



1963 Chevrolet Impala, Owner Lee Cordova of Alcalde, NM, 1998. Jack Parsons, photographer. Palace of the Governors Photo Archives HP.2007.11.

NEW MEXICO DEPARTMENT OF CULTURAL AFFAIRS

Presentation to the Legislative Finance Committee

July 27, 2016, Ruidoso



**FOUNDED IN 1909 AS THE MUSEUM OF
NEW MEXICO, DCA'S ORIGINS PREDATE
THE STATE OF NEW MEXICO ITSELF.**



The interior courtyard of Santa Fe's Palace of the Governors, the oldest public building in the country.

The Department of Cultural Affairs is New Mexico's cultural steward—charged with preserving and showcasing the state's cultural riches.

With its eight museums, eight historic sites, arts, historic preservation, archaeology and library programs, New Mexico's Department of Cultural Affairs is among the most ambitious and respected state cultural agencies in the nation. Together, the facilities, programs and services of the department see over 1.2 million visitors annually and help support a \$5.6 billion cultural industry in New Mexico.

The Department is divided into five programs and consists of 15 divisions. DCA owns and cares for 190 buildings comprising 1.3 million square feet on 16 campuses totaling over 1,000 acres. Its facilities are located throughout the state with programs and services reaching every county in New Mexico.

The Department's annual budget is approximately \$39.5 million, of which \$29.4 million is General Fund.



MUSEUMS AND HISTORIC SITES PROGRAM

In communities across New Mexico, the state's eight museums and eight Historic Sites interpret, celebrate, and present the history, culture, and art of our state.

Museums

- New Mexico Museum of Space History, *Alamogordo*
- New Mexico Museum of Natural History & Science, *Albuquerque*
- National Hispanic Cultural Center, *Albuquerque*
- New Mexico Farm and Ranch Heritage Museum, *Las Cruces*
- New Mexico History Museum, *Santa Fe*
- New Mexico Museum of Art, *Santa Fe*
- Museum of Indian Arts & Culture, *Santa Fe*
- Museum of International Folk Art, *Santa Fe*

Historic Sites

- Coronado Historic Site, *Bernalillo*
- Fort Stanton Historic Site, *Capitan*
- Bosque Redondo Memorial at Fort Sumner Historic Site, *Fort Sumner*
- Jemez Historic Site, *Jemez Springs*
- Lincoln Historic Site, *Lincoln*
- Taylor-Reynolds-Barela Historic Site, *Mesilla*
- Fort Selden Historic Site, *Radium Springs*
- El Camino Real Historic Trail Site, *South of Socorro*

PRESERVATION PROGRAM

- **Historic Preservation Division**
The Historic Preservation Division directs efforts and administers programs to ensure New Mexico's unique architectural heritage is preserved.
- **Archaeology Division**
The Office of Archaeological Studies conducts archaeological research projects throughout New Mexico in advance of new construction on public lands.

LIBRARY SERVICES PROGRAM

- **New Mexico State Library**
The New Mexico State Library serves all public and tribal libraries throughout the state by putting on workshops, distributing equipment, and providing training and technical assistance.

ARTS SERVICES PROGRAM

- **New Mexico Arts**
Provides financial support and technical assistance for arts services and programs to non-profit organizations statewide.

PROGRAM SUPPORT PROGRAM

- **Administrative Services Division**
Provides administrative support in budgeting, finance, and human resources to all divisions of the department.
- **Office of the Cabinet Secretary**
Oversees and provides leadership to the department.

ON JULY 1ST, THE NEW MEXICO MUSEUM OF SPACE HISTORY OPENED THE NEW HORIZONS DOMED THEATRE AND PLANETARIUM, WHICH FEATURES THE WORLD'S FIRST 4K LASER PLANETARIUM SYSTEM. UTILIZING FUNDING FROM THE STATE OF NEW MEXICO, CITY OF ALAMOGORDO, INTERNATIONAL SPACE HALL OF FAME FOUNDATION, AND PRIVATE DONATIONS, THE \$550,000 PROJECTION SYSTEM WAS INSTALLED DURING THE MONTH OF JUNE.

MUSEUMS



IN ALBUQUERQUE

The New Mexico Museum of Natural History & Science preserves and interprets the natural and scientific heritage of our state through extraordinary collections, research, exhibits, and programs designed to ignite a passion for lifelong learning.



The National Hispanic Cultural Center offers a variety of programs and activities throughout the year in various artistic disciplines. Currently the Center conducts programs in the visual arts, performing arts, history & literary arts, media arts, and education.



