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FISCAL IMPACT REPORT

SPONSOR Hickey LAST UPDATED _____
ORIGINAL DATE 1/30/24
SHORT TITLE Entrepreneur-in-Development Program BILL NUMBER Senate Bill 227
ANALYST Jorgensen

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$3,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

New Mexico Independent Community Colleges (NMICC)

SUMMARY

Synopsis of Senate Bill 227

Senate Bill 227 appropriates \$3 million from the general fund to the Higher Education Department for distribution to Central New Mexico Community College (CNM) in collaboration with San Juan College (SJC) and Southeast New Mexico College (SENMCC) to develop an entrepreneur-in-development program. The funds are to be spent between FY25 and FY27.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$3 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

SIGNIFICANT ISSUES

NMICC reports:

Central New Mexico Community College, Santa Fe Community College, San Juan College, and Southeast New Mexico College are working collaboratively to launch entrepreneur-in-development programs to foster and nurture companies throughout New Mexico, resulting in greater economic development for our state.

The entrepreneur in development program is designed to provide hands on experience to high-potential entrepreneurs in an immersive, cohort based, 12-month program that will blend hands on experience with a structured support system. The potential entrepreneurs will be placed in startups throughout New Mexico. During the program they will receive coaching and mentorship and build personal networks -- when combined with the other supports in the program -- the potential entrepreneurs will remain in New Mexico, many will develop their own startup companies.

The participating institutions project they will train over 30 entrepreneurs in training during the three year pilot.

The institutions are projecting 1 in 4 entrepreneurs in development will create a new startup company in New Mexico. Each new startup will employ on average 5 employees in good paying job with the startup earning an average \$5 million in revenue. The estimated return on investment over 10 years is \$7.90 for every \$1 invested.

CJ/rl/ne/al