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FISCAL IMPACT REPORT

ORIGINAL DATE 2/03/2006
 LAST UPDATED 2/03/2006 HB _____

SPONSOR Altamirano

SHORT TITLE NM Small Business Development Center SB 174

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 174 appropriates \$2,000,000 from the general fund to the Higher Education Department (HED) for the statewide New Mexico Small Business Development Center at Santa Fe Community College.

FISCAL IMPLICATIONS

The appropriation of \$2,000,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

These funds would augment a recurring line-item appropriation made annually in the General Appropriation Act. For fiscal year 2006, this appropriation was made to Santa Fe Community College (SFCC) in the amount of \$3,187,800. An additional \$988,000 was appropriated to HED for the SBDC's in Senate Bill 190 (Chapter 34, Laws of 2005). For fiscal year 2007, as of the date of this FIR, HED is directed by language in HAFS Substitute for HB2's 2,3,4,5,6 and 78 to

continue those projects initiated by Chapter 34 using a lump sum appropriation provided for special projects expansion. (See page 182, lines 12-15.)

SIGNIFICANT ISSUES

This proposal was included among the special program funding requests submitted by SFCC to the Higher Education Department (HED) for review. However, this proposal has not been included in the HED fiscal year 2007 funding recommendations to the Legislature.

PERFORMANCE IMPLICATIONS

HED is directed by language in HAFB Substitute for HB's 2,3,4,5,6 and 78 to develop performance criteria and outcomes and report on financial accountability to ensure efficient funding allocation. Additionally, the NMSBDC has established performance measures.

ADMINISTRATIVE IMPLICATIONS

HED would be responsible for administering the funding appropriated through this bill. It is anticipated that HED would sub-allocate the funding to Santa Fe Community College which provides administrative services for the NMSBDC.

OTHER SUBSTANTIVE ISSUES

HED reports that SFCC has hosted the Lead Center of the New Mexico Small Business Development Center network since 1988. SFCC provides physical space and fiscal support services to the Lead Center, which directs and manages New Mexico's 18 Small Business Development Centers. The requested appropriation of \$2,000,000 would be used to enhance existing core services and implement additional program services by:

- assisting small businesses in international trade;
- implementing formal business retention and expansion projects in local regions served;
- supporting business incubation efforts in regions served by community colleges and local small business development offices;
- providing services and support for quality management training to small businesses and expand outreach to underserved communities.

The Economic Development Department notes that SBDC is a partner with the Department in their retention and expansion efforts. These funds will provide increased outreach effort and the potential for new job creation by small businesses in the state.

DKE/nt