

2011 Briefing: Economic & Rural Development Committee

Legislation - A True Partnership

- Laboratory Partnership with Small Business Tax Credit Act - *"It is the purpose of the Act to bring the technology and expertise of the national laboratories to small businesses in New Mexico to promote economic development in the state, with emphasis on rural areas."*
- NMSBA is a catalyst for the transfer of cutting-edge technology from two of our nation's leading national laboratories to a wide range of small business needs across New Mexico.
- This is a great partnership with State of New Mexico, Los Alamos National Laboratory, Sandia National Laboratories, and small businesses to strengthen the economy of New Mexico.
- The Act provides:
 - \$2.4M per lab/per year to solve problems for small businesses in New Mexico
 - \$20,000 per business/per year to help companies in rural counties
 - \$10,000 per business/per year to help companies located in urban counties (Bernalillo)

Accountability & Transparency

- The Taxation and Revenue Department is the administrator of the NMSBA Program.
- Language in Act requires us to consult with the Secretary of Economic Development to seek advice on improvements in the operation of the NMSBA Program.
- By October 15 of each year, we submit an Annual Report in writing to the Taxation and Revenue Department, the Economic Development Department, and appropriate legislative committees, typically the Revenue Stabilization and Tax Policy Committee, as well as the Economic and Rural Development Committee. Our program also gets reported out by the two labs when they go before the Science, Technology and Telecommunications Committee.
- Surveys
 - Economic Impact: Third party survey and collection of data, followed by a third party performing economic impact analyses
 - Customer Satisfaction: Third party survey and collection of data

LANL/SNL Joint Program Impact

- Assistance Provided (2000 – 2010)
 - 1736 small businesses assisted
 - \$25.2M of assistance provided to small businesses
 - 33 counties throughout NM served
- Projected Results (2011)
 - 313 small businesses assisted
 - \$4.2M to \$4.6M of assistance provided to small businesses
 - 27 counties throughout NM served
- Economic Impact
 - 2317 jobs created/retained
 - \$107.6M increase in revenue
 - \$63.6M decrease in operating costs
 - \$34.9M investment in NM goods and services

Success Stories

- **Oil and Gas Industry** - NMSBA is helping companies develop technologies to treat and re-use oil and gas produced water. These technologies can be applied throughout New Mexico and the United States. Treatment and reuse of produced water will reduce disposal costs for the industry, save energy, and help conserve groundwater supplies.
- **Renewable Energy Industry** –Laboratory researchers are assisting small businesses through a variety of renewable energy projects including bio-fuel production, solar thermal and wind turbine design improvements, and evaluations of landowners' potential for wind and solar energy generation, production and distribution. NMSBA projects are also involved with assessing energy storage options for wind and solar energy generation.
- **Agricultural Industry** –NMSBA has a long history of working with the agricultural industry to help manage surface water quality, reservoir storage, and delivery schedules to ensure irrigation for crop production. NMSBA projects are addressing other critical issues facing our farmers and ranchers, including developing a new test for bovine tuberculosis, treating groundwater for high sulfates to protect cattle health and reproduction, and developing tools to discriminate between dairy and non-dairy contributions to nitrate contamination in groundwater.

Future Direction

- Concentrate on solving small business needs while balancing economic impact of projects
- Focus on diverse portfolio: geographic distribution, industry impact, and Laboratory staff capabilities
- Continue to evaluate and improve joint operations of NMSBA program at the laboratories
- Monitor Legislative intent and direction of the State's economic development strategy