

LFC Requester:	Jorgensen
-----------------------	------------------

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date February 1, 2024
Bill No: SB 227a/SEC

Sponsor: Hickey
Short Title: Entrepreneur-in-Development Program

Agency Name and Code NMICC - 994
Number: _____
Person Writing Vanessa K. Hawker
Phone: _____ **Email** vhawker@hawkerhynson.com

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$3,000.0	NR	GF

(Parenthesis () Indicate Expenditure Decreases)

SB 227a/SEC duplicates House Bill 272.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 227 as amended by the Senate Education Committee (SB 227a/SEC) adds Santa Fe Community College to the list of institutions included in the entrepreneur-in-development program.

Senate Bill 227 (SB 227) appropriates \$3 million from the general fund to the higher education department for expenditure in fiscal years 2025 – 2027 for Central New Mexico Community College, San Juan College, and Southeast New Mexico College to develop entrepreneur-in-development programs to foster and nurture local companies.

Any unexpended or unencumbered balance remaining at the end of fiscal year 2027 will revert to the general fund.

FISCAL IMPLICATIONS

SB 227 appropriates \$3 million from the general fund to establish an entrepreneur in development pilot program. The three-year budget is displayed in the table below.

	Year 1	Year 2	Year 3	Total
Direct Labor	\$97,300	\$99,246	\$101,231	\$297,777
Fixed Costs	\$320,450	\$611,714	\$1,167,739	\$2,099,903
Indirect	\$145,247	\$254,119	\$461,491	\$860,857
Total	\$562,997	\$965,079	\$1,730,460	\$3,258,537

SIGNIFICANT ISSUES

Central New Mexico Community College, Santa Fe Community College, San Juan College, and Southeast New Mexico College are working collaboratively to launch entrepreneur-in-development programs to foster and nurture companies throughout New Mexico, resulting in greater economic development for our state.

The entrepreneur in development program is designed to provide hands on experience to high-potential entrepreneurs in an immersive, cohort based, 12-month program that will blend hands on experience with a structured support system. The potential entrepreneurs will be placed in startups throughout New Mexico. During the program they will receive coaching and mentorship and build personal networks -- when combined with the other supports in the program -- the potential entrepreneurs will remain in New Mexico, many will develop their own startup companies.

The participating institutions project they will train over 30 entrepreneurs in training during the three-year pilot.

The institutions are projecting 1 in 4 entrepreneurs in development will create a new startup company in New Mexico. Each new startup will employ on average 5 employees in good paying job with the startup earning an average \$5 million in revenue. The estimated return on investment over 10 years is \$7.90 for every \$1 invested.

PERFORMANCE IMPLICATIONS

The pilot will measure the number of participating partner institutions, partner venture studies, and the percentage of entrepreneurs in development placed and retaining at New Mexico startups post pilot for five years.