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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/08

SPONSOR Lujan, B. LAST UPDATED _____ HB 549

SHORT TITLE Santa Fe International Folk Art Festival SB _____

ANALYST Dearing

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bills 351, 279
Relates to Senate Bill 243

SOURCES OF INFORMATION

LFC Files

Responses Received From
Cultural Affairs Department (DCA)

SUMMARY

Synopsis of Bill

House Bill 549 appropriates \$200 thousand from the general fund to department of Cultural Affairs for expenditure in FY08 and FY09 for the purpose of planning and implementing the Santa Fe International Folk Art Market.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a Recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

SIGNIFICANT ISSUES

2008 will mark the 5th folk art market to be held at Milner Plaza on Museum Hill. The market brings international folk artists from around the world to Santa Fe to demonstrate and sell their work to market visitors, who numbered 17,000 people in 2007. There were 113 booths representing 40 different countries. Gross Receipts paid to the State of New Mexico totaled \$129,625 in 2007.

The IFAM provides a stipend to the Museum of International Folk Art (\$15,000 in FY 06, FY07, FY08, and a minimum of \$20,000 in FY 09; \$30,000 in FY10) in support of its exhibits and educational programs. In consideration for the use of Milner Plaza for the week preceding the market, the weekend, and free admission to the Museum of International Folk Art and the Museum of Indian Arts and Culture, IFAM pays \$5,000 to each museum. In addition, the market pays for overtime for security guards that the museums provide during installation of the market on Milner Plaza and during the market weekend itself. Staff members from the Museum of International Folk Art work in various capacities throughout the year in support of market activities.

The department's FY08 budget was increased by \$86.9 thousand for the market, through \$50 thousand for promotion and a \$36.9 thousand increase for an FTE position to coordinate technical services and consolidate logistical and financial functions year-round. The Museum of International Folk Art Museum staff time allocated to the market throughout the year include director (2% x \$36.58), curator (10% x \$21.91), security captain (5% x \$14.58), deputy director (2% x \$24.56), director of education (2% x \$22.48), bus ops spec (25% x \$17.38).

The Museum of International Folk Art has coordinated use of Milner Plaza for the annual market as well as security needed during the market. Museum staff members participate in the evaluation and selection of participating artists, and assist with logistical and financial aspects.

PERFORMANCE IMPLICATIONS

If enacted, the LFC recommends that the Cultural Affairs department submit a plan for program evaluation with specific program goals and criteria for assessing the effectiveness and provide suggested outputs, outcomes and performance measures to evaluate the performance of state government programs as prescribed in the Accountability in Government Act. Visitation to the Museum of International Folk Art during market weekend increases appreciably. Possible suggestions for performance measures include an attendance or attendance revenue measure.

ADMINISTRATIVE IMPLICATIONS

Implementation would be a combined effort of Cultural Affairs department staff and market staff.

DUPLICATION

House Bill 549 duplicates Senate Bill 351 and Senate Bill 279; Relates to Senate Bill 243.

OTHER SUBSTANTIVE ISSUES

The IFAM provides a stipend to the Museum of International Folk Art (\$15,000 in FY 06, FY07, FY08, and a minimum of \$20,000 in FY 09; \$30,000 in FY10) in support of its exhibits and educational programs. In consideration for the use of Milner Plaza for the week preceding the market, the weekend, and free admission to the Museum of International Folk Art and the Museum of Indian Arts and Culture, IFAM pays \$5,000 to each museum. In addition, the market pays for overtime for security guards that the museums provide during installation of the market on Milner Plaza and during the market weekend itself. Staff members from the Museum of International Folk Art work in various capacities throughout the year in support of market activities.

The International Folk Art Market received non-profit 501(c)3 status in late 2007 from the federal government, allowing sustainable growth for the future. The market has been identified by the department as a museum program and continued support has included the provision of office space for \$500/month. Office space use expands in FY 08 to include the Milner Plaza visitor's center as well as office space within the Stewart Udall Center for Museum Resources, telephone, fax, and mail service. The Museum of International Folk Art has coordinated use of Milner Plaza for the annual market as well as security needed during the market build-up. Curatorial staff members participate in the evaluation and selection of market artists, and administrative staff assists with logistical and financial aspects.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this legislation is not enacted, the Santa Fe International Folk Art Market would not have access to additional state funding.

PD/bb