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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/08

SPONSOR M.J. Garcia LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE NMSU Arrowhead Programs SB 140

ANALYST Haug

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$165.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
 New Mexico State University (NMSU)  
 Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 140 appropriates \$165.0 from the general fund to the Board of Regents of New Mexico State University to support the economic development programs of New Mexico State University's Arrowhead Center for economic and sustainable development.

### FISCAL IMPLICATIONS

The appropriation of \$165.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

The HED states that this request was submitted by NMSU to the New Mexico Higher Education Department for review. The Department's funding recommendation for FY09 is a continuance of FY08 recurring funding in the amount of \$111,600.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies this project as a "would not oppose if funding available" project. Reasons for this

classification decision are not provided. (LFC Report 07-20, Higher Education Department Review of Selected Research and Public Service Projects, January 12, 2008, Table 4, p74.)

## **SIGNIFICANT ISSUES**

NMSU states:

- With a 47<sup>th</sup> ranking in per capita income, New Mexico must foster economic growth in a largely rural setting by integrating academic, research, and business talents in the business development process. As New Mexico's land grant institution, it is New Mexico State University's unique mission to foster technology-based development through teaching, research, and service. The Arrowhead Center for Business Development will help NMSU meet its goals for Graduate Education, Economic Development and Outreach.
- The vision of Arrowhead Center is to be a nationally recognized leader in the promotion of sustainable economic development.
- The mission of Arrowhead Center is to promote prosperity and public welfare in New Mexico through economic development.
- Arrowhead Center is in the business of fostering commercialization of NMSU intellectual property, providing relevant public policy research analysis on economic issues, making University resources available to serve as a springboard to start-up businesses; developing new entrepreneurial concepts, jobs, and sources of wealth; and supplying training and degree programs for identified business needs of both the public and private sector in New Mexico.
- The mission, vision, and goals of Arrowhead Center are linked intimately with those of NMSU, its parent organization.
- By fostering commercialization of NMSU intellectual property and making resources available for start-up and emerging businesses, Arrowhead Center will nurture the small businesses through a strong incubation program facilitating networking and providing business management assistance as part of a larger economic development plan for the state. The Arrowhead Center works very closely with local, regional and state economic development organizations including the New Mexico Economic Development Department, the Mesilla Valley Economic Development Alliance, and the Otero County Economic Development Corporation as well as White Sands Missile Range, city, county, and state officials and legislative field representatives for United States Senators, Jeff Bingaman and Pete Domenici, and United States Congressman Steve Pearce.

The EDD states that The Economic Development Department has utilized the Arrowhead Center to conduct feasibility studies and business plans for local businesses and considers the organization an invaluable partner.