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FISCAL IMPACT REPORT

ORIGINAL DATE 01/26/10

SPONSOR Leavell LAST UPDATED _____ HB _____

SHORT TITLE New Mexico Business Excellence Training SB 62

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 62 appropriates three hundred thousand dollars (\$300,000) from the general fund to the Economic Development Department for expenditure in FY11 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

The appropriation of three hundred thousand dollars (\$300,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2011 shall revert to the general fund.

SIGNIFICANT ISSUES

Quality New Mexico (QNM), New Mexico's official Baldrige organization, is chartered by New Mexico Executive Order 95-16 and is home of New Mexico Quality Awards (NMQA). As a non-profit 501(c) 3 service organization, its mission is 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. 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

There may be a nominal administrative costs associated with creating and administering a contract with QNM.

RELATIONSHIP

Relates to Appropriation in the General Appropriation Act

DL/svb