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## FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/10

SPONSOR Gonzales LAST UPDATED \_\_\_\_\_ HB 147

SHORT TITLE Community & Economic Development Support SB \_\_\_\_\_

ANALYST Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	\$150.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

House Bill 147 appropriates one hundred fifty thousand dollars (\$150,000) from the general fund to the Economic Development Department (EDD) to provide community and economic development support and equity capital for underserved individuals and communities and to leverage federal and private foundation resources in delivering human and financial capital to small businesses throughout the state with a focus on rural communities.

### FISCAL IMPLICATIONS

The appropriation of one hundred fifty thousand dollars (\$150,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2011 shall revert to the general fund.

### SIGNIFICANT ISSUES

Through the Certified Communities Initiative, EDD provides community and economic development support. The department does not currently receive any federal or private foundation funding support,

**PERFORMANCE IMPLICATIONS**

EDD has performance measures regarding job creation and more specific measures regarding rural job creation. This appropriation in this bill may help achieve a greater level of performance.

**TECHNICAL ISSUES**

According to EDD, it cannot provide funds for the purpose of “equity capital” as specified in the bill and could be a violation of the state’s anti-donation law. There is however, equity capital that is distributed by the State Investment Council.

DL/mew