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FISCAL IMPACT REPORT

SPONSOR Lujan, B. **ORIGINAL DATE** 03/01/09
LAST UPDATED _____ **HB** 623
SHORT TITLE Sustainable Youth Entrepreneurial Program **SB** _____
ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$50.0	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 623 appropriates fifty thousand dollars (\$50,000) from the general fund to the Economic Development Department (EDD) to contract with a not-for-profit organization for a sustainable youth entrepreneurial program.

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 2010 shall revert to the general fund.

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.

ADMINISTRATIVE IMPLICATIONS

There is not additional fiscal impact to EDD as a result of this bill.

PERFORMANCE IMPLICATIONS

The legislation would address business assistance efforts that do not traditionally meet the standard definition of economic development.

DUPLICATION, RELATIONSHIP

Duplicate to: SB 191

OTHER SUBSTANTIVE ISSUES

Youth entrepreneurial programs serve to educate youth to become business owners. Typically the programs are developed to immerse students in real life learning experiences that focus on creation of business, economic development and sustainable communities. The benefits of youth entrepreneurship education have been evident for some time. Evaluation studies of youth participants found that the students increase their occupational aspirations, interest in college, reading, and leadership behavior. Despite these favorable findings, most school-age New Mexico youth have no access to entrepreneurship education at all.

According to EDD, the department has focused on youth entrepreneurship for the past several years. Youth entrepreneurship was a focus at the 2007 and 2008 Governor’s Summit on Economic Development at which students were awarded money to use in developing their businesses. The State Student Business Plan competition is organized by the New Mexico Youth Entrepreneur Network, and sponsored by the New Mexico Economic Development Department.

The New Mexico Statewide Youth Entrepreneurship Network brings together individuals and representatives of organizations to brainstorm aspects of entrepreneurial activity (business, industry, education) with an emphasis on youth.

DL/svb