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FISCAL IMPACT REPORT

SPONSOR Garcia DATE TYPED 2/16/05 HB _____

SHORT TITLE Create Division of International Trade SB 35

ANALYST Rosen

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	0.0		180.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the Executive Budget Recommendation

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Department of Environment (DOE)

SUMMARY

Synopsis of Bill

Senate Bill 35 creates a Division of International Trade within EDD, provides for a division director and one additional FTE to coordinate the state's relations with other countries, promoting New Mexico and its assets and fostering and supporting the efforts of New Mexico individuals, businesses and organizations involved in the promotion of New Mexico in other countries. Senate Bill 35 also amends the name and duties of EDD's existing Trade and Mexican Affairs Division to be called the Mexican Affairs Division and transfers some of its current duties to the new International Trade division.

Significant Issues

According to the State Personnel Office (SPO) FY04 annual report, EDD has the highest ratio of managers to staff of all state government agencies. SPO reports EDD has 32 classified managers and 57 classified staff, or 56% of all classified staff at EDD are managers. SPO indicates the average ratio of classified managers to staff for all state agencies is 10.1%.

The bill requires the new Division to create central registry of New Mexico products and businesses as well as a database of potential domestic and international investors and consumers in addition to promotion of the economic development of the State through export promotion and investment promotion.

PERFORMANCE IMPLICATIONS

EDD indicates results, in terms of increased investment in the State, increased international business, and increased jobs and revenues resulting from international business and investment, will be set as goals for this new division.

FISCAL IMPLICATIONS

EDD's FY06 budget request submitted on September 1, 2004 to DFA and LFC included only \$90.0 and 1 FTE for this new division. The Governor's executive budget recommendation for EDD included \$180.0 and 2 FTE. According to EDD response to a LFC request for analysis of the bill on January 21, 2005, the recurring fiscal impact is now \$155.0.

ADMINISTRATIVE IMPLICATIONS

This bill amends the title and duties of an existing division, creates a new division and authorizes 2 additional FTE for the new division.

ALTERNATIVES

Retain the current administrative configuration at the Economic Development Department.

JR/njw