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FISCAL IMPACT REPORT



SPONSOR: Lyons DATE TYPED: 01/31/02 HB _____

SHORT TITLE: Manufacturing Extension Services SB 313

ANALYST: Woodlee

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
\$400.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 347

SOURCES OF INFORMATION

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 313 appropriates \$400.0 from the general fund to the Economic Development Department for fiscal years 2002 and 2003 to contract for manufacturing extension services. Expenditure of the funds is contingent upon receiving an equivalent match from the National Institute of Standards and Technology (NIST) for an approved manufacturing center in New Mexico.

Significant Issues

The only NIST approved organization for such services is the New Mexico Manufacturing Extension Partnership (MEP), which is part of a nationwide system of services that assist small manufacturing businesses in improving production capacity and quality in order to be more competitive. According to EDD, NIST supports the MEP network and provides a 33.3 percent match; however, the bill requires an "equivalent" match.

FISCAL IMPLICATIONS

The appropriation of \$400.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2003 shall revert to the general fund.

ADMINISTRATIVE IMPLICATIONS

EDD indicates that there may be some administrative implication to the agency for the administration of the contract. Specifically, the services of the last such contract in fiscal year 2001 were not thoroughly audited because of a lack of sufficient resources within the department.

DUPLICATION

Senate Bill 313 duplicates House Bill 347