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## FISCAL IMPACT REPORT

SPONSOR Balderas ORIGINAL DATE 2-9-2006  
LAST UPDATED \_\_\_\_\_ HB 849  
SHORT TITLE North-South All-Star Football Game SB \_\_\_\_\_  
ANALYST Dearing

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$5.0	Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Higher Education Department (NMHED)

### SUMMARY

#### Synopsis of Bill

House Bill 849 appropriates \$5,000 from the general fund to New Mexico Highlands University Board of Regents for the purpose of promoting the North-South All-State football game, which is to be held at the university.

### FISCAL IMPLICATIONS

The appropriation of \$5,000 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 2007 shall revert to the general fund.

### SIGNIFICANT ISSUES

HB849 appropriates money to the New Mexico Higher Education Department to pass through to an organization stated to be the New Mexico Athletic Association. There is an organization called the New Mexico Activities Association (NMAA) that is comprised of New Mexico public and parochial middle/junior high and senior high schools that pay membership dues on an annual basis. However, NMAA does not sponsor any all-star sporting events. Some clarification of this

discrepancy is necessary in prior to any appropriation.

The actual entity that is sponsoring the event is the New Mexico High School Coaches Association (NMHSCA), an independent non-profit organization. The NMHSCA is physically housed within the NMAA building in Albuquerque, but it is independent of NMAA although the two organizations work in conjunction with each other.

For the purposes of HB849, the NMHSCA is sponsoring a class 3A All-Star North-South football game that will be held at NMHU on July 15, 2006. According to Bobby Gibbs, Executive Secretary for NMHSCA, only graduating seniors are eligible to play in NMHSCA post-season all-star games.

Over the past few years, these all-star games have grown to include both boys and girls sports such as baseball, basketball, football, softball, and volleyball. NMHSCA is currently sponsoring all-star games throughout the state for small, medium, and large sized schools in class 1A/2A (combined), 3A, and 4A/5A (combined).

In the case of the latter, NMHSCA has held the annual class 4A/5A All-Star North-South football game for the past 62 years. For the past several years, this game has been played in Albuquerque at the University of New Mexico (UNM), while the class 3A game has been played in Las Vegas at NMHU.

#### **ADMINISTRATIVE IMPLICATIONS**

Please see “Significant Issues” section, regarding the administration of funds, clarification of the recipient, etc.

#### **TECHNICAL ISSUES**

The New Mexico Higher Education Department (NMHED) was initially concerned about the issue of “anti-donation” regarding a public entity such as NMHU using state money to promote an event by a so-called entity that no one had heard of. Article IV, § 31 of the New Mexico State Constitution, Appropriations for charitable, educational, etc., purposes; provides that no money is to be appropriated to charitable, educational, or benevolent entities not entirely within the purview of state control.

However, once the Department determined that the money would be used to promote an event sponsored by a non-profit organization, those concerns were assuaged.

According to NMHSCA, each city or town hosting an all-star game has an organization comprised of local businesses that help defray the costs of putting on the event.

#### **OTHER SUBSTANTIVE ISSUES**

According to NMHSCA, the post-season all-star games (including the class 3A North-South football game) are not money making events. During the week leading up to an all-star game, NMHSCA spends most of its money on providing food and housing for the players who stay on the campus where the event is being held.

NMHSCA derives its benefit in giving the all-stars (most of whom are presumably college bound) the opportunity to be exposed to what campus life is like at a New Mexico higher education institution.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

If this legislation is not enacted, the funding for this event will need to come from another source.

**POSSIBLE QUESTIONS**

What if any clarification as to the correct recipient of this funding is necessary?

Does this appropriate violate Article IV, § 31 of the New Mexico State Constitution, titled “Appropriations for charitable, educational, etc., purposes?”

PD/mt