IN ALAMOGORDO

The New Mexico Museum of Space History explores the role that New Mexico has played in the development of the U.S. Space Program through collecting, preserving, and interpreting significant artifacts relevant to the history of space.



IN LAS CRUCES

The New Mexico Farm and Ranch Heritage Museum brings to life the 3,000-year history of farming and ranching in New Mexico with living history programs, exhibitions, demonstrations and 47 acres packed with real stories about real people.

THE MUSEUM OF ART WILL CELEBRATE THE 100TH ANNIVERSARY OF ITS OPENING IN 2017.

MUSEUMS

Photo by Šarūnas Burdulis @sarunas_b

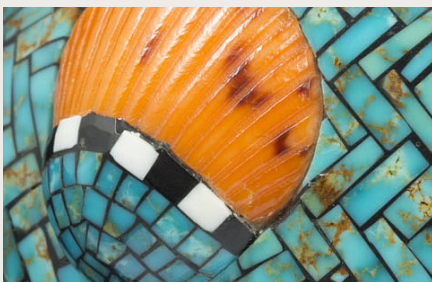


IN SANTA FE

The New Mexico Museum of Art is a leading art museum of the Southwest. Built in 1917, the structure itself is a work of art, considered a masterpiece of Pueblo Revival architecture and the best representation of the synthesis of Native American and Spanish Colonial design styles.



The New Mexico History Museum/Palace of the Governors tells the story of the state through programs and exhibitions. The Palace of the Governors is the nation's oldest continuously occupied public building and the state's oldest museum. The museum campus includes the Fray Angélico Chávez History Library and Photo Archives, the Palace Print Shop & Bindery, and the Native American Artisans Program.



The Museum of Indian Arts and Culture chronicles the art and history of the state's Native peoples. The museum's collections include 80,000 archaeological, ethnographic, and fine arts objects, and more than 10 million artifacts from almost 12,000 carefully excavated archaeological sites across New Mexico.



The Museum of International Folk Art opened to the public in 1953 and has gained national and international recognition as home to the world's largest collection of folk art. The extraordinary collection of some 150,000 artifacts from more than 150 nations. Changing exhibitions feature ingallery art-making activities for all ages to enjoy together, as well as the Tree of Life Children's Play Area, with toys, books, and a neighboring library of folk art books for parents and care givers.

HISTORIC SITES

**EIGHT
HISTORIC SITES
LOCATED IN
COMMUNITIES
ACROSS
THE STATE
CHRONICLE
THE UNIQUE
HISTORY OF
NEW MEXICO.**

Fort Selden Historic Site preserves the remains of Fort Selden, which was built in the Mesilla Valley in 1865 to protect settlers and travelers from escalating hostilities as settlers encroached on Apache homelands.

Lincoln Historic Site preserves 1880s-era New Mexico, offering visitors a true taste of the Old West, when the Lincoln County War and a host of characters, including Billy the Kid, launched this town into the history books.

Jemez Historic Site combines the San José de los Jémez Mission, built in 1621, with exhibitions and interpretation that present the history and culture of the Jemez Pueblo People in their own words.

Taylor-Barela-Reynolds-Mesilla Historic Site, one of several historic buildings facing the famous plaza in Mesilla, preserves the history of 19th century New Mexico.



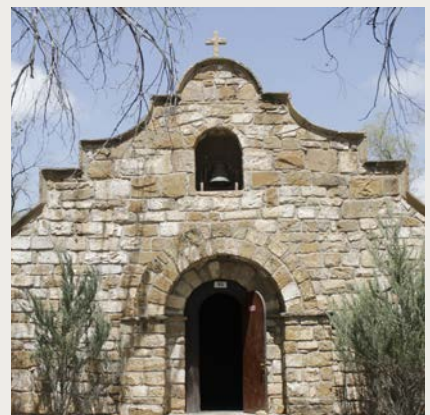
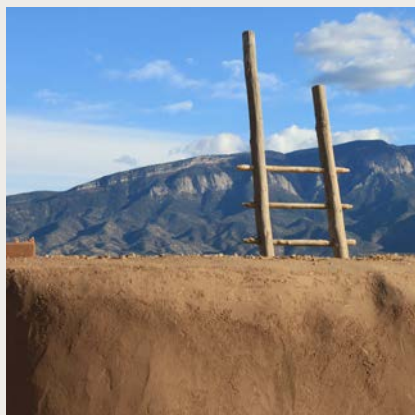


The Bosque Redondo Memorial at Fort Sumner Historic Site transports visitors into the heart of history and tragedy. With exhibitions and public programs, it commemorates the “Long Walk” of the Navajo and Apache people.

