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FISCAL IMPACT REPORT

SPONSOR Tallman/Fajardo ORIGINAL DATE 2/26/2019
 LAST UPDATED _____ HB _____

SHORT TITLE Encourage use of NM Software Developers SB 87

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$1,300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$70.0	\$70.0	\$210.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 87 provides an appropriation of \$1.3 million to the Economic Development Department for the purpose of developing and implementing a marketing and research campaign to encourage companies and government agencies outside the state to contract with software developers located in New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$1.3 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

The Economic Development Department provided the following:

Administering a new program of this size at EDD will require an additional FTE, at a cost of \$70 thousand annually. The Department cannot currently absorb additional job duties within current staff.

SIGNIFICANT ISSUES

The Economic Development Department provided the following:

According to the Bureau of Labor Statistics, Occupational Employment Statistics, software developers in New Mexico earn between \$38 and \$47 per hour. These are jobs that will attract graduates and add wealth to the state's economy.

ALTERNATIVES

The appropriation can be given to the Economic Development Department to increase the current contract with the New Mexico Partnership. The New Mexico Partnership is currently EDD's main source for marketing to out of state businesses. Providing the Partnership with this appropriation will not require additional operating budget expenses to EDD.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Marketing resources at the New Mexico Partnership will continue to attract out-of-state business to New Mexico. The New Mexico Partnership can decide to make software companies, and other high tech jobs a priority.

JM/gb/sb