

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 2/14/19

SPONSOR O'Neill LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Funding for the UNM Press SB 463

ANALYST Valenzuela

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$300.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

University of New Mexico (UNM)

New Mexico Higher Education Department (HED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 463 appropriates \$300 thousand from the general fund to University of New Mexico (UNM) for the purpose of supporting increased funding for the UNM Press.

### FISCAL IMPLICATIONS

UNM Press has been accruing operating deficits for several years. According to HED, as of June 30, 2018, the UNM Press had a negative reserve of \$6.8 million.

The UNM Board of Regents approved a deficit reduction plan for UNM Press in August 2018. The deficit reduction plan included subsidizing the UNM Press budget with an annual \$350 thousand subsidy from the UNM Provost Office and a major restructuring of the Press's warehouse and distribution center. Organizationally, UNM Press is now part of UNM's College of University Libraries and Learning Sciences.

The Press privatized its warehouse operations to a Tennessee company and eliminated the 5.25 fulltime staff at the warehouse. Under the agreement, UNM Press will pay the Tennessee company to house 70 percent of the existing book inventory. It is difficult to gauge the cost

savings projected from the privatization of the warehouse operations.

UNM Press operating budget totals \$2.1 million annually.

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

### **PERFORMANCE IMPLICATIONS**

UNM reports the following activity and workload information: 616 projects, which are evaluated for publication by UNM Press, are in its pipeline, of which 62 or 10 percent are New Mexico authors. From FY17 to FY19, UNM Press published 194 titles, with 38 percent being New Mexico authors.

### **OTHER SUBSTANTIVE ISSUES**

Established in 1929, the University of New Mexico Press is the largest book publisher in the State, whose mission is to publish significant and important scholarship and research from faculty at UNM, across the state, the nation, and around the world. Another important mission has developed over the decades to publish popular books about the history and culture of New Mexico, which has widened to include all kinds of books about New Mexico, its geography, its people, and its cultures, often beautifully illustrated.

MFV/sb