El Camino Real Historic Trail Site presents the history of exchange between Mexico, Europe, and America, interpreting the long and arduous journey over the “Royal Road,” which shaped the history of New Mexico and the Southwest over 300 years.

Coronado Historic Site is named after the Spanish explorer Francisco Vázquez de Coronado, who, with his soldiers, camped near the Tiwa village of Kuaua in 1540.

Fort Stanton, established in 1855, may be one of the most intact 19th-century military forts in the country.





STEWARDSHIP



DCA has both a statutory and fiduciary responsibility to protect New Mexico's investment in its cultural assets, which are conservatively valued at just under one billion dollars.

Our collections contain one-of-a-kind objects – artifacts, documents, photographs, and works of art – that together form a cohesive record of the people of the state, their interests, aspirations, and expression. DCA facilities include some of the most recognized and iconic places in the state.



EDUCATION



DCA's responsibilities extend beyond places, objects, and landscapes, and reach into the heart of what makes our state unique – our people.

Education programs coordinated by each of our museums and historic sites complement and enhance the efforts of formal educational institutions, providing students with tangible, hands-on experiences and bringing history to life.

DCA serves over 1 million children through programming each year.



COMMUNITY SUPPORT



The Department of Cultural Affairs leverages state investment to increase its impact by working with a variety of public and private organizations, institutions, and consortia.

Over the past year, more than 1,300 volunteers across New Mexico contributed more than 115,000 hours of their time on Department of Cultural Affairs' programs and projects, an estimated value of \$2.3 million. DCA's volunteer contribution is equivalent to 56 full time employees.

In FY 15, DCA's foundation partners contributed \$4.5 million in support of special exhibitions and educational programs.



ECONOMIC IMPACT

The 2016 International Folk Art Market drew approximately 20,000 visitors during a single weekend, and directly collected and contributed more than \$200,000 to the state of New Mexico in gross receipts taxes. Estimated tax revenues from visitors spending and lodging total over \$1 million, and overall economic impact to the State of New Mexico was over \$10 million.

**ONE QUARTER
OF TOURISM IN
NEW MEXICO
IS A RESULT
OF CULTURAL
AND HERITAGE
ACTIVITIES.**

A statewide study commissioned by DCA and conducted by UNM's Bureau of Business and Economic Research (BBER) was released, which found that the cultural industry in New Mexico has a \$5.6 billion impact to the state's economy.

The study found that cultural tourists spend 36% more than average tourists and travel longer, with a higher percentage using hotels, motels or B&Bs, contributing more to lodgers tax than other tourists.



CAPITAL OUTLAY

Fort Stanton was transferred to DCA in 2007 with no operating budget. It encompasses 240 acres, surrounded by 1,300 acres of undeveloped BLM land, with 88 buildings on the site. Most are registered historic buildings, some dating back to 1855.

RISK MANAGEMENT HAS VALUED DCA'S FACILITIES AND CONTENTS AT JUST UNDER 1 BILLION DOLLARS.

DCA manages over 190 buildings comprising 1.3 million square feet, located on 16 campuses and totaling over 1,000 acres. Over 100 DCA facilities are historic structures, with statutorily required specialized preservation needs.

DCA's operating budget has minimal funding for on-going and preventative maintenance or lifecycle repairs.

Because most DCA facilities are open to the public seven days a week, they are subject to significant wear and tear. Unforeseen facility closures have a negative impact on public access and DCA's operating budget, which relies on revenue earned from admissions and facility rentals.

DCA capital outlay expenditures were \$4.3 million in FY 16.



FY 18 CAPITAL REQUEST

DCA’s preliminary FY 18 request prioritizes capital outlay needs across the department in 5 areas.

Capital priorities address public health and safety, security of collections, and preservation of facilities. This includes specialized temperature and humidity controls, robust security systems, fire suppression systems, and ADA compliance. Additional priorities include structural and site stabilization, as well as exhibit and facility upgrades. For FY 18, DCA is requesting:

1. Life, Health & Safety	\$	2.4M
2. Collections Risk Abatement	\$	4.7M
3. Lifecycle Repairs and Upgrades	\$	7.7M
4. Exhibits and Facilities Renovation	\$	2.4M
5. Equipment	\$	1.0M
TOTAL REQUEST	\$	18.2M



STAFFING ISSUES

The department currently has 97.5 vacant positions (a 19% vacancy rate) and key vacancies in the museums and historic sites program must be filled.

