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FISCAL IMPACT REPORT

SPONSOR Cisneros DATE TYPED 3/14/05 HB _____

SHORT TITLE Create Technology Research Collaborative SB 169/aSfI#1/aHAFC

ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	None				

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 184, House Bill 219
Duplicate of House Bill 128

Relates to General Appropriation Act

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	None			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Economic Development Department (EDD)
Commission on Higher Education (CHE)

SUMMARY

Endorsed by the Economic and Rural Development and Telecommunications Committee

Synopsis of HAFC Amendment

The House Appropriation and Finance Committee Amendment authorizes a new section of statute regarding the treatment of intellectual property generated through the work of the collabora-

tive. Specifically, the language specifies an institution would own intellectual property created by an associated employee or agent. Jointly created intellectual property would be owned jointly. If the intellectual property is created using federal funds, then applicable federal laws and regulations would govern ownership of the intellectual property.

Synopsis of SFI#1

The Senate floor amendment respecifies the higher education membership of the technology research collaborative board. These members would be the presidents, or their designees, of the state's three research universities: the University of New Mexico, New Mexico State University and New Mexico Institute of Mining and Technology. Further, the amendment would require the five public members appointed by the Governor to be subject to the consent of the Senate.

Synopsis of Original Bill

The bill creates the Technology Research Collaborative, with the New Mexico Institute of Mining and Technology acting as fiscal agent. In addition to state appropriations, the collaborative may receive "items of value" from public or private sources. Members of the collaborative include national laboratories, major research institutes and all post-secondary institutions. Purposes of the collaborative as specified in the bill are:

- Establishing advanced technology centers
- Developing, creating and commercializing new intellectual property
- Encouraging new opportunities for business and increased jobs
- Creation of a workforce to support new enterprises based on intellectual property

The work of the collaborative will be administered by a board, whose members would serve two-year terms at the pleasure of the governor. The board includes the following members:

- Governor, or designee, serving as chair
- Three members representing higher education research institutions, appointed by the governor
- Five members at large, appointed by the governor
- Director of Sandia National Laboratories, or designee
- Director of Los Alamos National Laboratory, or designee

Meeting frequency, reimbursement eligibility, quorum and voting-by-proxy are specified in the bill. The board would employ an exempt director and staff and will provide annual reports to the legislature on expenditures and progress.

FISCAL IMPLICATIONS

The bill does not include an appropriation. The bill relates to Senate Bill 184 which contains an appropriation. Also, see appropriation in Section 5 of proposed General Appropriation Act of 2005.

TECHNICAL ISSUES

- Is membership limited to national laboratories in New Mexico or would qualifying facilities outside the state be eligible for participation?

- Is the intent to limit participation to public post-secondary institutions in the state?
- The purposes of the collaborative may need to be clearer

OTHER SUBSTANTIVE ISSUES

The role of New Mexico Institute of Mining and Technology as fiscal agent is not clear; alternatives would include the CHE.

CHE notes the project was not submitted as part of the FY06 funding cycle request process.

POSSIBLE QUESTIONS

1. To what extent are current state agencies engaged in these functions?
2. How would outcomes and performance effectiveness of the collaborative be determined?

AW/yr:rs:njw