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FISCAL IMPACT REPORT

ORIGINAL DATE 02/19/07

SPONSOR Harrison LAST UPDATED _____ HB 1201

SHORT TITLE Rural Northwest NM Quality of Life Projects SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$225.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Indian Affairs Department (IAD)

Department of Tourism (DOT)

No Responses Received From

Office of Workforce Training and Development

SUMMARY

Synopsis of Bill

House Bill 1201 appropriates \$225 thousand from the general fund to the Indian Affairs Department to support two projects: (1) \$125 thousand for the tour of nation's five-day bicycle ride; and (2) \$100 thousand for a hospitality program that trains entry-level workers in the hospitality industry and provides management skills for new supervisors, managers and owners

FISCAL IMPLICATIONS

The appropriation of \$225 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

IAD reports the bike ride is set to take place for the first time in August 2007. It combines two central elements of New Mexico tourism: outdoor recreation and cultural exploration. Participants will start in Isleta Pueblo and ride between 32 and 61 miles per day, traveling through 4 Pueblos and the Navajo Nation. Riders will visit these Tribal communities and attend traditional performances and consume traditional meals. The ride finishes in Gallup, where participants will be provided with tickets to the Inter-Tribal Indian Ceremonial powwow. Each cyclist pays \$600 to participate in the event and participation is capped at 200 entrants.

The event is being organized by the non-profit Adventure Gallup and Beyond (“Adventure Gallup.”) Adventure Gallup is involved in promoting and organizing events in the Gallup/McKinley County area which combine outdoor recreation with tourism. Its Board is composed of 15 members, including Gallup Mayor Bob Rosebrough and State Representative Patricia A. Lundstrom.

Funding is needed to help with expenses associated with this event and other related projects of Adventure Gallup. Event organizers anticipate utilizing funds for personnel and other expenses. In the past, the organization has received funding from the State of New Mexico, the City of Gallup and McKinley County. It no longer has access to City or County money and seeks support from the State once again. Based upon current sponsorship and participation levels for the 2007 event, Adventure Gallup anticipates that the cycling event and other initiatives will be self-sustaining economically after fiscal year 2008.

The Tourism Department notes similar information regarding the event and adds that the department has agreed to provide support to the Tour of Nations event with existing resources in the areas of: press release creation and distribution; video services- capture and post-production editing; and media and tourism industry related contacts.

IAD notes the hospitality program referenced is likely ProActive Host based in Gallup. It is an affiliate of Adventure Gallup but is governed by its own Board of Directors, called the Business Advisory Council. Its purpose is twofold. First, it endeavors to meet the personnel needs of hospitality employers in the area by providing training to potential and current employees. Second, it provides local residents with the opportunity to access careers in the hospitality industry through training. Both of these objectives are in harmony with the larger objectives of utilizing tourism as an economic development tool in the Gallup/McKinley County region. It is hoped that by expanding and improving the pool of qualified hospitality workers, that tourists will receive better service and be more likely to select the area as a destination.

To date, more than 300 employees of hospitality concerns in the Gallup area have attended the ProActive Host program. The program emphasizes the improvement of interpersonal skills through hands-on skill development. Program curricula have been molded to meet the unique needs of the Gallup area’s multicultural population. Local employers have been pleased with the outcomes of the program – as employees have demonstrated improved interpersonal skills and employers lower turnover rates. Funding for the program comes primarily from participating employers.