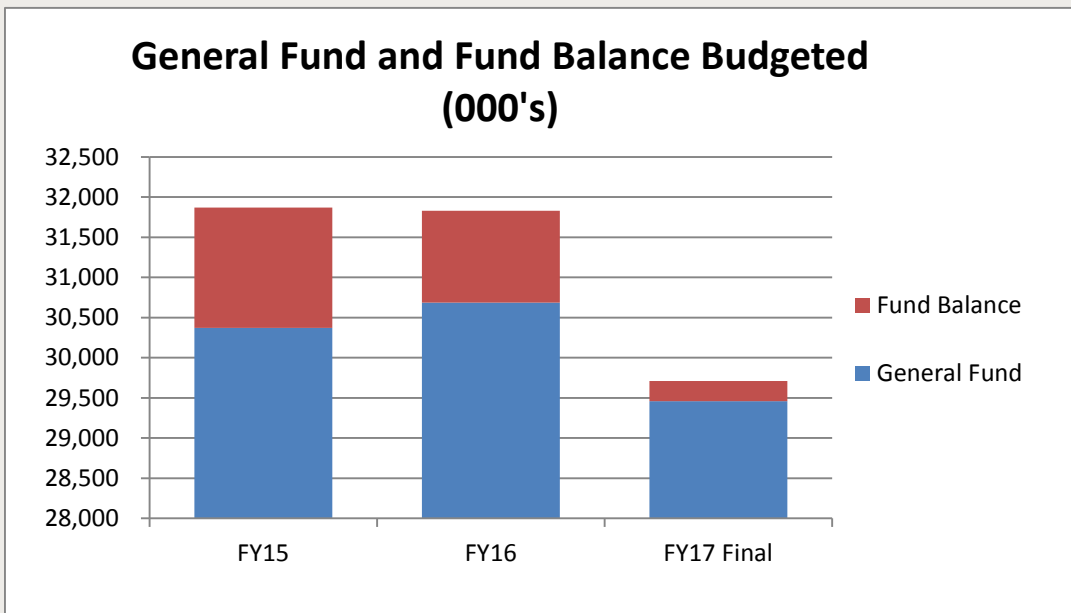
DIVISION	VACANT	POSITIONS	VACANCY RATE
Museums	45	302.8	15%
Historic Sites	15	37	41%
Library	12.5	48	26%
Historic Preservation/Arch	12	57	21.1%
Arts	2	14.5	13.8%
Program Support	11	52	21.2%
	97.5	512.2	19.0%



BUDGET

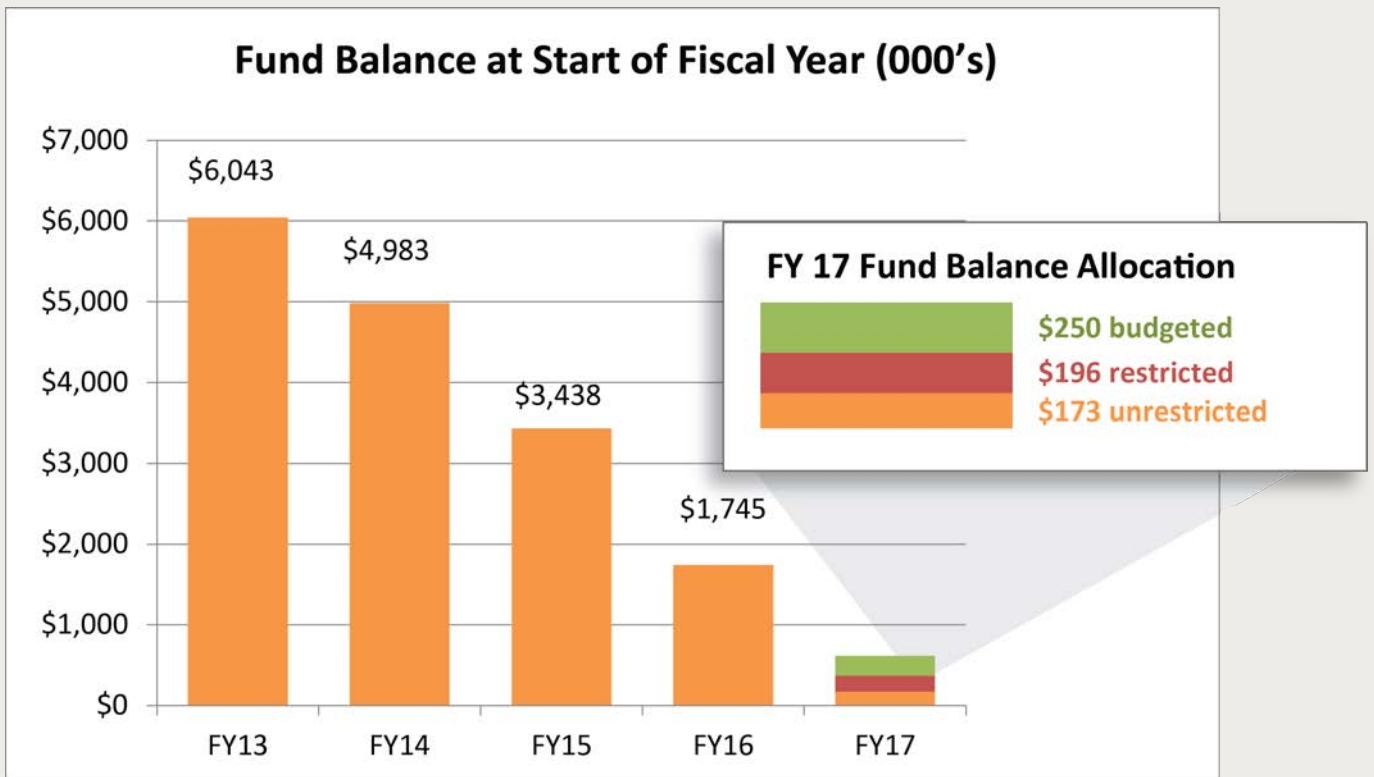
DCA's FY 17 total general fund operating budget of \$29.4 million is \$5.8 million, or 19.7% lower than FY 09—the year the New Mexico History Museum opened. Due to a lack of General Fund, non-recurring fund balance has been used since FY 11 to subsidize operations and will be depleted in FY 17.

