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FISCAL IMPACT REPORT

ORIGINAL DATE 02/03/12

SPONSOR Maestas LAST UPDATED _____ HB 312

SHORT TITLE Museum Executive Directors SB _____

ANALYST Soderquist

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$40.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$26.4	\$26.4	\$26.4	\$79.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of Bill

House Bill 312 establishes a classified executive director position for the Music Commission in statute and appropriates \$40.0 thousand from the general fund for Music Commission programming, services, and operations in 2013.

FISCAL IMPLICATIONS

The proposed legislation establishes a classified executive director position for the Music Commission but provides no funding to cover the salary and benefits for this position. The response from the Department of Cultural Affairs (DCA) states that \$60.4 thousand is the average annual cost of salary and benefits for equivalent existing positions. The response also

states that a new position would incur additional recurring costs related to administrative expenses of approximately six thousand dollars per year. As the appropriation in the proposed legislation is for \$40.0 thousand in fiscal year 2013, implementation would cost an additional \$26.4 in additional operating expenses per fiscal year.

New Mexico Arts, to which the Music Commission is attached, has not budgeted funds for this position and would be forced to reduce funding to other programs should such a position be established in statute and filled by the department.

The proposed legislation states that any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

SIGNIFICANT ISSUES

The position of executive director for the Music Commission had been filled previously, but it was a non-authorized exempt position. Funding for this position and the operations required of it were not in the department's budget request or the budget that passed the Legislative Finance Committee.

The 2010 Legislative Restructuring Committee recommended abolishing the Music Commission.

ADMINISTRATIVE IMPLICATIONS

The response from the DCA expresses concern that the proposed legislation establishes a classified "executive director" position for the Music Commission, paid at the level of program staff within the division who are currently not classified at an "executive director" level. The department states that this could present a problem in terms of an effective classification through the State Personnel Office.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Music Commission will remain without an executive director and will have no programming budget in FY13.

RJS/amm:svb