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FISCAL IMPACT REPORT

SPONSOR: Coll DATE TYPED: 2/19/03 HB 133/aHBIC

SHORT TITLE: Northern New Mexico Business Development SB _____

ANALYST: Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$500.0		\$50.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 134, SB 270 and SB 271

SOURCES OF INFORMATION

Responses Received From
Economic Development Department

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee amended House Bill 133 to extend the time of use from FY04 to FY04 through FY06.

Significant Issues

The Economic Development Department indicates the amendment, like the original bill, does not provide for staff and administrative money for the department. The department again indicates the need for an additional FTE at \$50,000 per year to administer this program.

Synopsis of Original Bill

House Bill 133 appropriates \$500.0 from the general fund to the Economic Development Department for the purpose of contracting for support and expansion of business incubation services in northern New Mexico.

Significant Issues

Support and expansion of business incubation services include:

- ? Program development,
- ? Operating costs,
- ? Outreach to diverse clientele,
- ? Development of evaluation tools, and
- ? Methods to ensure accountability

FISCAL IMPLICATIONS

The appropriation of \$500.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY04 shall revert to the general fund.

The Economic Development Department is concerned that there are not monies attached to the bill for administration, evaluation, and auditing costs. The administration of this work would require additional FTE at a cost of \$50.0.

ADMINISTRATIVE IMPLICATIONS

The Economic Development Department indicates it does not currently have the staff to administer this program. An additional FTE would be needed for the administration and evaluation of the contracts.

RELATIONSHIP

House Bill 133 relates to House Bill 134 and Senate Bill 270 because both bills promote business incubators in the state. House Bill 133 relates to Senate Bill 271 because the bills offer the same amount of money for business incubators in the state, however, Senate Bill 271 allots the appropriation from 2004 through 2006.

KBC/prr/sb