Solvency will be difficult to achieve in FY 17 due to a reduction of general fund support for DCA of \$1.2 million and reduction in budgeted fund balance of \$892 thousand.



FY 17 OPERATING BUDGET

- Total DCA operating budget of \$39.5 million is \$2.9 million lower than FY 16, or 7 percent.
- In FY 17, the department projects a personnel costs and benefit deficit of up to \$2.1 million.
- \$619.0 fund balance projected at the start of FY 17. Of this amount:
 - ◆ \$250.0 is budgeted for personnel cost and benefits
 - ◆ \$196.1 is restricted for the union pay settlement
 - ◆ \$173.0 projected remaining fund balance





COST SAVING MEASURES

NEAR-TERM ACTIONS taken to address shortfalls

Increasing Revenues

- DCA has increased admission rates and reduced the number of free Sundays. It is anticipated that revenue will increase by \$442 thousand in FY 17 due to these changes.

Cost Reductions

- A limited reduction-in-force was approved by the State Personnel Board on July 21, 2016. A reduction of 11 positions is part of a department reorganization to streamline operations and help the department by saving \$627.0
- DCA has frozen approximately \$756.0 in the contracts and other costs category to be available to address the projected personnel costs and benefits shortfall.
- This fall, operating hours and days of operation will be reduced at some museums and historic sites.
- Additional reductions will be difficult, because DCA has a high percentage of facility fixed costs such as utilities, telecommunications, insurance, security, and credit card processing fees.

LONG-TERM STRATEGIES if state general fund remains flat and or is reduced, the department will be at a point of failure:

- DCA will be forced to close and reduce the operations of facilities.
- Additional staff reductions will be necessary.
- Dramatic reductions in education, programming and outreach to the public and schools will be necessary.



DCA LEADERSHIP

MUSEUMS AND HISTORIC SITES PROGRAM

- Museum of Indian Arts & Culture
- Museum of International Folk Art
- National Hispanic Cultural Center
- New Mexico Farm and Ranch Heritage Museum
- New Mexico History Museum
- New Mexico Museum of Art
- New Mexico Museum of Natural History & Science
- New Mexico Museum of Space History
- New Mexico Historic Sites
- Los Luceros Historic Property
- Museum Resources Division

Della Warrior, Director
Charlene Cerney, Acting Director
Rebecca Avitia, Director
Mark Santiago, Director
Andrew Wulf, Director
Mary Kershaw, Director
Margie Marino, Director
Chris Orwoll, Director
Dr. Jeff Pappas, Acting Director
Rudy Acosta, Manager
Will Ticknor, Director

PRESERVATION PROGRAM

- Historic Preservation Division
- Office of Archaeological Studies

Dr. Jeff Pappas, Director
Dr. Eric Blinman, Director

LIBRARY SERVICES PROGRAM

- New Mexico State Library

Kathleen Peiffer, New Mexico State Librarian

ARTS SERVICES PROGRAM

- New Mexico Arts

Loie Fecteau, Director

PROGRAM SUPPORT

- Administrative Services Division
- Information Technology
- Office of the Cabinet Secretary

Greg Geisler, Director, CFO
Satya Neel, CIO
Veronica Gonzales, Cabinet Secretary
Michael Delello, Deputy Cabinet Secretary