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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/09

SPONSOR Garcia, M. J. LAST UPDATED _____ HB _____

SHORT TITLE Entrepreneurial Development Support SB 29

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$200.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to

Duplicates Appropriation in the General Appropriation Act
 Relates to Appropriation in the General Appropriation Act

ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.01	\$0.01	\$0.03	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 29 appropriates two hundred thousand dollars (\$200,000) from the general fund to the Economic Development Department to support entrepreneurial development through business training, networking opportunities, youth programming, policy advocacy, technical assistance, and improvement of capital access across the state.

FISCAL IMPLICATIONS

The appropriation of two hundred thousand dollars (\$200,000) 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 December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Economic Development Department notes that there may be an additional operating budgeting impact. Additional FTE may be need.

SIGNIFICANT ISSUES

The Economic Development Department notes that many of these services are provided through Small Business Development Centers or Small Business Administration (SBA) programs. In addition, local government economic development offices, chambers of commerce, rotary and networking groups provide similar, if not the exact services.

PERFORMANCE IMPLICATIONS

Performance measures will have to be established.

ADMINISTRATIVE IMPLICATIONS

Additional staff will have to be hired or a contractor retained to complete services.

DL/mc