

New Mexico Tourism Department
NEW MEXICO LEGISLATIVE COUNCIL SERVICE

411 State Capitol
Santa Fe, New Mexico 87501
(505) 986-4600
Fax: (505) 986-4680
Date: 8/03/2010

Information Memorandum No. 202.182622B

SUBJECT: GOVERNMENT RESTRUCTURING TASK FORCE REQUEST

1) What was the total amount of the agency's appropriation reduction from fiscal 2010 for fiscal year 2011? \$1,692.4

a. How is the reduction budgeted in each program of the agency, by expenditure category?

Personal Services and Employee Benefits (200): -2.6%

Contractual Services (300): -17.1%

Other (400): -12%

Other Financing Uses (500): -100%

b. How will the reductions affect program delivery to clients? *N/A the Tourism Department (NMTD) does not have clients but this will affect how we advertise New Mexico in certain markets.*

The Department has reduced its advertising media buy by approximately 20%. In simple terms if we were in three markets in Texas, Dallas, Austin and Houston, we will be dropping one of those markets. The Department will not be sponsoring any community events in FY11. All sponsorships have been dropped with the exception of the Albuquerque International Balloon Fiesta and the New Mexico Bowl. Our cooperative advertising program has been reduced by 25% or \$250,000 dollars. The more than 125 grant recipients will receive smaller grants thus affecting the amount of advertising they place. The reduction affects the gross reduction in advertising by approximately \$1 million.

2) What options have been explored or are under consideration by your agency to become more efficient and cost-effective in the face of a continuing decline in revenue? *NMTD has reduced the number of visitor guides produced, cut vehicle leases, re-negotiated leases for copiers, re-negotiated contracts with the corrections department and a lease with UNM, some contracts were eliminated or consolidated; the promotion and advertising representatives in Europe are now down to one agency.*

New Mexico Tourism Department
NEW MEXICO LEGISLATIVE COUNCIL SERVICE

Date: 8/03/2010

Information Memorandum No. 202.182622B

SUBJECT: GOVERNMENT RESTRUCTURING TASK FORCE REQUEST

As a service to help communities advertise their events, the Marketing Division has instituted more in-kind services. Buy purchasing electronic billboards in Albuquerque and Las Cruces we can advertise up to six events at a time. Because the boards are electronic production, costs are minimal. In conjunction with the billboards, we have broadened the use of our Web site Home page and e-newsletter to advertise events in a coordinated manner. Working with our PIO and contracted Public Relations firm we will disseminate event information through the press.

Please report all possible options, including programmatic, fiscal and contractual modifications. For example:

(a) what technological changes could be instituted to make the agency more effective and efficient? *NMTD has increased use and promotion of our internet web site as well as used it as a portal to various events statewide.*

(b) Can changes be made to the agency's procurement/contracting services to save money? *The only change would be in the amount of time it takes for a contract to be approved.*

(c) Is a program outdated, and can a major, or minor, overhaul of that program create a more efficient and effective state government? *Yes, within the Magazine, division there is a program to produce books, this function is no longer necessary. Other editorial functions within the Magazine have been eliminated due to technology. Note: this program is an enterprise fund and has no effect on the General Fund. Due to current personnel rules, these employees are considered classified which makes Reduction in Force a viable option for reducing payroll expenses.*

(d) Is the program better suited to another governmental level (e.g., municipalities, counties, school districts) or is it a program that should not be provided by the public sector? *No, this program (Magazine) should stay with NMTD. Because this program is not funded by the private sector, it is able to effectively promote the entire state with no regard to a controlling entity.*

(e) Could the services be provided more effectively by another state agency? *No*

New Mexico Tourism Department
NEW MEXICO LEGISLATIVE COUNCIL SERVICE

Date: 8/03/2010

Information Memorandum No. 202.182622B

SUBJECT: GOVERNMENT RESTRUCTURING TASK FORCE REQUEST

(f) Can some programs be consolidated with others to save on administrative costs? *Public information sections and Attorney staff could be consolidated to assist multiple agencies. Secretarial / Administrative assistants could be consolidated or shared to save on administrative costs.*

(g) Is there a new revenue source that should be examined for a program? *Yes, HB 189 (2010, dedicated funding source), a source that would bring approximately \$6.2 million to the advertising budget of NMTD. This funding would not have any effect on current administrative costs and at the same time would free approximately \$3.3 million in current General Fund appropriations.*

3) When listing options, please include a brief discussion of the following:

(a) Does the option require legislative action to enact, amend or repeal a statute? *This would require legislative action; it would place a quarter of one percent tax on restaurant meals (.0025 of 1%). For example on a \$50.00 dollar meal, the tax would be \$12.5 cents.*

(b) Does the option result in an increase or decrease in FTE's? *No*

(c) What are the fiscal implications, including both costs and potential savings? *Are the costs or savings recurring? Would save approximately \$3.3 million in current General Funding, no increase costs and would be a recurring saving.*

(d) How would the option be implemented? What are the obstacles to implementing this option? *Legislative and public support. NMTD currently has the support of the Hotel and Restaurant association.*

(e) Has this option been tried before? If so, what was the result? *Yes, HB189 never made it out of committee.*

