

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** HB 244

**51st Legislature, 1st Session, 2013**

**Tracking Number:** .191814.1

**Short Title:** UNM Venture Space Incubator Program

**Sponsor(s):** Representative Thomas A. Anderson

**Analyst:** James Ball

**Date:** February 1, 2013

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**Bill Summary:**

HB 244 makes an appropriation to create and implement the Venture Space Incubator Program (VSIP) at the University of New Mexico (UNM).

**Fiscal Impact:**

\$250,000 is appropriated from the General Fund to the Board of Regents of UNM for expenditure in FY 14. Unexpended or unencumbered funds revert to the General Fund.

**Fiscal Issues:**

According to the Higher Education Department (HED), UNM did not submit this funding request to HED for review. HED has established a formal process for reviewing earmarked budget requests for higher education institutions. This process requires prior approval by the governing body of the university or college. It also provides for analysis of each request by HED, the Department of Finance and Administration, and the Legislative Finance Committee. HED recommends that institutions that make requests that circumvent the formal review process not receive funding in the annual budget, but be directed to resubmit for funding in FY 15 following the established process.

**Substantive Issues:**

According to UNM, VSIP leverages the Configurable Space Microsystems Innovations & Applications Center (COSMIAC), a federally supported research center at UNM that has an existing base of expertise in space systems technology and applications. Through the Air Force Research Laboratory's (AFRL) UNM Educational Partnership Agreement, UNM and COSMIAC have valuable access to unique laboratory facilities at AFRL's Space Vehicles Directorate at Kirtland Air Force Base. The VSIP will provide space-oriented entrepreneurs access to COSMIAC and AFRL facilities. Entrepreneurs working with UNM faculty and students will benefit from this uniquely valuable access to these facilities.

**Background:**

HED states that business incubators support entrepreneurs and early stage companies with free or below market services, training, and mentoring. A 2011 economic impact study by the New Mexico Economic Development Department (EDD) indicated a cost benefit ratio for

funding of incubators through EDD to be 57 to 1. The study estimated that during FY 07 through FY 10, total tax revenue returned to the state and local taxing districts by incubated businesses was approximately \$52.0 million. Tax revenues generated by incubator tenants and graduates in 2011 alone totaled nearly \$13.0 million.

**Committee Referrals:**

HEC/HAFC

**Related Bills:**

SB 42 *Statewide Certified Business Incubators*