

LFC Requester:

Julisa Rodriguez

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)*(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:** February 6, 2026 *Check all that apply:*  
**Bill Number:** SB 177 Original  Correction   
 Amendment  Substitute

**Sponsor:** Sen. George K. Muñoz **Agency Name and Code** University of New Mexico-952  
**Short Title:** General Fund Transfers to Other Funds **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
	\$1,262,000.00	Nonrecurring	General Fund

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

(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: SB 177 makes approximately \$1.26 billion dollars in transfers and appropriations from the General Fund for economic development purposes and initiatives to the Economic Development Department, New Mexico Universities, including the University of New Mexico, and businesses in the fields of artificial intelligence, quantum technology, advanced energy, aerospace and defense and bioscience. Additionally, there are also appropriations for projects with an associated effect on economic development and public safety initiatives.

### **FISCAL IMPLICATIONS**

The scale of the proposed investments is inspiring, but much larger than many institutions can handle. Large universities, like UNM, have processes for this but will also need to develop additional mechanisms to expedite them for rapid execution. Some of these processes at UNM have already been developed and tested this year through the new Quantum Frontiers Project.

Most hires negotiated in FY27 would have a start date in the beginning of FY28 and the funding for their start-up packages would normally be spent over 3 years, extending beyond the FY29 end date proposed. In addition, start-up funds for new hires (proposed at \$5 million per quantum hire) normally have fewer restrictions than are in SB177 and broadening the use will be important both for attracting candidates and for being able to spend funds in the 3-year window.

Planning for large renovations, new facilities, and major pieces of equipment generally requires around 2% of the final cost, and more when entering design phases. Clarification of the ability to use SB177 funds for these purposes is important to understanding the fiscal implications.

Massive statewide efforts require an investment in personnel to manage the projects, coordinate partners, operate facilities, and maintain them. Budget for the staff for these operational expenses have not been explicitly provided, so clarification is needed on how funding will be used to hire the necessary personnel.

Similarly, critical workforce programs are needed to train New Mexicans so they can be hired by the companies that are already moving here, and these workforce programs also require additional operational staffing that is not explicitly mentioned.

### **SIGNIFICANT ISSUES**

For over 30 years, UNM and the national labs have developed a deep expertise in Quantum Information Science and Engineering and have created unique research capabilities found in UNM's Quantum New Mexico Institute (QNM-I) and its partners, Sandia and Los Alamos National Labs, which combined have over 300 experts (more per capita than anywhere else in the US). This is greatly enhanced by multiple facilities for advanced materials creation through the UNM's Center for High Tech Materials, the Center for Integrative Nanotechnologies jointly run by Sandia and Los Alamos National Labs, and the MESA complex at Sandia National Labs that manufactures ions traps used by leading quantum computer companies. High tech materials produced in these, and other facilities are critical for operating in the extreme environments found in fusion reactors, on hypersonic devices, and in many other applications. In addition, UNM's

Directed Energy Center conducts high energy laser research that is critical to scaling-up quantum computers, and in conjunction with UNM 's Plasma and Fusion Science Lab and Nuclear Engineering Department, is at the forefront of developing solutions needed for fusion reactors. Further synergies with research and capabilities at UNM's COSMIAC and the Air Force Research Lab help to position New Mexico at the forefront of aerospace defense.

The advancement of artificial intelligence and high-performance computing has dramatically improved our ability to model new materials and simulate their performance in extreme environments. Some of these important problems would take today's computers years or even centuries to solve or would require huge amounts of computing power. Quantum computers are being developed to tackle these types of problems much faster and more efficiently using far less energy than traditional computers. Other potential uses include advanced materials discovery, industrial chemical processes, next-generation batteries, disease detection and treatment, drug discovery, financial modeling, energy grid and traffic optimization, cybersecurity, and artificial intelligence. In addition, quantum sensors enable practical applications including navigation without GPS, earlier detection of chemical or biological threats, and improved sub-surface surveying for oil and gas, geothermal energy, and brackish water aquifers, and finally, quantum communications cannot be intercepted without being detected!

Now that powerful quantum computers are beginning to be commercialized, fusion-based energy generation has moved beyond theory, and aerospace advances are changing the national security landscape, the US government has started speeding up massive investments in these technologies and even re-organized the Department of Energy to accelerate progress and stay ahead of the rest of the world. Critically, industry leaders in quantum, fusion, and hypersonics recognize this moment and are moving to New Mexico because of our expertise and capabilities. They also recognize the nation-leading, innovative technician training programs developed by CNM, and they have already started to hire their graduates into high paying jobs.

When combined with the State of New Mexico's massive investments in venture capital funds and its large reserves, the moment for diversifying our economy has arrived.

