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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/12

SPONSOR Garcia, T. LAST UPDATED _____ HB 155

SHORT TITLE Springer Economic Development SB _____

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$10.0	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

House Bill 155 appropriates ten thousand dollars (\$10,000) from the general fund to Economic Development Department (EDD) to contract for provision of economic development services and to implement the master plan for the community of Springer located in Colfax County.

FISCAL IMPLICATIONS

The appropriation of \$10,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund.

SIGNIFICANT ISSUES

Most New Mexico communities, especially rural areas, have suffered from declines in gross receipts revenue and fewer state resources due to economic conditions, population declines, and government employment decreases.

The community of Springer is in a remote location, with less than 1 percent of the state's population and certainly in need of additional resources and assistance to achieve economic growth. Springer, like many rural communities lacks services and opportunities to maintain its population and improve its economic base and often lacks the financial resources to enact or plan for economic development programs without financial assistance and contracted expertise.

EDD's Community Development team currently works with rural communities to help develop economic development skills in the community.

PERFORMANCE IMPLICATIONS

The Economic Development Department has performance measures that evaluate the department's success with creating jobs in rural areas. Developing a master plan for the community of Springer may help EDD help the community.

ADMINISTRATIVE IMPLICATIONS

The Economic Development Department reports that this bill poses no additional administrative implications to the agency.

OTHER SUBSTANTIVE ISSUES

A review of U.S. Census Bureau Quick facts, indicates Colfax County is below statewide averages for per capita income, median household income, and fewer persons with a Bachelor's degree or higher. The Census information indicates the population in the county decreased 3.1 percent between 2000 and 2010 and private nonfarm employment decreased 9.1 percent over the same period. <http://quickfacts.census.gov/qfd/states/35/35007.html>

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