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FISCAL IMPACT REPORT

SPONSOR Larranaga DATE TYPED 02/0405 HB 381

SHORT TITLE Southeast Albuquerque Business Development SB _____

ANALYST Ford

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$200.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to
HB 52, HB 54, HB 96, HCO 239, SB 79

SOURCES OF INFORMATION

LFC Files

Responses Received From
Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 381 appropriates \$200 thousand from the general fund to the Economic Development Department for the purpose of contracting for support and expansion of business incubation services in southeast Albuquerque.

Significant Issues

According to EDD, \$200 thousand was appropriated in FY 2004 from the general fund to EDD for the purpose of business incubation in Southeast Albuquerque. In FY 2005, \$100 thousand was appropriated to EDD for the same purpose. EDD has a joint powers agreement with Bernalillo county to administer these funds. The funding appropriated in FY 2004 has been encumbered by Bernalillo county but has not been spent. The funding appropriated in FY 2005 has not yet been encumbered.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY 06 shall revert to the general fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Capital Outlay Request 239 requests \$30 thousand be appropriated to the local government division of the department of finance and administration to develop a small business incubator in southeast Albuquerque and Bernalillo county.

Several bills have been introduced relating to business incubators and small business development. House Bill 52 appropriates \$600 thousand to EDD for the purpose of funding a competitive grants program in three local public bodies to demonstrate the efficacy of enterprise facilitation.

House Bill 54 appropriates \$500 thousand to EDD for providing start-up operating funds for new business incubators and an additional \$50 thousand to EDD to develop and administer the business incubator certification program.

House Bill 96 and Senate Bill 79 (duplicates) appropriate \$3 million to the Commission on Higher Education to fund the statewide New Mexico small business development center at Santa Fe Community College.

POSSIBLE QUESTIONS

What are the results of the money that has already been appropriated to EDD for this purpose?

Is it prudent to appropriate additional funding when prior appropriations have not yet been spent?

Should EDD and Bernalillo county be required to report to the legislature on their progress before being appropriated another \$200 thousand?

Would a statewide business incubation support program be more appropriate than a targeted individual appropriation?

EF/sb:yr