

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 98

52nd Legislature, 1st Session, 2015

Tracking Number: .198436.1

Short Title: NMSU Economic Development Promotion

Sponsor(s): Senator Carlos R. Cisneros and Representative Roberto “Bobby” J. Gonzales

Analyst: James Ball

Date: February 5, 2015

Bill Summary:

SB 98 makes an appropriation to promote economic development and entrepreneurship throughout New Mexico through support of the Arrowhead Center for Business Development (ACBD) at New Mexico State University (NMSU).

Fiscal Impact:

\$100,000 is appropriated from the General Fund to the Board of Regents of NMSU for expenditure in FY 16 and subsequent fiscal years. Unexpended or unencumbered funds do not revert to the General Fund.

Fiscal Issues:

According to the fiscal impact report (FIR) from the Legislative Finance Committee (LFC), NMSU submitted a request for a \$100,000 increase for this program during the FY 16 budget review process of the Higher Education Department (HED). That department, as well as the LFC and the Executive, requested \$238,200, the FY 15 level of General Fund support, for this program.

Substantive Issues:

According to NMSU, ACBD is facing a significant increase in demand for its resources and services, specifically due to growth in the number of businesses created out of the university's business innovation strategies and statewide demand for assistance in creating and growing technology businesses. Expansion funding is required to meet this growing demand through increased capacity to help launch businesses, train entrepreneurs, and grow young firms throughout New Mexico.

Background:

NMSU states that ACBD is the university's engine for sustainable economic development by addressing the needs for:

- technology-based economic development;
- business and job creation; and
- creation of an entrepreneurial environment.

ACBD programs support:

- taking products to market;
- business creation and growth;
- entrepreneurial training; and
- policy and economic analyses.

Committee Referrals:

SEC/SFC

Related Bills:

SB 26 Investment in NM Tech Collaborative Companies

SB 32 Local Economic Development Act Entities

SB 210 General Appropriation Act of 2015

HB 5 General Appropriation Act of 2015

HB 28 Small Business Development Fund Act

HB 66 Investment in NM Tech Collaborative Companies

**HB 226 Small Business Support Work Group*