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FISCAL IMPACT REPORT

SPONSOR Campos ORIGINAL DATE 1/28/2019
LAST UPDATED _____ HB _____

SHORT TITLE Agribusiness Accelerators in Certain Counties SB 257

ANALYST Fischer

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$1,400.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

NMSU Arrowhead Center website

Responses Received From

New Mexico State University (NMSU)

No Responses Received From

Higher Education Department (HED)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 257 appropriates \$1.4 million from the general fund to the Board of Regents of New Mexico State University for the Cooperative Extension Service and Arrowhead Center to establish agribusiness accelerators in 12 counties.

FISCAL IMPLICATIONS

The appropriation of \$1.4 million contained in this bill is a recurring expense to the general fund. SB257 contains reversion language, where unexpended balances from the appropriation revert to the general fund. Higher education institutions do not revert unexpended balances to the general fund.

NMSU did not report that any additional Cooperative Extension agents, specialists, or Arrowhead staff would be required to establish and run new agribusiness accelerators. However, it is unclear if current Extension and Arrowhead staff can support this new initiative. A 2018 LFC program evaluation found that Extension has only limited focus on economic development at the county level, with no dedicated economic development Extension agents. Further, economics is the smallest of the Extension academic departments at NMSU, with just four full-time faculty members.

SIGNIFICANT ISSUES

In general, business accelerators are three to six month programs run by experts that help cohorts of young entrepreneurs with mentorship and education to build their businesses.

NMSU's Arrowhead Center runs an AgSprint accelerator—a five-month program sponsored by the U.S. Economic Development Administration and New Mexico Gas Company. According to the Arrowhead Center, “AgSprint offers innovators in agriculture the tools to perform customer discovery in a cohort setting. Teams selected for the program receive education, mentorship, and funding, including \$2,000 in participant support and one \$20,000 investment. Teams do not need any prior NMSU affiliation to be considered and can participate in the program's curriculum and weekly workshops virtually or in person.”

POSSIBLE QUESTIONS

What level of staffing support will these accelerators require, and what are the goals for the numbers of businesses to be accelerated in each county?

Will the appropriation in SB257 duplicate efforts by Arrowhead's AgSprint accelerator?

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