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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
56th Legislature, 2nd Session, 2024

Bill Number	<u>SB227/aSEC</u>	Sponsor	<u>Hickey</u>
Tracking Number	<u>.227607.1</u>	Committee Referrals	<u>SCC/SEC/SFC</u>
Short Title	<u>Entrepreneur-in-Development Program</u>		
Analyst	<u>Estupiñan</u>	Original Date	<u>1/30/2024</u>
		Last Updated	<u>2/1/2024</u>

BILL SUMMARY

Synopsis of SEC Amendment

The Senate Education Committee amendment to Senate Bill 227 (SB227/aSEC) adds Santa Fe Community College to the list of recipient institutions.

Synopsis of Original Bill

Senate Bill 227 (SB220) would appropriate \$3 million to the Higher Education Department (HED) for Central New Mexico Community College (CNM), in collaboration with San Juan College and Southeast New Mexico College, to develop entrepreneur-in-development programs that foster and nurture local companies.

SB227 does not contain an effective date, and therefore would be effective May 15, 2024.

FISCAL IMPACT

SB227/aSEC would appropriate \$3 million from the general fund to HED for expenditure in FY25 through FY27. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

The House Appropriations and Finance Committee Substitute for House Bills 2 and 3 as amended (HB2/HAFCS/aHF1#1) includes approximately \$4.5 million for small business development centers at Santa Fe Community College.

SUBSTANTIVE ISSUES

CNM currently maintains a Small Business Development Center (SBDC) that helps people start and run small businesses, with the center's primary purpose to help aspiring entrepreneurs develop a particular range of skills that may improve their capacity to generate successful businesses. To do this, the center provides consulting and training in assembling a loan package, writing a business plan, designing a marketing plan, conducting market research, analyzing financial

statements, preparing financial projections, and entering global markets. The center is intended to serve Bernalillo and Sandoval counties and it is a unit of the New Mexico Small Business Development Center Network, which consists of 19 centers statewide.

SBDC is currently funded through a combination of legislative appropriations and supports from the Small Business Administration. In FY24, the Legislature appropriated \$4.3 million to Santa Fe Community College for small business development centers.

Small Businesses as a Source of Economic Development. According to the [United States Small Business Administration](#), small businesses have accounted for two out of every three jobs that have been created in the last 25 years. [Recent employment data](#) also indicated small businesses may have recorded their 34th month of consecutive employment growth in January. [Survey data](#) also indicates 30 percent of small businesses may be reporting a profit, 71 percent of small businesses are optimistic about their business, and 75 percent believe their investments in technology, such as artificial intelligence, will be a net benefit for their business.

According to the [New Mexico Department of Workforce Solutions](#), the unemployment rate in New Mexico was 3.6 percent in December 2023, with 35,253 people not reporting unemployment. That rate varies by county, however, with Luna County having an unemployment rate of 12.4 percent, compared to 2.2 percent in Eddy County.

SOURCES OF INFORMATION

- LESC Files

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