

# DIANE DENISH



## GOVERNOR

### Helping Small Businesses and New Mexico Entrepreneurs Create Jobs

*Diane Denish grew up in Hobbs, a small town in rural New Mexico, in a family of small business owners. Denish then went on to own her own small business, so she understands what it means to make payroll and balance a budget during tough times. As Lt. Governor, she helped launch an innovative micro-lending program that has helped more than 1,800 New Mexico small businesses grow and create jobs. As Governor, she has a plan to energize New Mexico's entrepreneurial spirit and small-business community - creating a climate where they'll feel confident taking chances and expanding. Denish has proposed the following plan to create new small-business jobs:*

**Increasing access to capital:** Diane Denish understands that the key to success for many New Mexico small businesses, particularly during these difficult times, is getting access to capital. To make it easier for small businesses to get the capital they need to create jobs, Denish will:

- Create greater access to capital for small businesses in New Mexico by using small amounts of public resources to encourage private-bank financing. We can provide incentives for banks all over the state to offer businesses loans by creating a pooled reserve account which would minimize risk to each bank and spur new investments in our local businesses. \$2.5 million in state funds could support up to 500 small business loans.
- Expand the successful micro-lending program that she launched through the Small Business Investment Corporation, which has already helped more than 1,800 small businesses expand and create new jobs. This program has a track record of investing New Mexico dollars in our Main Streets rather than on Wall Street.
- Invest in an online clearinghouse for New Mexico businesses and lenders to connect. This Web site would allow businesses to locate loan programs and apply for capital with participating lenders. It would also serve as a tax-credit information clearinghouse.

**Small Business Tax Credit to Incentivize Immediate Job Creation:** To help New Mexico's small business owners create new jobs immediately, Denish proposes a state tax credit of approximately \$2,500 for each job created in New Mexico during the 2011 calendar year. The tax credit would be available to small business owners who have fewer than 100 employees or gross less than \$1 million per year. In order to qualify for the tax credit, the new position must come with a salary that matches the average for the county and include health care benefits for the employee. Denish previously called for a review of all existing state tax credits to determine which are leading directly to job creation and which are not. This small business tax credit would

be linked directly to the creation of new jobs.

While the focus and objective of the small business tax credit is to create new jobs for New Mexicans, stimulate economic growth in our communities and ease the tax burden on small business owners, the taxpayers of New Mexico will also get a good return on their investment. For each job created, the state will spend \$2,500 and generate approximately \$3,700 in new revenue. So if the tax credit helps create 7,300 jobs, it will cost the state an estimated \$18 million and generate approximately \$27.5 million in new revenue (net gain of \$9.5 million in additional revenue).

**Creating a One-Stop-Shop or "Easy Button" for small businesses and start-ups:** Right now, a New Mexican who wants to start a small business has to make five separate stops to get the paperwork, licenses and permits, and insurance they need. Diane Denish believes we must make this process easier by creating an online one-stop-shop from small business owners and entrepreneurs. The online portal would include:

- A universal application, which will determine upfront which permits and licenses a business will need rather than leaving the detective work to the business. Additionally, business registration processes and paperwork should be available in an online format.
- A directory of state services and information on contracting with the state.
- Financial literacy information and private loan information.
- Information about federal grants and other private assistance outside of state government.
- Networking tools that allow similar small businesses to communicate and share experiences.

This effort would include outreach to local and county entities to establish uniform filing requirements and paperwork for businesses around New Mexico.

**Preferred contracting status for New Mexico small businesses:** As the state's largest consumer, the state of New Mexico should be supporting our small businesses with preferred contractor status. This means that within the procurement process for state contracts, a small-business based in New Mexico would get additional procurement points - to give it a small advantage over its out-of-state competitors. Money spent with New Mexico companies stays in the New Mexico economy rather than going to some out-of-state corporation.

**A thorough review of Worker's Compensation laws and rates,** rooting out the inequities that harm New Mexico's employers. For example, Worker's Comp rates for office work should not be similar to rates for more dangerous jobs such as oilfield work. Too many small businesses are being taken advantage of by unfair Worker's Comp rate structures.

**Governor's Small Business Ombudsman:** Too often, the big corporations have a voice in Santa Fe and the small businesses have nowhere to turn for help. That must change. As Governor,

Diane Denish wants to ensure that small business owners have a direct line of communication with her office, and to do that, she would create the position of a Small Business Ombudsman. If a small business has an idea for how to improve state government services, wants information on how to get a license, find out about loan and financing assistance or other resources for small businesses, a representative in the Governor's Office will personally assist them every step of the way. The Ombudsman's primary responsibilities will include:

- Continually advocate for breaking down government barriers to entrepreneurship and job creation wherever they may exist.
- Organize local networks of successful entrepreneurs to serve as mentors to New Mexicans looking to start their own businesses.
- Create a road-map of services for businesses that would go hand-in-hand with the Small-Business One-Stop Shop.

**Federal Innovation Research Matching Grant Program** to reward our state's small high-tech firms in the SBIR and STTR programs.

