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SENATE BILL 250

56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024

INTRODUCED BY

George K. Muñoz and William P. Soules

AN ACT

RELATING TO HIGHER EDUCATION; ENACTING THE INNOVATION
FELLOWSHIP ACT; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] SHORT TITLE.--This act may be
cited as the "Innovation Fellowship Act".

SECTION 2. [NEW MATERIAL] DEFINITION.--As used in the
Innovation Fellowship Act, "fellow" means an individual
selected to receive a fellowship pursuant to the Innovation
Fellowship Act.

SECTION 3. [NEW MATERIAL] INNOVATION FELLOWSHIPS--
SELECTION--AMOUNTS--DURATION.--

A. Innovation fellowships may be awarded to an
individual who:

- (1) is enrolled as a graduate student or

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1 employed as a post-doctoral student at the university of New
2 Mexico, the university of New Mexico health sciences center,
3 New Mexico state university, the New Mexico institute of mining
4 and technology or Navajo technical university;

5 (2) has filed an application for a patent with
6 the United States patent and trademark office for an invention
7 that has the potential to result in new commercial enterprises;
8 and

9 (3) has signed a binding commitment that the
10 fellowship applicant, if awarded a fellowship, will upon the
11 successful commercialization of the fellow's patent either
12 establish a commercial enterprise in New Mexico or, if the
13 patent is sold, repay the amounts awarded to the fellow
14 pursuant to the Innovation Fellowship Act.

15 B. No more than ten fellowships shall be awarded in
16 any fiscal year, and no more than three fellowships shall be
17 awarded to graduate students or post-doctoral students at any
18 one educational institution.

19 C. Fellowships shall be awarded in an amount to
20 include:

21 (1) all tuition and fees at the educational
22 institution at which the fellow is enrolled;

23 (2) a living stipend in the amount of twenty
24 thousand dollars (\$20,000) per academic year; and

25 (3) reimbursement in an amount not to exceed

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1 five thousand dollars (\$5,000) per academic year for expenses
2 incurred by the fellow for travel to promote the
3 commercialization of the fellow's patent.

4 D. If a fellow is a post-doctoral employee, the
5 educational institution employing the recipient shall be
6 reimbursed for one-half of the fellow's annual salary to ensure
7 that at least one-half of the fellow's time at work is
8 dedicated to the commercialization of the fellow's patent.

9 E. In addition to an award pursuant to Subsection C
10 of this section, a fellow may be awarded not more than fifty
11 thousand dollars (\$50,000) to further develop the fellow's
12 patent and initiate a commercial enterprise based on that
13 patent.

14 SECTION 4. [NEW MATERIAL] FELLOWSHIP SELECTION
15 COMMITTEE--MEMBERSHIP--DUTIES.--

16 A. The "fellowship selection committee" is
17 established within the higher education department to implement
18 the provisions of the Innovation Fellowship Act. The higher
19 education department shall provide administrative support to
20 the fellowship selection committee.

21 B. The fellowship selection committee consists of
22 seven members as follows:

23 (1) the secretary of higher education or the
24 secretary's designee, who shall serve as chair of the
25 committee;

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1 (2) the secretary of economic development or
2 the secretary's designee; and

3 (3) the vice president of research, or the
4 vice president's designee, at:

5 (a) the university of New Mexico;

6 (b) the university of New Mexico health
7 sciences center;

8 (c) New Mexico state university;

9 (d) the New Mexico institute of mining
10 and technology; and

11 (e) Navajo technical university.

12 C. The fellowship selection committee shall:

13 (1) identify individuals to receive innovation
14 fellowships pursuant to Section 3 of the Innovation Fellowship
15 Act; and

16 (2) award supplemental funding pursuant to
17 Subsection E of Section 3 of the Innovation Fellowship Act upon
18 receiving acceptable evidence of the commercialization
19 potential of a fellow's patent.

20 D. No later than October 1, 2025 and October 1 of
21 each year thereafter, the fellowship selection committee shall
22 submit a report to the legislative finance committee and
23 appropriate interim legislative committees on the funding
24 awarded pursuant to the Innovation Fellowship Act during the
25 prior fiscal year and the extent to which fellows' patents have

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1 been successfully commercialized.

2 **SECTION 5. [NEW MATERIAL] INNOVATION FELLOWSHIP FUND.--**

3 The "innovation fellowship fund" is created in the state
4 treasury. The fund consists of appropriations, gifts, grants,
5 donations and investment income from the fund. Money in the
6 fund at the end of a fiscal year shall not revert to any other
7 fund. The higher education department shall administer the
8 fund, and money in the fund is appropriated to the higher
9 education department to implement the Innovation Fellowship
10 Act. Disbursements from the fund shall be made by warrant of
11 the secretary of finance and administration pursuant to
12 vouchers signed by the secretary of higher education or the
13 secretary's designee.

14 **SECTION 6. [NEW MATERIAL] ENTREPRENEURSHIP PROGRAMS.--The**

15 fellowship selection committee shall award the university of
16 New Mexico, the university of New Mexico health sciences
17 center, New Mexico state university, the New Mexico institute
18 of mining and technology and Navajo technical university fifty
19 thousand dollars (\$50,000) per fiscal year to offer
20 entrepreneurship education programs to students.

21 **SECTION 7. [NEW MATERIAL] HIGHER EDUCATION DEPARTMENT--**

22 **RULES.--**The higher education department shall, in consultation
23 with the fellowship selection committee, promulgate rules to
24 implement the Innovation Fellowship Act.

25 **SECTION 8. APPROPRIATION.--Five million dollars**

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1 (\$5,000,000) is appropriated from the general fund to the
2 innovation fellowship fund for expenditure in fiscal year 2025
3 and subsequent fiscal years to fund fellowships and
4 supplemental funding awarded pursuant to the Innovation
5 Fellowship Act and to support entrepreneurship education. Any
6 unexpended or unencumbered balance remaining at the end of a
7 fiscal year shall not revert to the general fund.

8 SECTION 9. EFFECTIVE DATE.--The effective date of the
9 provisions of this act is July 1, 2024.