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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/08

SPONSOR Martinez, R. LAST UPDATED HB

SHORT TITLE Sustainable Youth Entrepreneurial Program SB 380

ANALYST Cox

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$50.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Economic Development Department - NMEDD

SUMMARY

Synopsis of Bill

Senate Bill 380 requests an appropriation of fifty thousand dollars (\$50,000) from the General Fund to the Department of Finance and Administration. These funds will then be flowed and be used to contract with a not-for profit organization. This not-for-profit organization will administer sustainable youth entrepreneurial programs on a State-wide basis. Hence, this Senate Bill provides necessary administrative funds for a variety of entrepreneurial initiatives for New Mexico's youth.

FISCAL IMPLICATIONS

The appropriation of fifty thousand dollars (\$50,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

SIGNIFICANT ISSUES

NMEDD noted:

Development of rural entrepreneurial initiatives for New Mexico's youth is vitally important for our State's economic development. Several Companion Bills provide specifics as to where and

how ‘Companion’ funds will be spent on these youth initiatives. (see Companion Relationships below) However, it was noted that these ‘Companion Bills’ did not include administrative funding for these funding programs. This Bill adds necessary administrative funding and addresses a noted problem. It is noted that prior support for economic development programs has been made through Governmental funding and private foundation grants

Non profit entities involved in these related economic initiatives commonly are:

- Community Colleges
- Universities
- Chambers of Commerce
- Business incubators and;
- ‘business alliances’

NMEDD further states that:

This legislation would enhance the entrepreneurial and economic development opportunities for the youth of the state. The legislation would address business assistance efforts that do not traditionally meet the standard definition of economic development.

COMPANION RELATIONSHIP

There is a ‘Companion Bill’ relationship between Senate Bill 191, House Bill 349 and This Senate Bill. These above-mentioned Bills address needs and funding targets. This Senate Bill 380 provides the needed support, administrative costs, and accountability for implementation of SB 191 and HB 349.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMEDD further notes:

If this legislation is not passed, rural New Mexico will miss an opportunity to build and support entrepreneurial/economic development initiatives that have been started or are ready for expansion, which includes youth. NMEDD, through its Regional Representative Program has been an active partner in the successful Empowering Business Spirit Initiative (EBS) that was developed from a Kellogg Grant for the four county service area of: Rio Arriba, Taos, Mora, and San Miguel.

PRC/mt