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FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/11

SPONSOR Lundstrom LAST UPDATED _____ HB 112

SHORT TITLE Broadband Access & Youth Entrepreneurship SB _____

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$200.0	Nonrecurring	Public Project Revolving Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Minimal – probably less than \$5.0		Minimal – probably less than \$5.0	Non- Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 112 appropriates two hundred thousand dollars (\$200,000) from the cash balances of the public project revolving fund to the Economic Development Department (EDD) to enhance broadband access and encourage youth entrepreneurship in rural areas.

FISCAL IMPLICATIONS

The appropriation of \$200,000 contained in this bill is a non-recurring expense to the public project revolving fund. Any unexpended or unencumbered balance remaining at the end of 2012 shall revert to the public project revolving fund.

PERFORMANCE IMPLICATIONS

This legislation has the potential to enhance the capacity of individuals (youth) and ultimately enhance the opportunities for rural communities and the citizens of New Mexico.

ADMINISTRATIVE IMPLICATIONS

EDD reports that there may be an additional administrative cost to administer these funds.

OTHER SUBSTANTIVE ISSUES

The Economic Development Department has focused on youth entrepreneurship for the past several years. Youth entrepreneurship was a focus at the 2007, 2008, and 2010 Governor's Summit on Economic Development where students received monetary prizes to be used towards developing a businesses. The State Student Business Plan competition is organized by the New Mexico Youth Entrepreneur Network, and sponsored by NMEDD.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If this legislation is not passed, an opportunity is missed to teach youth about the importance of global competitiveness, business ventures, and fiscal responsibility.

DL/bym