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## FISCAL IMPACT REPORT

**SPONSOR** SPAC **ORIGINAL DATE** 01/26/12  
**LAST UPDATED** 02/11/12 **HB** \_\_\_\_\_  
**SHORT TITLE** Create Frontier Communities Program **SB** CS/87/aSFC  
**ANALYST** Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$100.0	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)  
 Department of Cultural Affairs (DCA)

### SUMMARY

#### Synopsis of SFC Amendment

The Senate Finance Committee amended the bill to remove the appropriation and the emergency clause. The amendment also clarifies that the bill is creating the frontier community program.

#### Synopsis of Original Bill

The Senate Public Affairs Committee substitute for Senate Bill 87 appropriates \$100,000 from the general fund to the MainStreet Program of the Economic Development Department (EDD) to develop a frontier communities program for expenditure in fiscal years 2012 and 2013. The frontier communities program shall utilize the technical assistance, services, and resources of the MainStreet Program to establish a community economic development partnership program tailored to the needs of incorporated villages and towns populations under 5 thousand focused on their village plazas, squares, and town centers.

The bill declares an emergency

## **FISCAL IMPLICATIONS**

The appropriation of \$100,000 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**

The Economic Development Department reports the MainStreet Program currently supports 23 MainStreet districts and their local non-profit organizations.

Historically, frontier communities have not had local capacity to meet National Trust MainStreet Center standards for the MainStreet program. However, the need for commercial revitalization remains a clear economic need and goal in rural “frontier” communities in New Mexico.

The MainStreet program is aware of the need for community economic development for rural communities with populations 5,000. The EDD anticipates a high level of interest and with the limited amount of funds contained in the bill, only a couple of pilot communities would be selected to participate. Frontier projects identified by the communities may take more than one year of support to complete.

The Department of Cultural Affairs notes that small villages do not currently qualify to participate in and benefit from MainStreet programs. This bill would establish a program tailored to the needs of smaller New Mexican communities that can benefit from the services provided by MainStreet to promote economic development.

## **PERFORMANCE IMPLICATIONS**

The MainStreet director and staff would establish the parameters of the program, work with the rural community’s leadership to establish goals for local projects and oversee the contractors working with rural community leaders to meet those economic development goals.

## **ADMINISTRATIVE IMPLICATIONS**

The EDD submits that the New Mexico MainStreet Program would need to be appropriately staffed to ensure delivery of services to selected rural “frontier” communities and have contractor capacity to deliver professional technical assistance in community economic development. These funds are in addition to the existing operations contracts that serve the current MainStreet communities. National Trust MainStreet Center licenses and accredits the Economic Development Department annually to operate the MainStreet Program and establishes guidelines for its state operating programs on availability of resources, services, and technical assistance required to each affiliate local MainStreet member. The rural frontier program will require a separate stream of funding.

## **OTHER SUBSTANTIVE ISSUES**

The EED reports that New Mexico MainStreet, will need to develop a fair and equitable selection process for a frontier pilot program. Because the name MainStreet in New Mexico is associated with a high-performance program there will be many communities wishing to utilize the traditional resources available to MainStreet communities.

However the bill provides only limited financial support and a clear representation of this program to potential candidates must be made that this “Frontier” designation does not make them a “MainStreet” local affiliate with all of the benefits and responsibilities that the National Trust MainStreet Center requires. “MainStreet” is a registered trademark of the National Trust MainStreet Center and can only be used when referencing economic revitalization by those communities meeting the official standards.

The rural community pilot projects will benefit from a new economic development partnership between the selected “Frontier” community’s leadership and the Economic Development Department’s MainStreet professional staff to do revitalization and position their community for other community-based economic development projects.

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