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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/2007

SPONSOR Campos LAST UPDATED _____ HB _____

SHORT TITLE NM Highlands Regional Economic Development SB 56

ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$800.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 56 appropriates \$800,000 from the General Fund to the Board of Regents of New Mexico Highlands University for expenditure in FY 2008 to fund the Northeastern New Mexico Regional Economic Development Center.

FISCAL IMPLICATIONS

The appropriation of \$800,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the General Fund.

SIGNIFICANT ISSUES

The Economic Development Center at NMHU was created under the School of Business Administration with funding from the Department of Commerce Economic Development Administration Grant for the purpose of economic development. The center offers research,

technical analysis, and quantitative support for economic development projects in the northeast quadrant of New Mexico.

The program works with students by integrating academic curriculums, providing access to internships, offering a business practicum class, and inviting community-based leaders to speak with business classes on NMHU campus.

Appropriations would broaden the center's capacity to retain and expand existing businesses, help develop new start-up businesses, attract businesses that fit area communities, and stimulate job creation in northern New Mexico.

The Economic Development Department indicates the program has seen:

1. Major progress towards the development of manufacturing properties and exports;
2. Increased partnerships, collaboration and relationships with local area stakeholders, including regional Chamber of Commerce, the MainStreet programs, and local governments; and
3. The development of several businesses, and the potential expansion of the business incubator program to another site in the community.

This proposal was submitted to the HED by NMHU, but was not included in the Department's funding recommendation for FY08.

PERFORMANCE IMPLICATIONS

Senate Bill 56 does not indicate performance measures. and criteria for evaluating include tracking progress toward the development of manufacturing properties, increasing partnerships and collaborations, and program expansion efforts within the community (HED Analysis).

OTHER SUBSTANTIVE ISSUES

The Economic Development Department indicates the program has seen:

4. Major progress towards the development of manufacturing properties and exports;
5. Increased partnerships, collaboration and relationships with local area stakeholders, including regional Chamber of Commerce, the MainStreet programs, and local governments; and
6. The development of several businesses, and the potential expansion of the business incubator program to another site in the community.

BM/mt