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FISCAL IMPACT REPORT

ORIGINAL DATE 1-31-09

SPONSOR Leavell LAST UPDATED _____ HB _____

SHORT TITLE Performance Excellence and Baldrige Criteria SB 92

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.01*	\$0.01*	\$0.03*	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

(*minimal additional impact estimated)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 92 appropriates three hundred thousand dollars (\$300,000) from the general fund to Economic Development Department to expand performance excellence training, assessment services and assistance to New Mexico businesses and organizations in order to encourage economic development and prosperity statewide by strengthening competitiveness and improving effectiveness using the Baldrige criteria for performance excellence.

FISCAL IMPLICATIONS

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The appropriation of three hundred thousand (\$300,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund.

SIGNIFICANT ISSUES

Quality New Mexico is a private, non-profit 501(c) 3 service organization established in 1993 and home to the New Mexico Quality Awards (NMQA) program recognizing businesses/organizations for commitment to progress and excellence. Since 1994, New Mexico businesses, schools, health care, government and non-profit organizations have participated in the NMQA program and received \$50 thousand from the state in FY04.

Quality New Mexico, home of New Mexico Quality Awards (NMQA), is non-profit 501(c) 3 service organization with the mission to motivate, educate, and congratulate New Mexico businesses and organization for achievement in performance excellence using the Baldrige Criteria. The 501(c)3 non-profit generates tools, education and training, and formal performance assessment of business, education, government, health care, and non-profit organizations. Quality New Mexico administers the three-tiered New Mexico Quality Awards program of Piñon Recognition (Commitment), Roadrunner Recognition (Progress) and the Zia Award (Performance Excellence), patterned after the prestigious Malcolm Baldrige National Quality Award, administered by the U.S. Department of Commerce.

Quality New Mexico charges a fee to businesses and organizations for this training and the annual Baldrige criteria competition.

PERFORMANCE IMPLICATIONS

The Economic Development Department (EDD) notes that Quality New Mexico (QNM) does not report job creation or business expansion to EDD. EDD undertook this training and competed for several years for the QNM awards. QNM does not collect or report job creation or expansion after the competition is completed. Therefore, the program is not known to impact EDD performance measures.

ADMINISTRATIVE IMPLICATIONS

Nominal administration costs associated with creating and administering the contract with QNM.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to Appropriation in the General Appropriation Act

DL/mc