

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/8/07

SPONSOR Rawson LAST UPDATED _____ HB _____

SHORT TITLE NMSU Social Entrepreneurship Program SB 46

ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$50.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Higher Education Department (HED)

New Mexico State University (NMSU)

SUMMARY

Synopsis of Bill

Senate Bill 46 appropriates \$50 thousand from the general fund to the Board of Regents of New Mexico State University for the purpose of supporting the social entrepreneurship program at the Arrowhead center.

FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

SIGNIFICANT ISSUES

According to HED the Arrowhead Center, Inc is organized for the purpose of fostering economic growth in a largely rural state by integrating academic, research, and business talents in the economic development process. It is divided into five business units: Intellectual Property

Commercialization, Research Park, Entrepreneurship, Workforce Development, and Policy Analysis. The units facilitate Arrowhead’s need to address a broad spectrum of issues related to sustainable and economic development in New Mexico. Together, the units create a cohesive research center that is able to effectively aid New Mexico’s economy.

NMSU indicates the appropriation in SB 46 would be used to support a social entrepreneurship program. The funding would provide resources, design and build, and create the new program at NMSU. The program would help non-profit organizations by providing business strategies to the businesses. The individualized strategies would focus on long-term sustainability.

PERFORMANCE IMPLICATIONS

NMSU reports its Arrowhead center has provided business assistance to nearly 150 entrepreneurs across the state by providing business plans and feasibility studies to for-profit companies. The appropriation would expand their market into non-profit companies. Rivers Academy, a Las Cruces non-profit school that accommodates students who are challenged academically and/or socially because of learning disabilities, academic disorders, or their special needs, was on the verge of closure. Arrowhead provided a semester of consulting and developing a financial plan. The academy remains open and provides education to a larger amount of students.

The Arrowhead Center, Inc. provided the following goal/performance table for the social entrepreneurship program:

Social Entrepreneurship Program at Arrowhead Center, Inc.		Performance Indicator FY 2007 - 2008
Goal/Performance Objective		
1	To develop a social entrepreneurship program	
1.2	Design Social Entrepreneurship program	By 6/30/07
1.3	Provide research and support services to social entrepreneurship projects	7
1.4	Number of NMSU students involved in social entrepreneurship projects	14
1.5	Identify new programs in global entrepreneurship	By 03/31/07