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## FISCAL IMPACT REPORT

SPONSOR Altamirano DATE TYPED 2/9/04 HB \_\_\_\_\_

SHORT TITLE NM Small Business Development Center SB 57

ANALYST Baca

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$2,700.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Appropriation for Santa Fe Community College in the General Appropriation Act

### SOURCES OF INFORMATION

LFC Files

No Response

Commission on Higher Education (CHE)

### SUMMARY

#### Synopsis of Bill

Senate Bill 57 appropriates \$2.7 million from the general fund to the Commission on Higher Education for the New Mexico Small Business Development Center at Santa Fe Community College to enhance existing core services and to implement additional services to small businesses and to establish a small business incubator project.

#### Significant Issues

This program expansion is intended to further assist the development of small businesses. The request was approved by the Board of Regents of Santa Fe Community College (SFCC) and submitted to the CHE, but the CHE did not recommend funding this request. The Director of the NMSBDC has written that the funding for the NMSBDC totals \$3,399.7 from the general fund and \$511 thousand from federal funds.

**FISCAL IMPLICATIONS**

The appropriation of \$2.7 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

**OTHER SUBSTANTIVE ISSUES**

The following language is suggested for all new recurring higher education programs and expansion of current programs (assuming that funding will continue beyond FY05):

“The institution receiving the appropriation in this bill shall submit a program evaluation to the Legislative Finance Committee and the Commission on Higher Education by August 2007 detailing the benefits to the State of New Mexico from having implemented this program over a three period.”

**POSSIBLE QUESTIONS**

1. Which areas of the state are currently served by the Small Business Development Center at SFCC?
2. How will this additional funding be used to expand the areas served?
3. Would this additional funding be used to help small businesses in rural areas?

**RLG/lg:njw**