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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/08

SPONSOR Lujan, B. LAST UPDATED _____ HB 478

SHORT TITLE State High School Basketball Tournament SB _____

ANALYST Cox

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$100.00	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Bill 478 requests one hundred thousand dollars (\$100,000) from the General Fund to the Public Education Department for expenditure in fiscal year 2009 for the annual state high school basketball tournament, including personnel, management, security, custodial, utility and rental costs.

FISCAL IMPLICATIONS

The appropriation of one hundred thousand dollars (\$100,000) contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

PED would be the fiscal agent for HB 478. It is estimated that it would take approximately 40 hours of time by an Education Administrator O (\$22.74 x 40 + 30% Benefits = \$1.2) to develop, administer and monitor the distribution of the funding by the PED.

SIGNIFICANT ISSUES

Traditionally the state high school basketball tournament is held at the PIT area at the University of New Mexico in Albuquerque. Operational costs for holding a state high school basketball tournament at the PIT are \$30.0 per day. The tournament is five days in March and includes both the boys' and girls' state tournament, making the total rental cost \$150.0. Alternative venues could possibly reduce costs.

The state tournaments for basketball, football and cheerleading are managed by the New Mexico Activities Association, a non-profit organization (NMAA). The annual state high school basketball tournament is the main profit-making tournament for the NMAA. Non-profits rely on fund-raising efforts to cover costs associated with organizational projects and activities. In addition, the NMAA advertises an impressive list of corporate sponsors.

The NMAA needs to make a \$300.0 profit from the annual state high school basketball tournament to help pay for the other state tournaments. Other sports (i.e. swimming and diving, wrestling, soccer, tennis) do not provide revenue for the NMAA.

Physical activity programs, such as basketball, may serve as an incentive to improve attendance, consequently positively impacting public school performance measures and benchmarks regarding reading, language arts, math and graduation rates.

TECHNICAL ISSUES

HB 478 under-funds the estimated operational costs for 5 days' rental (\$150.0) of the PIT by \$50.0.

PRC/nt