

LFC Requester:	
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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 2/1/2024

Bill No: SB250

Sponsor: <u>Muñoz and Soules</u>	Agency Name and Code <u>New Mexico Institute of Mining and Technology (NMIMT)</u>
Short Title: <u>Innovation Fellowship Act</u>	Number: <u>962</u>
	Person Writing <u>The VPAF Office</u>
	Phone: <u>575-835-5606</u> Email <u>VPAF@nmt.edu</u>

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25 and Subsequent Fiscal Years		
	Proposed \$5 Million	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
	Not Identified	Not Identified		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$100 or more	\$100 or more	\$100 or more	\$300 or more	Recurring	General Fund

(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:

Enacting the innovation fellowship; making an appropriation.

It provides:

- No more than ten fellowships shall be awarded in any fiscal year, and no more than three fellowships shall be awarded to graduate or post-doctoral students at any institution.
- If the patent is sold, repay the amounts awarded to the fellow pursuant to the Innovation Fellowship Act.
- \$50 thousand per fiscal year to offer entrepreneurship education programs to students.

FISCAL IMPLICATIONS

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

It is encouraging to see bills focusing on innovative activities and entrepreneurship education in higher education institutions. This will encourage more students to engage in innovation, unlock students’ creative potential, and develop the mindset needed to tackle complex challenges in the real world of work.

However, to implement the requirements in the bill, staff time is required to implement programs, develop and maintain reporting systems, track and repay the awards, and coordinate with appropriate state agencies and committees. Annual costs are expected to be a minimum of \$100 thousand, including \$90 thousand in staff costs (salaries plus 35% fringe benefits) and \$10 thousand in software, supplies, and other general operating costs to maintain required programs.

SIGNIFICANT ISSUES

There are uncertainties or potential issues, including but not limited to:

- If a patent application is filed with the U.S. Patent and Trademark Office, and a student participated in it, but the student's name is not listed, is the student still eligible for the fellowships?
- The bill requires “upon the successful commercialization... if the patent is sold, repay the amounts awarded to the fellow”. It is unclear who will be responsible for repaying the money. Institution or student? If a student needs to repay the amount awarded, who is responsible for collecting it? Will the institution be held responsible if it is not collected?
- The bill provides that a fellow may be awarded not more than fifty thousand dollars (\$50,000) to further develop the fellow's patent and initiate a commercial enterprise based on that patent. Does this enterprise have to be in the name of the awarded fellow student?

PERFORMANCE IMPLICATIONS

It may need some clarification or instruction about the application and evaluation processes.

ADMINISTRATIVE IMPLICATIONS

The institution will need more personnel and financial support to implement, oversee, and maintain the program and reporting system.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None for NMIMT.

TECHNICAL ISSUES

None for NMIMT.

OTHER SUBSTANTIVE ISSUES

None for NMIMT.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Educational programs will be delivered as normal, with minimal changes if necessary. However, students may have limited opportunities and environments to acquire creative thinking and innovation skills.

AMENDMENTS