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HOUSE BILL 143

55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022

INTRODUCED BY

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AN ACT

RELATING TO HIGHER EDUCATION; CREATING A FIVE-YEAR INNOVATION
ACCELERATOR PILOT PROJECT TO ASSIST START-UP BUSINESSES TO
ACCELERATE INTO VIABLE BUSINESSES THAT ARE ATTRACTIVE TO
INVESTORS AND TO STUDY THE ECONOMIC DEVELOPMENT AND
DIVERSIFICATION POTENTIAL OF ACCELERATORS; PROVIDING FOR
INNOVATION ACCELERATOR CENTERS AT CERTAIN COMMUNITY COLLEGES;
CREATING A FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of Chapter 21 NMSA 1978 is
enacted to read:

"[NEW MATERIAL] INNOVATION ACCELERATOR PILOT PROJECT--
ELIGIBILITY--APPLICATION--REPORTING AND EVALUATION.--

A. The "innovation accelerators for progress pilot
project" is created as a five-year study at one or more

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1 community colleges, including branch community colleges, of the
2 efficacy of innovation accelerators on the success of business
3 start-ups, economic development and diversification of New
4 Mexico's economy. The higher education department shall
5 administer the pilot project and determine pilot project
6 application requirements and procedures and criteria for
7 evaluating applications from New Mexico community colleges.
8 The department may require that each applicant determine an
9 economic-sector focus suitable to the applicant's region. The
10 department and the participating community colleges shall apply
11 for grants and seek donations for the pilot project and
12 innovation accelerator centers.

13 B. Each community college that is approved for
14 participation in the pilot project shall establish an
15 innovation accelerator center to support early-stage, growth-
16 driven businesses through education, mentorship and the
17 provision of professional services. Each center shall provide
18 a fixed-term, cohort-based, competitive program that includes
19 structured educational and mentorship components and assists
20 business start-ups to, as applicable:

21 (1) define and build their initial products
22 and identify supply chain resources;

23 (2) identify promising customer segments and
24 secure resources, including capital and employees;

25 (3) take advantage of networking opportunities

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1 with peer ventures, successful entrepreneurs, program
2 graduates, venture capitalists, angel investors and corporate
3 executives; and

4 (4) develop and evaluate the efficacy of their
5 business ideas and models.

6 C. Based on the application approved by the higher
7 education department, an innovation accelerator center shall:

8 (1) accept a cohort of business start-up
9 participants that fall within its economic-sector focus;

10 (2) specify the fixed participation time for
11 each innovation accelerator cohort;

12 (3) develop sector-specific curriculum and
13 provide participants with mentors who have deep subject-matter
14 expertise;

15 (4) provide participants with office space and
16 defined business services;

17 (5) assist participants in attracting
18 investors; and

19 (6) require graduating cohorts to participate
20 in a competitive, public presentation in which each participant
21 demonstrates its product and business to an audience of
22 qualified investors.

23 D. Each innovation accelerator center shall collect
24 data and evaluate the success of the center's participants
25 through one-year and three-year post-participation data based

1 on the following, as applicable:

2 (1) operational status of the business and, if
3 still operating, the business's location and ownership;

4 (2) number and size of financial investments;

5 (3) investors' rate of return and stock
6 prices;

7 (4) number of clients or customers gained;

8 (5) small business innovation research or
9 small business technology transfer awards;

10 (6) patent filings;

11 (7) number of employees and quarterly payroll;

12 (8) annual sales or revenue and net profit;

13 (9) evaluation of business success or failure
14 on local, regional and state economies; and

15 (10) other information required of the higher
16 education department or collected by the center.

17 E. The higher education department shall collect
18 data and evaluate the success of each innovation accelerator
19 center based on the following:

20 (1) number and type of applicants;

21 (2) number of participants and cohort sizes;

22 (3) number and type of businesses that
23 completed their programs;

24 (4) number of investors the center attracted
25 on demonstration days and otherwise;

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1 (5) success of businesses that graduated as
2 measured by the data collected by the center in Subsection D of
3 this section;

4 (6) percentage of businesses that were
5 acquired, are still operating or failed;

6 (7) local, regional and state economic
7 activity generated by the center;

8 (8) other information determined by the
9 department; and

10 (9) a narrative provided by the center on
11 lessons learned by the success or failure of participants and
12 whether failures affected services and delivery methods of the
13 center.

14 F. The higher education department shall submit
15 periodic reports and a final report to the legislature and the
16 governor on the efficacy of the innovation accelerators for
17 progress pilot project."

18 SECTION 2. A new section of Chapter 21 NMSA 1978 is
19 enacted to read:

20 "[NEW MATERIAL] FUND CREATED.--The "innovation
21 accelerators for progress fund" is created as a nonreverting
22 fund in the state treasury. The fund consists of
23 appropriations, gifts, grants and donations to the fund. The
24 fund shall be administered by the higher education department,
25 and money in the fund is appropriated to the department to

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1 carry out the innovation accelerators for progress pilot
2 project. Expenditures from the fund shall be on warrants of
3 the secretary of finance and administration pursuant to
4 vouchers signed by the secretary of higher education or the
5 secretary's authorized representative."

6 SECTION 3. APPROPRIATION.--Five million dollars
7 (\$5,000,000) is appropriated from the general fund to the
8 higher education department for expenditure in fiscal year 2023
9 and succeeding fiscal years to conduct the innovation
10 accelerators for progress pilot project. Any unexpended or
11 unencumbered balance remaining at the end of a fiscal year
12 shall not revert to the general fund.