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FISCAL IMPACT REPORT

ORIGINAL DATE 2-8-06

SPONSOR Balderas LAST UPDATED _____ HB 714

SHORT TITLE Vietnam Veterans Memorial State Park SB _____

ANALYST Woods

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Veterans Services Department (VSD)

Department of Finance and Administration (DFA)

Energy, Minerals and Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

House Bill 714 makes an appropriation for operation of the Vietnam Veterans Memorial State Park. Specifically, the legislation seeks to appropriate \$100,000 from the general fund to the Energy, Minerals and Natural Resources Department for expenditure in fiscal year 2007 to support the operation of the Vietnam Veterans Memorial State Park. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

FISCAL IMPLICATIONS

The appropriation of \$100,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 shall revert to the general fund.

The Energy, Minerals and Natural Resources Department (EMNRD) notes that this appropriation will permit the State Parks Division (SPD) of the Energy, Minerals and Natural Resources Department to open the Vietnam Veteran's Memorial year round and to support all operational costs.

SIGNIFICANT ISSUES

EMNRD indicates that the appropriation will ensure that SPD can meet total anticipated operating costs at the memorial for FY07. However, this appropriation is "non-recurring" and unless these funds are incorporated into SPD's FY08 base budget, SPD will not be able to meet operating expenses in subsequent years.

EMNRD additionally indicates that SPD requested \$204.2 in the FY06 Executive budget request for recurring operating costs at the memorial, however the SPD only received \$100.0. In order to meet operational costs for FY06 SPD delayed opening the park until November and SPD negotiated an operating agreement with the David Westphall Veterans Foundation, Inc. to provide supplemental funds to operate the memorial. The foundation has struggled to provide these funds and the amount of future funding by the foundation is uncertain; this is particularly true in FY07 because construction in the visitor's center will prevent the foundation from operating its bookstore, its major source of revenue. Faced with diminished support from the foundation, SPD may be forced to limit memorial operations and reduce public access during construction, a period estimated to be six months of FY07. With the additional amount of 100.0 requested by the legislation, SPD will be able to have the park open for full operations for the entire period of FY07.

PERFORMANCE IMPLICATIONS

The SPD Performance Measures that will positively affected by this appropriation are: 1) Number of visitors to state parks, 2) Percent of general fund to total funds, 3) Number of interpretive programs available to park visitors, and 4) Number of visitors participating in interpretive programs, including displays at visitor centers and self-guided tours.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

EMNRD indicates that SPD may close the memorial during construction (approximately six months).

BW/nt:yr