

LFC Requester:	Helen Gaussoin
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.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}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date February 2, 2024
Bill No: SB250

Sponsor: Munoz, Soules **Agency Name and Code** Economic Development
Short Title: INNOVATION FELLOWSHIP ACT **Number:** Department 41900
Person Writing Shani Harvie
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$5,000.00	Nonrecurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(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 250 (SB250) enacts the Innovation Fellowship Act, establishing innovation fellowships to support graduate or post-doctorate students from the University of New Mexico (UNM), UNM Health Sciences Center, New Mexico State University, the New Mexico Institute of Mining and Technology, and Navajo Technical University who have filed applications for patents with the United States patent and trademark office for inventions with the potential to create new commercial enterprises.

The bill creates the Innovation Fellowship Fund to award innovation fellowships, to be administered by the Higher Education Department (HED). The bill makes a nonrecurring, nonreverting appropriation of five million dollars (\$5,000,000) from the general fund to the Innovation Fellowship Fund. A Fellowship Selection Committee is also created to consult with HED on implementation of the Act.

The legislation allows a maximum of ten fellowships per year, with restrictions on the number of applicants from any one named university, and covers all tuition and fees, a living stipend of twenty thousand dollars per year, a travel reimbursement of up to five thousand dollars per year and a maximum of fifty thousand additional dollars to further develop the fellow's patent and commercial enterprise. Fellows are required to show a binding commitment to establish a commercial enterprise in New Mexico upon the success of the patent, or if sold, repay the amount awarded by the Innovation Fellowship Act.

The bill stipulates that universities of selected fellows who are post-doctoral employees will be reimbursed one-half of the fellow's annual salary to allow for time to be dedicated to the patent commercialization and enterprise development.

The bill also stipulates that the Fellowship Selection Committee award fifty thousand dollars (\$50,000) per fiscal year to each of the four named higher education institutions to offer entrepreneurship education programs to students.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

Supporting and increasing the patenting, licensing and commercialization of technology and innovation developed at New Mexico institutions of higher education is an important aspect of growing the science and technology sectors in the state and diversifying the state's economy. Making funds available to further support New Mexico students pursuing innovation commercialization relatively early in their careers could increase the amount of patents granted to New Mexico technology and contribute to the growth of the state's economy.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

This bill does not appropriate any funding for the administration and oversight of the program. Without additional full-time employees or monies to operate the program, the Higher Education Department may face capacity restrictions and difficulties to stand up the intended program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS