues

PED estimates the daily cost to host the tournament at the University of New Mexico is approximately \$30,000 per day. The tournament will last five days so the cost to the New Mexico Activities Association (NMAA) will be \$150 thousand. NMAA needs to make a \$300 thousand profit for the tournament to be able to host tournaments for other sports, such as swimming, diving, wrestling, soccer and tennis) which do not make a profit.

FISCAL IMPLICATIONS

The appropriation of \$100.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

PED estimates its cost for administering the program at \$2.6 thousand; the LFC assesses this should be funded out of the department operating budget.

ADMINISTRATIVE IMPLICATIONS

PED would have to set up a flow through account for the appropriation, develop a contract and provide assistance as required.

ALTERNATIVES

Require NMAA to charge sufficient admission prices to cover tournament costs and make enough profits to fund the other tournaments.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If the profits are not sufficient, other tournaments may have to be cancelled.

POSSIBLE QUESTIONS

1. How much are ticket prices and can they be increased without affecting attendance?
2. Should a fund be established for NMAA tournament expenses and replenished by the legislature on an as needed basis?

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