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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-22-09

SPONSOR King LAST UPDATED \_\_\_\_\_ HB 566

SHORT TITLE Central New Mexico Economic Development Projects SB \_\_\_\_\_

ANALYST Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$30.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		Minimal	Minimal		Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Economic Development Department (EDD)

### SUMMARY

#### Synopsis of Bill

House Bill 566 appropriates thirty thousand dollars (\$30,000) from the general fund to the Economic Development Department to contract with a certified economic development organization that focuses on job creation, business extension and retention for three rural areas in the Estancia valley, in Torrance county, eastern Bernalillo county, and southern Santa Fe county.

### FISCAL IMPLICATIONS

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The appropriation of thirty thousand dollars (\$30,000) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund.

**SIGNIFICANT ISSUES**

According to New Mexico Labor Force Estimates by the Workforce Solutions Department Torrance County had an unemployment rate of 5.8 percent through December 2008, well above the statewide average unemployment rate of 4.5 percent. Bernalillo County was equal to the statewide average over the same period and Santa Fe County was below the average.

The published unemployment rates for Bernalillo and Santa Fe Counties do not adequately represent the areas mentioned in this bill because they contain large urban areas.

**ADMINISTRATIVE IMPLICATIONS**

The Economic Development Department may incur minimal additional administrative costs.

**OTHER SUBSTANTIVE ISSUES**

The population of Estancia Valley and East Bernalillo could be considered hard to employ and are in need of specialized economic development help.

Population characteristics from the 2000 Census for the Estancia Valley and East Bernalillo County show 37.2% of the civilian population over of the age of the 16 were not employed, a high percentage of the population were of the minority, and over 13 percent were classified as having less than a high school graduate education.

<b>Population Characteristics for the Estancia Valley/East Mountain Region, 2000</b>		
<b>Population Characteristic</b>	<b>Number</b>	<b>% of Subject Population</b>
Population	43,533	
Population Age 16 and Over	32,466	74.6%
Population 16 and Over in the Civilian Labor Force	21,233	66.1%
Civilian Population 16 and Over that was Employed	20,372	62.7%
Education for Population age 25 and Over	26,951	61.9%
Less than High School Graduate	3,669	13.6%
High School Graduate	7,851	29.1%
Some College or Associate Degree	8,140	30.2%
Bachelor's Degree	4,270	15.8%
Master's Degree	2,161	8.0%
Professional Degree	451	1.7%
Doctorate Degree	409	1.5%
Total Minority Population	14,037	32.2%
Total Households	15,942	
Married-couple Households	9,822	61.6%
Source: 2000 Census		