### Bioscience Authority-

The New Mexico Bioscience Authority (NMBSA) is a state agency established by the Legislature in 2017 as a public-private partnership following findings that demonstrated the significant and growing role of the bioscience industry in New Mexico and the opportunity for the state to better capture its economic benefits. Nationally, the bioscience industry is a major economic driver, contributing an estimated \$3.2 trillion to the U.S. economy in 2023. Since 2019, bioscience employment has grown at more than twice the rate of the overall private sector, and average wages in the industry are nearly double the national average. The industry's 2.3 million direct employees support nearly 8 million additional jobs through indirect and induced economic activity.

New Mexico possesses many of the foundational assets required to grow and attract bioscience companies, including research universities, national laboratories, clinical expertise, and a strong innovation base. However, despite these strengths, the state continues to lag behind peer states in bioscience commercialization, company formation, and industry scale. The New Mexico Science and Technology Roadmap, recently commissioned by the New Mexico Economic Development Department, identified bioscience as an emerging industry with significant growth potential that will require sustained and targeted state support to fully mature.

The NMBSA was created to provide that support and to serve as the state's coordinating entity for bioscience industry development. However, without stable and ongoing funding, the Authority's ability to deliver meaningful, statewide programming is limited. Prior efforts have necessarily been narrow in scope and short-term in nature, reducing their effectiveness and long-term impact.

The funding proposed in SB 177 would provide the Bioscience Authority with the essential resources needed to continue and build upon the work initiated during the prior fiscal year through a one-time state appropriation. Ongoing funding would allow the Authority to institutionalize successful programs, expand support mechanisms for bioscience companies, and more effectively advance New Mexico's competitiveness in a high-growth, high-wage industry critical to the state's economic diversification goals.

## **PERFORMANCE IMPLICATIONS**

### Bioscience Authority-

Funding provided through SB 177 would significantly enhance the New Mexico Bioscience Authority's capacity to carry out its statutory mission and deliver measurable outcomes aligned with the state's economic development objectives. With sustained funding, the Authority would be able to transition from short-term, limited-scope activities to structured, multi-year programs that support bioscience company formation, commercialization, and industry growth.

Stable funding would improve performance by allowing the Bioscience Authority to plan, implement, and evaluate programs designed to increase bioscience business engagement, facilitate partnerships among universities, national laboratories, and industry, and improve access to capital, talent, and market opportunities for New Mexico-based bioscience companies. These efforts are expected to contribute to increased company retention and expansion, higher levels of private-sector investment, and growth in high-wage employment.

Conversely, absent ongoing funding, the Authority's performance would remain constrained to intermittent or pilot-level activities, limiting its ability to achieve sustained impact or demonstrate long-term outcomes. Reliance on one-time appropriations reduces program continuity, impedes data collection and performance tracking, and weakens accountability for results over time.

Overall, SB 177 would strengthen the Bioscience Authority's ability to produce consistent, measurable performance outcomes that support statewide economic diversification, workforce development, and the growth of a high-value industry sector identified as an opportunity area in New Mexico's Science and Technology Roadmap.

## **ADMINISTRATIVE IMPLICATIONS**

### Bioscience Authority-

SB 177 would support the effective administration of programs by the New Mexico Bioscience Authority, which is staffed by an experienced and multidisciplinary team with demonstrated capacity to manage state-funded initiatives. The Authority's leadership includes Executive Director Stephanie Tofighi, Strategy and Policy Director Ryan Cangioli, Communications and

Industry Outreach Manager Irene Gray, and Program Specialist Sterling Nichols. Together, this team brings expertise in economic development strategy, public policy, industry engagement, communications, and program implementation.

The Authority's administrative capacity is further strengthened by active oversight from a robust Board of Directors that includes representation from New Mexico's research universities, Spaceport America, the New Mexico Economic Development Department, and members of the public. This governance structure provides broad subject-matter expertise, ensures alignment with statewide economic development priorities, and supports transparent oversight of programming and expenditures.

Ongoing funding through SB 177 would allow the Bioscience Authority to fully leverage this existing administrative and governance framework by providing the stability necessary to plan, administer, and evaluate programs on a consistent basis. Stable funding would also enhance fiscal oversight, reporting, and accountability by enabling continuity in administrative processes and long-term performance tracking.

Overall, SB 177 would reinforce an already strong administrative foundation, ensuring that state resources are managed effectively and that bioscience development programs are implemented with appropriate oversight, coordination, and accountability.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

UNM is not aware of any duplication of funds from SB177.

