

LFC Requester:	
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

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(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/31/26 *Check all that apply:*
Bill Number: Senate Bill 177 Original Correction
 Amendment Substitute

Sponsor: Sen. George Munoz **Agency Name** Economic Development
Short Title: General Fund Transfers to **and Code** Department
Other Funds **Number:** 41900
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Sec.	Appropriation Recipient	Appropriation Name	Appropriation			Recurring or Nonrecurring	Fund Affected
			FY27	FY28	FY29		
1	Outdoor Equity Grant Program Fund	Outdoor Equity Grant Program Fund	\$ 9,000			Nonrecurring	General Fund
2	Research, Development, and Deployment Fund	Research, Development, and Deployment Fund	\$ 111,000			Nonrecurring	General Fund
3	Site Readiness Fund	Site Readiness Fund		\$ 20,000		Nonrecurring	General Fund
4	Development Training Fund	Development Training Fund		\$ 10,000		Nonrecurring	General Fund
5	LEDA Fund	Local Economic Development Act Fund		\$ 20,000		Nonrecurring	General Fund
6	EDD	Advanced Energy Industry Innovation Hub and Venture Studio	\$ 8,333	\$ 8,333	\$ 8,333	Nonrecurring	General Fund
7	EDD	Advanced Energy Entrepreneurs and Trade Associations	\$ 12,500	\$ 12,500	\$ 12,500	Nonrecurring	General Fund
8	EDD	Defense Technology, Bioscience, and Aerospace Industry Innovation Hub and Venture Studio	\$ 10,300	\$ 10,300	\$ 10,300	Nonrecurring	General Fund
9	NMT	National Security Research and Infrastructure	\$ 5,333	\$ 5,333	\$ 5,333	Nonrecurring	General Fund
9	UNM	National Security Research and Infrastructure	\$ 6,667	\$ 6,667	\$ 6,667	Nonrecurring	General Fund
9	NMSU	National Security Research and Infrastructure	\$ 5,333	\$ 5,333	\$ 5,333	Nonrecurring	General Fund
10	EDD	Federal Genesis Mission	\$ 39,333	\$ 39,333	\$ 39,333	Nonrecurring	General Fund
11	EDD	Quantum Benchmarking Initiative	\$ 16,433	\$ 16,433	\$ 16,433	Nonrecurring	General Fund

12	EDD	Open User Facility for Quantum Computing Testbed	\$ 38,000	\$ 38,000	\$ 38,000	Nonrecurring	General Fund
13	EDD	Quantum Entrepreneurs and Trade Associations	\$ 12,500	\$ 12,500	\$ 12,500	Nonrecurring	General Fund
14	EDD	Science and Technology Entrepreneurs and Small Businesses	\$ 11,600	\$ 11,600	\$ 11,600	Nonrecurring	General Fund
15	EDD	Innovation Hubs	\$ 20,000	\$ 20,000	\$ 20,000	Nonrecurring	General Fund
16	EDD	Technology Innovation Prize	\$ 7,000	\$ 7,000	\$ 7,000	Nonrecurring	General Fund
17	EDD	Health Food Financing	\$ 2,000	\$ 2,000	\$ 2,000	Nonrecurring	General Fund
18	EDD	Trails Plus Grant Program	\$ 10,000	\$ 10,000	\$ 10,000	Nonrecurring	General Fund
19	EDD	Indigenous Film Festival	\$ 3,000	\$ 3,000	\$ 3,000	Nonrecurring	General Fund
20	EDD	Quantum and Advanced Energy Faculty Endowments and Resources	\$ 43,000	\$ 43,000	\$ 43,000	Nonrecurring	General Fund
21	EDD	Center for Quantum Information and Control Research Assistants	\$ 1,000	\$ 1,000	\$ 1,000	Nonrecurring	General Fund
22	EDD	Advanced Technology Workforce Training	\$ 3,000	\$ 3,000	\$ 3,000	Nonrecurring	General Fund
23	EDD	Advanced Energy Pilot Project Grants	\$ 6,667	\$ 6,667	\$ 6,667	Nonrecurring	General Fund
24	EDD	Economic Development Department Account Manager Positions	\$ 2,000	\$ 2,000	\$ 2,000	Nonrecurring	General Fund
25	EDD	Quantum New Mexico Institute	\$ 45,000	\$ 45,000	\$ 45,000	Nonrecurring	General Fund
26	EDD	Science, Technology, Engineering, Art and Mathematics Initiatives	\$ 6,000	\$ 6,000	\$ 6,000	Nonrecurring	General Fund
27	EDD	Marketing and Promotion	\$ 25,000	\$ 25,000	\$ 25,000	Nonrecurring	General Fund
28	EDD	New Mexico Partnership	\$ 2,000	\$ 2,000	\$ 2,000	Nonrecurring	General Fund
29	UNM	Bioscience Authority	\$ 2,000	\$ 2,000	\$ 2,000	Nonrecurring	General Fund
30	DFA	Public Safety Initiatives	\$ 20,000	\$ 20,000	\$ 20,000	Nonrecurring	General Fund
Total			\$ 484000	\$ 414000	\$ 364000		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected

