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FISCAL IMPACT REPORT

ORIGINAL DATE
SPONSOR Ryan & Youngblood **LAST UPDATED** 03/06/15 **HJM** 17

SHORT TITLE Biotech Industry Taskforce **SB** _____

ANALYST Dunbar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	NA		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		*Indeterminate	*Indeterminate	*Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

*Refer to Fiscal Implications.

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

Responses Received From

Central New Mexico Community College (CNM)
 Economic Development Department (EDD)
 University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

HJM 17 requests that the University of New Mexico Health Sciences Center form a Biotechnology Industry Task Force to study how to promote, attract, support, stimulate and sustain the biosciences and biotechnology industry in New Mexico,

The bill indicates that at least 50 percent of the members of the task force be comprised of individuals from the private sector.

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The purpose of the taskforce will be to study and analyze the biotech industry in order to:

- Attract new biotech talent and companies to New Mexico by recruiting management and training workforce
- Grow and promote the current New Mexican biotech talent and industries
- Determine incentives through targeted legislation, financial packages, or tax credits that will encourage growth of the biotech industry in New Mexico
- Identify necessary partnerships with industry and educational stakeholders in order to identify and create solutions to New Mexico biotech workforce needs. This includes the development of training program initiative to develop the biotechnology industry workforce infrastructure.

The state seeks to leverage its strengths in bioscience and biotechnology to become a vibrant and internationally recognized bioscience cluster.

FISCAL IMPLICATIONS

NMEDD voices concerns that a study is problematic when the department has not planned this activity in their current budget.

The study would include evaluations of attraction, retention strategies, tax incentives, promotion strategies, training programs, public agency and R & D evaluations and more, which provides a substantive amount of very useful data. However, EDD points out that this endeavor requires significant manpower and resources to conduct a meaningful data analysis,

Therefore the memorial should specify prospective funding sources for such a study. EDD indicates that this could include language identifying monies from private sources, UNM budget, or other funding opportunities.

SIGNIFICANT ISSUES

CNM biotechnology program has existed for over 10 years. CNM welcomes the opportunity to work with UNM-HSC and the biotech industry taskforce in studying and analyzing biotech industry needs around the state. One of the primary goals of CNM's program has been to adapt to the needs of the workforce. CNM welcomes an opportunity to expand or modify existing program in order to bring new employment opportunities to students.

CNM expresses a concern with HJM 17 that the committee size and membership terms are vague. Although it HJM 17 does specify 50% private sector membership, the absence of a minimum number of participants could lead to a narrow sighted scope within the taskforce.

Additionally, there is some anxiety by CNM that this memorial may duplicate the scope and membership of the NM Biotechnology & Biomedical Association (NMBIO). This association is already in existence and has the representation of top UNM-HSC executives and private sector biotech firms.

UNM speaks to the importance of this subject by stating that the United States is increasingly faced with global competition in both economic power and scientific innovation. Technology policy is critical in ensuring the best use of such innovation for national security, better health,

cultural progress, more jobs, and a higher standard of living. New Mexico is at the forefront of bioscience and biotechnology; the University of New Mexico Health Sciences Center has catalyzed innovation and technology commercialization, as well as producing an educated work force to support the biotechnology industry.

For the University of New Mexico Health Sciences Center to convene a biotechnology industry task force to perform a substantive analysis and study ways to help promote, attract, support and sustain the biotechnology industry in New Mexico is an important activity which aligns with the EDD Science and Technology Plan goals.

If UNM conducts the study, the scope of elements surveyed, analyzed and recommended should cover a statewide scope. The study should consider the needs and resources of all of the state's regions.

ADMINISTRATIVE IMPLICATIONS

The EDD Office of Science and Technology could be a beneficiary of the information gathered, and can partner with the bioscience sector to explore ways to conduct the study.

The EDD has identified Bioscience and Biotechnology as areas of focus in the EDD Science and Technology Plan. The data and study would be useful for planning.

OTHER SUBSTANTIVE ISSUES

The biotechnology industry is a strategic enterprise sector that can be vital to the state's economic strategy and well-being by creating high-paying jobs and bolstering the state's economy. However, as noted by UNM, governmental involvement is necessary to support technology policy, to prevent underinvestment in research and development, and to support financial incentives and legislation for biotechnology industries in New Mexico.

BD/bb