## **TECHNICAL ISSUES**

N/A

## **OTHER SUBSTANTIVE ISSUES**

Dozens of organizations in New Mexico have spent the last 4 years building plans and developing collaborations in aerospace, quantum, and advanced energy. This level of cooperation and coordination makes the state well prepared to execute the proposed generational investments. In the quantum technology space this includes the QNM-I that has existing agreements with Sandia National Labs, Los Alamos National Labs via the New Mexico Consortium, and Central New Mexico Community College as part of multiple, large, multi-year ecosystem-focused projects. In addition, the \$25 million dollar Roadrunner Quantum Lab, run by Roadrunner Venture Studios and including partnerships with QNM-I, SNL, QuEra, Maybell Quantum, and Qunnect will be opened this year (within 1 year of the appropriation of funds), the Elevated Quantum packaging facility will also open in 2026, and CNM's first in the nation Quantum Learning Lab has already graduated their first cohort and is successfully employing graduates in local companies. These physical facilities coming online this year, and the new processes for distributing funding across organizations provide a ready starting point for launching the ambitious work in FY27 while other plans and designs are completed.

## **ALTERNATIVES**

N/A

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

New Mexico currently has the necessary people, programs, facilities, expertise, industry presence and deployable capital that has generated momentum for diversifying our economy in ways not seen since the creation of Sandia and Los Alamos National Laboratories. Furthermore, the federal government is making massive investments in many of the technical areas supported by SB177, and many of those investments will require major state matching funds to win national competitions. Similarly, the tech giants of the present (Google, Microsoft, NVIDIA, Meta) and those of the future are making investment decisions of where to base operations on nearly a weekly basis. Delaying the appropriation and deployment of funds needed to win awards and attract more industry to future fiscal years will cause New Mexico to lose significant ground on the national stage and global stages. The competition is incredibly stiff as we are already competing against hundreds of million-to-billion-dollar investments in Maryland, Illinois, and Colorado. Other states like Colorado and New York are building \$100 million centers with only a tiny fraction of what New Mexico has to offer. We have the nation's attention now, but that will not last without major investments. Waiting another year presents a major gamble that risks the loss of a winning hand.

SB177 contains numerous appropriations that work synergistically to fund the entire ecosystem and make the whole greater than the sum of the parts. Below, we call out a handful of sections and note the consequences of not enacting the appropriations within them.

Section 2: The relatively new Research Development and Deployment Fund is the most agile tool that New Mexico has to strategically grow areas identified in the EDD Science and Technology Roadmap, to win competitions for new large federal awards, and to shape future federal opportunities. Slowing investment in this fund will significantly curtail our entire tech ecosystem.

Section 9: This strategic investment in defense related research capacity at our research institutions will provide critical infrastructure needed to support existing large facilities, like the UNM Center for High Tech Materials, but also to build out the foundations for rapid growth.

Sections 10 through 13: These investments will put New Mexico in the front of the nation in both AI and quantum, and it is this interface where New Mexico is especially well positioned to lead through launching a new quantum applications center and other major investments.

Section 11: Not funding this appropriation would cause New Mexico to lose \$50 million in funding already promised as a match from DARPA for the Quantum Frontier Project. We would then lose our status as a leading center for demonstrating which quantum computers can achieve the promised performance.

Sections 20-22: These investments are extraordinarily forward looking and will rapidly expand the intellectual capacity of New Mexico in unimaginable ways. The promised major advances funded by SB177 cannot be realized without investing in the necessary talent to do the work and provide the leadership.

Section 25: The proposed investment in quantum computing capacity combined with classical computing to make hybrid systems is essential for New Mexico to be the place where the solutions for many of the world's most challenging problems can be solved. Initial state-wide access to cloud services will immediately launch teams across the state, and the ultimate purchase of an early fault tolerant hybrid quantum-classical computer will make New Mexico a hub and quickly launch many successes through co-development that can only be done with hands-on experience.

Section 29: Funding for the Bioscience Authority will continue its ecosystem leadership and convening power to maximize the benefits for growth of this important sector.

#### Bioscience Authority-

If SB 177 is not enacted, the New Mexico Bioscience Authority would continue to operate without stable, recurring programmatic funding, significantly limiting its ability to fulfill its statutory mission. In the absence of ongoing resources, the Authority would be constrained to short-term or pilot-level activities dependent on one-time appropriations, reducing program continuity, effectiveness, and accountability.

This lack of directed funded would slow New Mexico's progress in developing the bioscience industry identified as an opportunity area in the state's Science and Technology Roadmap. Without a sustained coordinating entity, opportunities to support bioscience company formation, commercialization, and industry growth may be delayed or lost to competing states with more established and consistently funded bioscience development infrastructure.

Additionally, the lack of recurring funding would undermine the state's ability to fully leverage existing assets, including research universities, national laboratories, and private-sector partners. Fragmented or intermittent programming limits collaboration, weakens industry engagement, and reduces New Mexico's competitiveness in attracting private investment and high-wage jobs.

Overall, not enacting SB 177 would perpetuate structural limitations on bioscience industry development, constrain long-term planning and performance measurement, and impede the state's broader economic diversification efforts in a high-growth, high-value sector.

#### **AMENDMENTS**