Total	\$720	\$720	\$720	\$2,160	Recurring	General Fund
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(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 177 makes a number of appropriations from the general fund for economic development initiatives.

Sections 1 through 5 make transfers from the general fund to other funds:

- \$9M fund to the Outdoor Equity Grant Program Fund (effective July 1, 2026).
- \$111M to the Research, Development and Deployment Fund (effective July 1, 2026).
- \$20M to the Site Readiness Fund (effective July 1, 2027).
- \$10M to the Development Training Fund (effective July 1, 2027).
- \$20M to the Local Economic Development Act Fund (effective July 1, 2027).

Sections 6 through 30 make appropriations from the general fund to the following:

Innovation-Based Economic Development and Research & Development

- \$25M for an advanced energy innovation hub & venture studio (FY27 – FY29).
- \$37.5M for advanced energy economic development and innovation efforts (FY27 – FY29), including supporting start-ups and trade associations, matching funds for federal grants, workforce training and recruitment, and sabbatical leave for commercial opportunities for quantum computing researchers at Los Alamos National Laboratory and Sandia National Laboratories.
- \$30.9M for a defense technology, bioscience & aerospace innovation hub with secure facilities (FY27 – FY29).
- Multiple appropriations to higher education institutions for national security research & infrastructure:
 - \$9M for a wireless tech hub at NM Tech (FY27 – FY29).
 - \$7M for energetic reliability studies at NM Tech (FY27 – FY29).
 - \$2M for robotics and 3D printing at UNM (FY27 – FY29).
 - \$8M for quantum and cryogenic lab upgrades at UNM (FY27 – FY29).
 - \$5M for bioscience equipment at UNM Health Sciences (FY27 – FY29).
 - \$5M for high-performance computing upgrades at UNM Health Sciences (FY27 – FY29).
 - \$16M for equipment at NMSU Physical Sciences Lab (FY27 – FY29).
- \$118M to leverage artificial intelligence and quantum computing acceleration opportunities with the federal Genesis Mission (FY27 – FY29).
- \$49.3M for the DARPA Quantum Benchmarking Initiative (FY27 – FY29).
- \$114M for an open-access quantum computing testbed (FY27 – FY29).

- \$37.5M for quantum computing economic development and innovation efforts (FY27 – FY29), including supporting start-ups and trade associations, matching funds for federal grants, workforce training and recruitment, and sabbatical leave for commercial opportunities for quantum computing researchers at Los Alamos National Laboratory and Sandia National Laboratories.
- \$34.8M for science and technology startup support (FY27 – FY29).
- \$60M for innovation hubs (FY27 – FY29).
- \$21M for the Technology Innovation Prize Program (FY27 – FY29).

Additional Economic Development Programs

- \$6M for the Healthy Food Financing Program (FY27 – FY29).
- \$30M for the Trails Plus Grant Program (FY27 – FY29).
- \$9M for an Indigenous Film Festival (FY27 – FY29).

