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FISCAL IMPACT REPORT

SPONSOR Cervantes ORIGINAL DATE 2/1/2007
LAST UPDATED _____ HB 301
SHORT TITLE NMSU Social Entrepreneurship Program SB _____
ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$50.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 46.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State University – College of Business (NMSU – COB)
Higher Education Department (HED)

SUMMARY

Synopsis of Bill

House Bill 301 appropriates \$50,000 from the General Fund to the Regents of NMSU for expenditure in FY08 to support the Social Entrepreneurship Program at the Arrowhead Center.

FISCAL IMPLICATIONS

The appropriation of \$50,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

SIGNIFICANT ISSUES

Social entrepreneurship, or an entrepreneurial approach to social problems, is the latest phenomenon in the development world. The Arrowhead Center already provides assistance to social organizations, many of them non-profits, who seek business advice to develop or sustain

their business. As an example, Arrowhead Center provided business assistance to Rivers Academy, a local non-profit school that accommodates first through twelfth grade students who are challenged academically and/or socially because of learning disabilities, academic disorders, or their special needs. The school was on the verge of shutting its doors and looked to Arrowhead Center for strategic direction. After a semester of consulting and developing a sustainable financial plan, Rivers Academy is now providing an education to more students than ever.

Arrowhead Center, Inc. has provided business assistance to nearly 150 entrepreneurs across the state by providing business plans and feasibility studies to for-profit companies. Increasingly, however, there has been a growing demand from social entrepreneurs to provide business expertise to non-profit corporations. As the leader for economic development at NMSU, the Arrowhead Center intends to expand its services into social ventures, promoting economic development in both the for-profit and non-profit community. If awarded, Arrowhead Center, Inc. plans to use its funding to design, implement, and grow a social entrepreneurship program to provide services to all counties and communities across the State.

This proposal was submitted to HED by NMSU as a request for additional base funding in the amount of \$50,000 but was not included in the HED recommendation for FY 2008.

The Department recommended a continuance of FY07 recurring funding in the amount of \$106,900 for the Arrowhead Center for Business Development in FY08.

PERFORMANCE IMPLICATIONS

The University has outlined goal/performance objectives related to this funding:

Goal/Performance Objective	Performance Indicator FY 2007 - 2008
1 To develop a social entrepreneurship program	
1.2 Design Social Entrepreneurship program	By 6/30/07
1.3 Provide research and support services to social entrepreneurship projects	7
1.4 Number of NMSU students involved in social entrepreneurship projects	14
1.5 Identify new programs in global entrepreneurship	By 03/31/07

NA/csd