This matching program would assist small or startup companies that take advantage of federal partnerships to accelerate their growth. This program would provide matching grants to entrepreneurs and small businesses that successfully develop applications for the federal Small Business Innovation Research Program (SBIR) and the Small Business Technology Transfer Program (STTR). A number of other states including North Carolina, South Carolina and Florida offer this assistance to develop new technology companies.

### **Rural Jobs for New Mexicans**

*Diane Denish was born and raised in Hobbs and comes from a family of small business owners. She understands the struggles of rural communities and as governor will be committed to helping New Mexico's small towns create good-paying jobs. This means supporting agriculture and ranching; investing in broadband technology to better connect rural areas; encouraging New Mexicans to return to their hometowns to start businesses or work in high-demand jobs; and creating an office focused on supporting rural economic development. Diane knows the hardworking pioneer spirit of New Mexico's small towns - from Mora to Deming, Raton to Santa Rosa - her rural jobs plan is focused on revitalizing our Main Streets, supporting our mom-and-pop businesses and reducing burdens by coordinating all rural job-creation incentives and efforts.*

**Revitalizing Our Agricultural Roots** allows us to assist local agriculture and ranching - and the businesses they support in our communities. As fuel prices rise, the cost of importing food from other states and countries will also rise. Demand for local food supports New Mexico economy by providing additional income for our farmers. Today, 97% of New Mexico's agricultural products leave the state, while the state imports more than \$4 billion in food products. In

addition, there will be a growing demand for organic foods and sustainable farming practices. The state must seize the opportunity to grow our rural economy by:

- Buying local produce for school lunches, prisons and other state institutions. In addition, low-income families receiving food assistance should be able to use those benefits to buy locally grown food. By putting our money where our mouth is so to speak the state could help develop stronger demand for local food and provide more opportunities to New Mexico farmers.
- Investing in developing local and state markets for New Mexico agricultural products. This would include support for farmers markets and other sources that provide access to local fresh food in every community across the state. This investment would pay for itself: a 15% increase in purchases from local farmers is estimated to generate \$670 million per year in new community wealth for New Mexico.
- Providing leadership by bringing together both producers and consumers of food to understand the demand for food and existing supply. Such a group could also plan for more efficient transportation of foods within the state.
- Seeking out high-value niche markets for small farmers. The state could gather information about emerging markets and specific demand for organic and medicinal foods and share the information with existing farmers. This effort should also extend to educating young people about new markets and opportunities in farming.
- Utilizing our state research institutions to develop and deploy water efficient technologies and other sustainable processes. New Mexico's universities have state of the art programs which develop technologies that cut water usage. These water saving technologies and methods will keep local food cost competitive while using our natural resources more wisely.

**New Mexico Broadband Initiative** to provide priority to capital projects that seek to develop New Mexico's rural broadband infrastructure.

- Capital Outlay priority for broadband projects in rural communities.
- State incentives to increase towers and cell coverage in rural areas.

**Center for Rural Development**, which would combine all the functions of rural support that exist in state government under one roof to share resources, leads and be more responsive to the needs of rural businesses and economic development initiatives.

- Plugged in to the small-business one-stop shop for finance and resources to cut red tape.
- Partner with the New Mexico SBDC network to offer rural-focused workshops on starting and maintaining a rural small business.
- Work with the SBA to locate and maximize resources for rural businesses.

- Catalog the core needs of every New Mexico community with a population below 30,000.

**Come Home to Main Street Program**, which will seek to maximize incentives for people looking to work in or start a business in communities with populations of 10,000 and below.

- Increased tax incentives for starting a business in a small community and a stepped-up ladder of tax incentives benchmarked to the number of employees hired.
- Educational incentives such as student-loan repayment assistance for New Mexico college graduates who return to work in their hometowns for a minimum of four years in a high-demand profession such as teaching, nursing or law enforcement.

### **Cutting the Red Tape**

*Diane Denish understands that government doesn't create jobs - the private sector does. But she believes government can create a climate that makes job-creation easier, and that starts with cutting the red tape that makes it more difficult for New Mexico businesses to grow and create jobs. As Governor, Denish will push for more predictability, fewer regulations and a more streamlined process for New Mexico businesses to get the licenses and paperwork they need.*

**Adopting the APA to Help Businesses Grow and Create Jobs:** To help build an economic environment that makes it easier for New Mexico small businesses and larger employers grow and create jobs, Diane Denish support for state agencies to adopt some provisions of the Model State Administrative Procedures Act (APA). Adhering to APA standards will give New Mexico employers clear and consistent guidelines from the state as they seek to grow and create jobs. New Mexico is one of a few states in the nation that does not adhere to the MSAPA guidelines, which can make it difficult for business owners, particularly small business owners, to understand the state's laws and regulations and how they will be enforced. Denish's position on the APA has been supported by leading business organizations in the state, such as the Association for Commerce and Industry.

**Creating an "Easy Button" for New Mexico Businesses:** Right now, New Mexicans who want to start a business in the state have to go make at least five stops to get the paperwork they need. The state should be making it easier for businesses to start-up and grow, not create obstacles and undue burden. That's why Diane Denish would create an "easy button" for New Mexico businesses - a one-stop online shop for business owners to complete all of their regulatory paperwork. This Web-site would also include information about tax incentives that the business may qualify for and links to potential sources for capital and grants.