Faculty & Workforce Development

- \$60M for quantum & advanced energy faculty endowments at State research universities (FY27 – FY29).
- \$45M for research teams and labs for three endowed faculty positions in quantum at State research universities (FY27 – FY29).
- \$24M for research teams and labs for two endowed faculty positions in advanced energy at State research universities (FY27 – FY29).
- \$3M for quantum research assistants at UNM (FY27 – FY29).
- \$9M for advanced energy workforce training (FY27 – FY29).
- \$20M for advanced energy pilot project grants (FY27 – FY29).
- \$6M for account manager positions in target tech sectors in the Technology and Innovation Division (FY27 – FY29).
- \$135M for the Quantum New Mexico Institute for hybrid quantum-classical systems, facilities, and cloud computing time (FY27 – FY29).
- \$18M for STEAM (science, technology, engineering, art and mathematics) initiatives (FY27 – FY29).

Marketing & Public Safety

- \$75M for marketing & promotion of NM's economic development and cultural events (FY27 – FY29).
- \$6M for the New Mexico Partnership (FY27 – FY29).
- \$6M for the New Mexico Bioscience Authority (FY27 – FY29).
- \$60M for Public Safety Initiatives to the Department of Finance and Administration (FY27 – FY29).

FISCAL IMPLICATIONS

The Economic Development Department (EDD) would require additional financial administrative staff and additional programmatic staff to successfully and effectively administer the increase in appropriations to the department made in this Bill.

EDD estimates three additional financial administrative FTEs would be needed in the Administrative Services Division and three additional programmatic FTEs would be needed in the Technology and Innovation Division at a cost of approximately \$120,000.00 per FTE, totaling approximately \$720,000.00 per fiscal year for six additional FTEs.

SIGNIFICANT ISSUES

Senate Bill 177 makes a transformative investment in New Mexico's economic development and innovation ecosystem that would dramatically elevate the State's position as a national leader in next-generation technologies and advance the State's efforts to diversify its economy. The Bill focuses on the State's identified technology and innovation target sectors and aligns with the strengths and steps identified in the Economic Development Department's Science and Technology Roadmap.

The significant investments in advanced computing and quantum sciences build on the State's foundational strengths in quantum research and development and recent smaller investments in quantum industries, positioning New Mexico as the national leader in quantum technologies. These investments, including funding for an open-access quantum computer, would draw global quantum computing companies and world-class quantum scientists and researchers to New Mexico, catalyzing economic investment and workforce growth in the industry.

Direct funding for entrepreneurship and business growth in the State's science and technology target sectors, as well as funding for collaborative spaces and resources that support the ecosystem's growth, would accelerate commercialization of frontier technologies, reduce barriers to entry to the commercial market, and put New Mexico's startup culture into overdrive. Investments in advanced technology workforce training and faculty endowments strengthen the State's workforce pipeline for high-tech industries, creating an attractive environment for both industry and higher education. This initiative would enable New Mexican graduates to train for careers that they can find in-state. The significant investments in unique research and testing facilities at the State's universities would further contribute to that pipeline, enabling world-class cutting-edge research that will be particularly attractive to collaborative federal research projects, enabling the State to leverage additional federal funding that otherwise would not be available.

SB 177 makes a record high investment in New Mexico's economic development, making appropriations that pursue a multi-pronged strategy that will cement New Mexico's role as an innovation economy by building a robust innovation ecosystem, developing a skilled workforce, and attracting and leveraging additional federal and private investment.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

The Economic Development Department will require additional financial administrative staff and additional programmatic staff to successfully and effectively administer the increase in appropriations to the department made in this Bill. Financial FTEs in the Administrative Services Division would support the required fiscal oversight and processing of funds as the appropriations in SB 177 are enacted and awarded. Programmatic FTEs in the Technology and Innovation Division would build and manage the programs required to accomplish the goals of the appropriations made in SB 177.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS