

**New Mexico Bioscience Authority (BSA) Board of Directors  
Regular Meeting**

**March 23, 2022, 11:30 AM – 1:00 PM**

317 Commercial St. NE, Suite 311, Albuquerque, NM

**Present:** Dale Dekker (Chair), Greg Byrnes, Jennifer Gifford, Tom Kieft, Paul Laur, Scott McLaughlin, Nora Sackett, Tanner Schaub, Prisca Tiasse

**Absent:** Sheryl Arvizu, Christos Christodoulou, David Perkins

**Staff Present:** Stephanie Tofighi, Sterling Nichols, Ryan Cangiolosi

#	Agenda Items	Board Actions
1.	Call to order and Confirmation of Quorum	The Chair called the meeting to order at 11:34 AM. A quorum was confirmed.
2.	Approval of Minutes: <ul style="list-style-type: none"> <li>February 23rd BOD Meeting</li> </ul>	<p>The Chair called for a motion to approve the February 23<sup>rd</sup> meeting minutes.</p> <p>A motion was made by Scott McLaughlin with a second from Tanner Schaub.</p> <p>A roll call vote of all board members was called with seven in the affirmative, none in opposition, one in abstention and four absent. The vote was as follows:</p> <p>Arvizu-Absent, Byrnes-Affirm, Christodoulou-Absent, Dekker-Affirm, Gifford-Absent, Kieft-Affirm, Laur-Affirm, McLaughlin-Affirm, Perkins-Absent, Sackett-Abstain, Schaub-Affirm, Tiasse-Affirm</p>
3.	Announcements and Chair's Report	<p>Director Jennifer Gifford joined the meeting at 11:42 AM.</p> <p>The Chair opened the meeting by welcoming Nora Sackett from the state's Economic Development Department (EDD) to the Bioscience Authority Board of Directors. Sackett was appointed by New Mexico Cabinet Secretary Alicia Keyes to serve on the board as her designee. The Chair asked Director Sackett if she would take former Director Greenberg's position on the Finance Committee to which</p>

		<p>Sackett confirmed. The importance of strong advocacy from the EDD was reiterated by the Chair in that the Biosciences was identified as one of the strategic industry clusters in the Stanford Research Institute’ Strategic Plan released in October of 2021.</p> <p>The Chair informed the BOD that Director Boisvert has resigned due to work commitments though she expressed an interest in continuing to support the BSA. While serving on the board, Boisvert made great contributions to the BSA including leading the BOD’s Strategic Planning session in April 2022. That Executive Summary was shared with the Board. The Chair has asked Director Paul Laur to serve on the Executive Committee as Boisvert’s replacement; Laur agreed.</p> <p>An update on the following was provided by the Chair.</p> <p><b><u>2023 Legislative Session</u></b></p> <p>The following board members and participants were recognized by the Chair for their successful efforts during the recently closed legislative session.</p> <ul style="list-style-type: none"> <li>➤ <b>NMBSA Strategy and policy Director Ryan Cangiolosi</b> - The Chair thanked Cangiolosi for his diligence, support and guidance through the legislative process.</li> <li>➤ <b>Michelle Henrie</b> - Henrie was exceptional in providing information, advocacy and support for the legislators and committees.</li> <li>➤ <b>NMBSA Executive Director Stephanie Tofighi</b> – Tofighi dedicated her time to provide assistance and key testimony during the legislative committee hearings while being in attendance to witness the successful vote for the BSA’s Senate Bill 382 (SB382).</li> <li>➤ <b>NMBSA Director Paul Laur</b> – Laur served as the subject matter expert in support of the legislators as they presented the bills to the committees as well as sitting in the chamber to get <b>SB382</b> passed by the</li> </ul>
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		<p>House and Senate. The Chair commended Laur for dedicating his time to attend the meetings in person.</p> <ul style="list-style-type: none"> <li>➤ <b>Former NMBSA Director Stuart Rose</b> – Rose provided his support in committee hearings.</li> <li>➤ <b>NMBSA Director Greg Byrnes</b> – Byrnes also provided support in committee hearings, and in his capacity as ED of NMBio, deployed members to provide support on behalf of the BSA during the committee hearings.</li> <li>➤ <b>Bill Sponsors: Senator George Munoz, Senator Martin Hickey</b> – The Chair expressed his gratitude towards both Senators for believing in the mission and vision of the BSA. Sen. Munoz was instrumental when the BSA was formed in 2017 and authored the original legislation to formally recognize the Authority.</li> <li>➤ <b>State Representative Day Hockman-Vigil</b> – Vigil was acknowledged for carrying the bill in the House and getting it passed with a 67-0 vote.</li> </ul> <p>The Chair defined the efforts during the legislative session as exemplary teamwork which will benefit the BSA in the coming years. Also, as a result of the legislature passing, the Chair and acting President Christos Christodoulou authored a letter that was sent to the Governor encouraging her to sign Senate Bill 382 and House Bill 2 which is the funding bill for the state budget, and for the \$25 Million Co-Investment fund.</p> <p><b><u>April 27<sup>th</sup> NMBSA Board Meeting in Socorro</u></b></p> <p>Plans for holding a full board meeting in-person at New Mexico Tech in Socorro, NM is still being planned. The meeting will take place on Thursday, April 27<sup>th</sup>. The Chair reminded the BOD to look out for more forth coming details.</p> <p>The Chair concluded his announcements and report.</p>
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4.	Executive Director's Report	<p>Executive Director (ED) Stephanie Tofighi began her report thanking everyone who participated in the Legislative process. Tofighi personally thanked Director Paul Laur for his expertise and suggesting that the BSA work with Michelle Henrie. Her knowledge of what the BSA was trying to accomplish, what needed to be addressed, who the BSA needed to talk to and how the BSA should talk to members of the committee was invaluable. Having Henrie present allowed for the BSA to succeed during the legislative session.</p> <p>Tofighi provided an update on Senate Bill 366 (SB366).</p> <p><b><u>Senate Bill 366 – Bioscience Business Accelerator:</u></b></p> <p>Tofighi said the bill did not go forward beyond being first presented to the Senate Education Committee. It was sent to the Senate Finance Committee but was not pushed further as a path to move forward with SB382 took precedent over SB366. Hence, Chair Dekker and Strategy and Policy Director Ryan Cangiolosi suggested to talk with Senator Martin Heinrich to see if there were federal appropriations to assist with funding the business accelerator program. After submitting a one-page form outlining the request, Heinrich Staffers contacted Tofighi stating that it could go forward to the Small Business Administration (SBA). They requested a more detailed report that could be share with the committee. Via screen share, Tofighi shared the report.</p> <p><b><u>SBA Administrative Provision Report, New Mexico Bioscience Business Accelerator Program</u></b></p> <p>Tofighi said the SBA report was an overview of what the BSA was and what would be the expectations of the accelerator program going forward. Tofighi also disclosed budget information in the report and discussed what the program would do with the funds. With the report submitted Tofighi remains positive for a favorable outcome. She further shared that the SBA Accelerator competition had been in contact with her to confirm access to a SAMS account if funds were transferred. Since the BSA is</p>
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		<p>administratively attached to UNM HSC, their SAMS account would be used.</p> <p>ED Tofighi concluded the Executive Director Report.</p>
5.	Presentation on UNM Rainforest	<p>Lisa Kuuttilla, CEO and Chief Economic Development Officer from UNM Rainforest Innovations presented a slide presentation on the organization responsible for supporting technology transfer and catalyzing Economic Development at The University of New Mexico.</p> <p>Through screen share Kuuttilla presented an overview of UNM Rainforest Innovations.</p> <p><b>UNM Rainforest Innovations</b> UNM Rainforest Innovations was founded in 1995 which serves the University of New Mexico.</p> <p>For Economic Development, UNM Rainforest serves the entire state.</p> <p><b>What does UNM Rainforest Innovations Do?</b> UNM Rainforest protects the technologies that originate from research performed at UNM typically in the form of patents and help to start new companies as well as transfer technology to established companies.</p> <p>UNM Rainforest also connects the business community to the university and facilitates UNM's role in economic development</p> <p>UNM Rainforest is a 501(c)(3) organization governed by a board of directors. It employs 16 staff members including Arlene Young Director of Commercialization and Cara Michaliszyn Director of Economic Development.</p> <p>The Rainforest Board of Directors (BOD) has a unique setup compared to other universities in that instead of being a separate corporation like its peer institutions, UNM Rainforest's bylaws require that no more than forty percent of their board can be from UNM. There are a number of Ex-Officio positions from UNM; The President, Provost, Executive Vice President from the UNM Health Sciences</p>

		<p>Center, Finance and Administration, Dean and faculty representation. Sixty percent of the board are non-UNM representatives from Research, Investment, Entrepreneurial Activity, and Business Development. Some distinguished members include:</p> <ul style="list-style-type: none"> <li>• Dr. Gregg Mayer – California. Mayer is a consultant in health between the US and Japan</li> <li>• Dr. Alton Romig – Romig is Executive Director of the National Academy of Engineering</li> <li>• Dr. Robert Fisher –Northern California, Fisher is a psychiatrist whose expertise is in leadership coaching</li> </ul> <p style="text-align: center;"><b>Commercialization Activities</b></p> <p>The Rainforest’ commercialization activities cover their <b>Technology Transfer</b> work</p> <p><b>Technology Transfer Metrics-Disclosure, Patents, Agreements</b></p> <ul style="list-style-type: none"> <li>➤ <b>Disclosures</b> - The Rainforest receives close to 100 new invention disclosures every year on new ideas from the university. Kuuttilla said there was a brief ‘Covid effect’ when invention disclosures dropped in 2021 and 2022 due to the pandemic. Labs were closed for a year in which there was decline in new inventions for those two years.</li> <li>➤ <b>Patents</b> – Patents take three or four years to issue so a drop in patents won’t be noticed until a few more years.</li> <li>➤ <b>Agreements</b> – There have been between 50-60 agreements to transfer intellectual property from 2021-2022.</li> </ul> <p><b>Technology Transfer Metrics-Income</b></p> <p>The Rainforest income has been \$2 to \$3 million since 2010. There were two very large years of income. In Fiscal Years 2020 and 2021 the Rainforest received over \$50 Million dollars from settlements in Patent Litigation for a patent that is widely utilized in the semiconductor Industry.</p>
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	<p>Kuuttilla said it's from UNM's Center of High Technology Materials (CHTM).</p> <p><b>Technology Transfer metrics-Startup Companies</b>        One of the most important activities the Rainforest performs is to foster new in state start-ups that have a run rate of 8-10 per year. There was a decline in start-ups from 2020-2021 due to Covid-19. For Fiscal Year 2023 the Rainforest already has eight start-ups with most of them in New Mexico. There has been an increase in activity by investors and entrepreneurs who need access to capital.</p> <p><b>Invention Disclosure</b>        For the invention disclosure process, the Rainforest uses a well-known platform that is used among research universities worldwide named SOPHIA. It tracks everything concerning inventions. Inventors can log in and upload their information.</p> <p>The Rainforest received 94 invention disclosures the last fiscal year. UNM inventors can disclose their inventions on-line and in publications.</p> <p><b>Intellectual Property Protection</b>        The Rainforest performs a preliminary novelty search on new invention disclosures. The Rainforest files provisional patent applications 80-90% of invention disclosures. Within one year a decision must be made whether to convert to a full patent application. The Rainforest converts half of the provisionals to regular patent applications during the year which is based on feedback received from the market.</p> <p><b>NAIO and IPO Accomplishments</b>        UNM has made the list of Top 100 worldwide universities seven years in a row. UNM is a midsized research university and is proud to be on the National Academy of Inventors (NAI) and the Intellectual Property Owners (IPO) with the number of issued patents received.</p> <p><b>UNM Rainforest Innovations Marketing</b>        A unique quality of the Rainforest is its proactive marketing program where commercial databases are purchased and campaigns are executed to reach out to established</p>
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		<p>companies. The Rainforest also meets with entrepreneurs and investors. The Rainforest markets technologies very often both as a start-up opportunity and as a possible licensing opportunity.</p> <p><b>UNM Rainforest Innovations Active Start-Ups</b></p> <p>56% of the 162 companies originating from the University of New Mexico are still in business and active. 48 of these startups are active in New Mexico.</p> <p><b>Intellicyt</b> is an example of one of the Rainforest’s early startups founded in 2006. One of the benefits that New Mexico has is that we have entrepreneurs who have relocated here. Founder Terry Dunlay performed startups in Boston. Dunlay and his wife moved to New Mexico for personal reasons. He looked at a number of technologies and selected Flow Cytometry technology. Dunlay raised money in New Mexico and out of state. The company was sold in 2016 to Sartorius.</p> <p><b>Allora Diagnostics</b> - Founded by David Joseph in 2010 Allora Diagnostics is based in Santa Fe. Allora is from the College of Pharmacy. It is a point of care biomarker breath test for the detection of various conditions in the lungs. Allora has raised a significant amount of venture capital out of state. Allora Diagnostics is a public company on the Toronto Stock Exchange and has merged with a company named Allora.</p> <p><b>Pajarito Powder</b> – Is an Albuquerque based start-up company focusing on non-platinum fuel cell catalysts and is in the field of Chemical and Biological engineering. It is a venture backed from the Verge fund and other investors. They have received corporate capital from Hyundai ventures. Pajarito is now scaling up and building a manufacturing facility here.</p> <p><b>Bennubio Inc</b> – Bennubio is from the UNM Center for Biomedical Engineering. Steve Graves is the lead inventor at UNM who was a former CEO while he was on sabbatical leave. Bennubio recruited John O’ Rourke as President and CEO. Bennubio has raised money locally with Tramway Ventures, Sun Mountain Capital and have been awarded</p>
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		<p>National Institute of Health Grant money. They are a flow cytometry technology company which is a niche area for New Mexico.</p> <p><b>Enthentica</b> – Is a proprietary security platform company using PUFs (Physical Unclonable Functions) technology developed by Jim Pasqualic. Enthentica was founded by Charles Mendes Jr. CEO who relocated to New Mexico from Atlanta, GA. Jim Pasqualic found a way to make a semiconductor chip non-hackable using randomized signals that can be embedded into the chip. Banking Institutions can use the technology to prevent circuit board duplication. Enthentica was funded by the New Mexico Angels and has received a fair amount of customer funding.</p> <p><b>Programs to Support UNM Start-Ups</b>        Cecchi Venture Lab has eight physical offices with 8-10 UNM Student Interns who conduct projects for new forming companies such as market research and competitive intelligence. Start-ups have access to conference rooms. The Rainforest makes introductions to investors and others. If the companies do not require a physical office, they can become a member of the Venture lab and still have access to services.</p> <p>Rainforest Accelerator Program – Has programs twice a year. The Accelerator was developed from an NSF (National Science Foundation) ICOR grant that the Rainforest has held for five years in partnership with the UNM Innovation academy. The Rainforest trained students under the NFS ICOR Program in market discovery and mentoring. The Accelerator is open to students, faculty and staff at UNM.</p> <p><b>UNM Rainforest Innovations/ UNM Foundation Co-Investment Fund</b>        The Rainforest can invest in UNM startups through a partnership with the UNM Foundation with having a lead investor which comes in to co-investment. There have been 19 investments in UNM start-ups to date.</p> <p>UNM Rainforest has partnerships with New Mexico Angels and an MOU with Osage University in Philadelphia who works with university start-ups.</p>
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	<p><b>EDA University Center</b> With this grant we have been able to create webinars in terms of anything to do with a start-up. The webinars have been recorded for training and are available online. A vast library of webinars exists.</p> <p><b>Mentoring for Entrepreneurs</b> The Rainforest provides mentors with office hours for prospective entrepreneurs. The Rainforest partners with Innovation academy which is the university's program to help train students in any major with innovation, entrepreneurship, and creativity.</p> <p><b>UNM Innovation Academy</b> The Rainforest partners with Innovation academy which is the university's program to help train students in any major with innovation, entrepreneurship, and creativity.</p> <p><b>Create.Sell.Bank! Community Course</b> With the grant and in partnership with Innovation Academy, we created an ecommerce course which was extremely popular during the pandemic as businesses were trying to figure out how to take their business from retail to online.</p> <p><b>Rainforest Student Pitch Competition</b> The Rainforest partners with UNM Innovation Academy to hold Student pitch competitions. Students present to a panel of judges. First is a video round, second is in person for the 10 finalists.</p> <p><b>Pitch Deck Competition</b> The Pitch Deck Competition is a pitch deck having two rounds. Several winners of this competition have started successful businesses. The competition presents a great opportunity to connect with potential investors and advisors.</p> <p style="text-align: center;"><b>Innovate ABQ</b></p> <p><b>Central Broadway Site</b> Innovate ABQ is the partnership between the university, the city and the county to develop the 7-acre site at the</p>
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		<p>corner of Central and Broadway. The master plan was developed in 2015 and updated in 2021.</p> <p><b>Innovate ABQ 7 Acres</b> The core site is the nucleus of Innovate ABQ and the heart of the innovation district that drives the revitalization of downtown Albuquerque. One of the things that UNM had hoped for when purchasing the property is that it would stimulate additional development along the innovation corridor between Central Broadway and main campus. There have been several additions since 2013.</p> <p><b>Innovate ABQ Lobo Rainforest Building</b> The Lobo Rainforest building is an integral part of the project. Upper floors are for student housing with space for 310 students. The ground floor has open space for collaborations and events which also houses space for businesses such as Sandia National Labs, Los Alamos Lab and General Atomics.</p> <p><b>Innovate ABQ The Jungle</b> A regional ecosystem to support and expand creative entrepreneurship in New Mexico. The Jungle will target emerging industries:</p> <p><b><i>Web 3 Technologies</i></b> <b><i>Game Engine Development</i></b> <b><i>Transformational Therapies</i></b> <b><i>Creative Industries</i></b> <b><i>Social Entrepreneurship</i></b></p> <p>Following the presentation, the Chair opened the floor for questions.</p> <p>The Chair asked how the BSA could collaborate in the future with UNM Rainforest. Kuuttilla said there are a couple of ways to collaborate. One of the things we offer is our space for meetings she said. If the BSA is thinking about meetings or events, think of the Lobo Rainforest. Kuuttilla also suggested to make regular presentations about emerging start-up opportunities once the Co-Investment fund is finalized. The Chair responded stating that the BSA is a statewide board which gives depth through the entire state.</p>
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		<p>Connections can also be made on a statewide basis relative to entrepreneurs and inventors and how the Rainforest can be included since there are branch campuses all over the state as well.</p> <p>Director Prisca Tiasse asked if an entrepreneur who is not affiliated with UNM or part of a tribe could benefit or could use services from the Rainforest. Kuuttilla said the Rainforest’s Venture Lab is open to any company and not just for UNM. The Rainforest has non-UNM companies that are tenants at the lab. Kuuttilla said they get people from across the state coming to the Rainforest for assistance in which they are encouraged to join the virtual venture lab. Companies from out of state join the virtual venture lab. They also work with some inventors who are not UNM based. Their board has set the guidelines they follow to work with non UNM inventors, which prohibits the use of UNM funds to patent, market, or license non-UNM inventions unless an agreement is negotiated to share the proceeds of the patent. Tiasse said that the Rainforest’s ability to work with non-UNM inventors and entrepreneurs should be advertised to communities outside of UNM for clarification. Tiasse also commented on how she would like to have an Innovate Los Alamos franchise. Kuuttilla informed Tiasse who is based in Los Alamos that Los Alamos National Labs (LANL) has an office in the Rainforest’s Venture lab as they are part of the Rainforest’s Innovate New Mexico initiative. There are also possibly 50 joint inventions with LANL. Strategy and Policy Director Ryan Cangiolosi mentioned that there are some amazing innovations emerging from the UNM Health Sciences Center. One innovation that being developed is a way for people who have to be on opioids to take a medicine in the early stages that prohibits opioid addiction. Cangiolosi also expressed an interest in the BSA partnering with the Rainforest to invest in companies with the BSA’s \$25 Million Co-Investment fund.</p> <p>The Chair thanked Kuuttilla for her informative and well received Rainforest presentation.</p>
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<p>6.</p>	<p>Finance Committee Report</p> <ul style="list-style-type: none"> <li>• Monthly Financial Statement Review (February)</li> </ul>	<p>Strategy and Policy Director Ryan Cangioli presented the monthly financial statement review for the month of February.</p> <p>Cangioli stated there were no significant changes to the budget for the month of February. For the new board members in attendance, he explained the pertinent line items of the budget via screen share. Cangioli explained that for <b>‘State Appropriations’</b> in the Revenue portion of the financial statement, \$297,400 was awarded in the last fiscal year in which a large portion of the funds are tied to staff salaries:</p> <p>Executive Director Stephanie Tofighi at <b>100%</b> Program Specialist Sterling Nichols III at <b>100%</b> Strategy and Policy Director Ryan Cangioli at <b>20%</b>.</p> <p>The appropriations come through UNM since the BSA is administratively attached to UNM per statute. The Office of Research at the UNM Health Sciences Center performs all Fiscal and Accounting duties and the UNM Office of University Counsel provides legal services. Administrative services like Human Resources and Information Technology are also covered by UNM, Cangioli said. For the remainder of line items in Expenses, Cangioli explained that the BSA has a small budget so there are only a few expenses that make up the financial statement. Because operationally the BSA has a small budget the BSA through legislation the BSA is able to look for other funding such as the SBA Accelerator Competition for \$50K which ED Tofighi described in her Executive Director Report. Also, the BSA is working with Senator Martin Heinrich to acquire additional funding for the Business Accelerator program. Cangioli urged the BOD to notify ED Tofighi if they hear of other grant funding opportunities in hopes that the BSA keeps growing especially with the \$25 Million for the Co-Investment fund. Cangioli returned to the financial statement and explained that the only significant change to the budget from the January statement is the hire of Michelle Henrie who performed exceptionally well at the state’s 2023 legislative session.</p> <p><b>Fiscal Year 2022 Carryforwards</b></p>
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7.	Mission Accomplishment Committee Report	<p>Mission Accomplishment Committee (MAC) Chair Tom Kieft updated the BOD on the items discussed at the March MAC meeting.</p> <p><b>1. Revise the Strategic Plan:</b></p> <p>The Chair said the committee discussed if the BOD should revisit the Strategic Plan compiled in 2020 by external consultants, Econsult Solutions Incorporated (ESI). The committee agreed that a major revision of the plan was not needed, but instead some minor amendments could be made as needed.</p> <p><b>2. Post the Strategic Plan on the website</b></p>



		<p>On the BSA website it indicates a plan exists but is not available. The MAC recommends physically adding a copy of the 2020 Strategic Plan along with a copy of the 2022 Executive Summary from the Strategic Planning session to demonstrate the plan’s maturation.</p> <p><b>3. Discussion of the Strategic Plan with the Full Board</b></p> <p>BSA Chair Dale Dekker stated that there were two Strategic Plan documents. One was the 2020 plan drafted by Econsult Solutions Incorporated (ESI) which provided a vision to meet the goals and mission of the BSA. Then there was an update of the plan last year that Director Sarah Boisvert facilitated that involved high level points that the BOD identified. He identified that there isn’t anything in the 2020 plan or the 2022 plan that couldn’t be public. Director Prisca Tiasse asked if there would be a disadvantage in making the plan public. Chair Dekker said there wouldn’t be a disadvantage, but that the current version of the 2020 Strategic Plan should be taken out of draft form before being posted. MAC Chair Kieft stated that identifying that there is a strategic plan on the website but is not available to view is not a good policy as it lacks transparency. Director Paul Laur agreed with Chair Kieft in that the BSA will be fully invested in significant amounts of money with the state and it is important to be fully transparent. He also asked for more time to review the 2020 plan. Chair Kieft proposed to post the plan on the site and make it available to the public while making changes to it as needed. Director Laur asked if the Strategic Plan should be placed on the agenda as an action item for the next board meeting. ED Tofighi explained that the MAC recommendation would identify the Strategic Plan as being a ‘living’ document by posting the 2020 plan and the 2022 Executive Summary. The MAC also proposed to move forward with the plan by having more in-depth discussion of the 2020 plan and see what needs to be included in potential revisions. Chair Dekker said the BOD might need to add an additional section to the strategic plan. Because of the Co-Investment it changes the BSA’s potential impact and strategic emphasis moving forward with the co-investment considering the rules, responsibilities and processes made</p>
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		<p>for the fund. Knowing this Dekker said, the strategic plan could be posted along with the executive summary as a discussion starter. Director Laur agreed to post the 2020 plan with the 2022 summary as means to incorporate further discussion with the BOD.</p> <p>The Chair called for a motion to approve the website posting of the 2020 Strategic Plan and the 2022 Executive Summary. The motion also includes that there will be further discussion on the strategic plan.</p> <p>A motion was made by Tom Kieft with a second from Paul Laur</p> <p>A roll call vote of all board members was called with nine in the affirmative, none in opposition, none in abstention and three absent. The vote was as follows:</p> <p>Arvizu-Affirm, Byrnes-Affirm, Christodoulou-Absent, Dekker-Affirm, Gifford-Affirm, Kieft-Affirm, Laur-Affirm, McLaughlin-Affirm, Perkins-Absent, Sackett-Affirm, Schaub-Affirm, Tiasse-Affirm</p> <p>Director Scott McLaughlin left the meeting at 12:30 PM</p>
8.	Legislative Funding Update	<p>Strategy and Policy Director Ryan Cangiolosi presented the current legislative funding update to the BOD.</p> <p>Cangiolosi began by explaining the BSA's funding history.</p> <p>In 2019, Senator Michael Padilla headed the Science Technology and Telecommunications Committee (STTC) and the BSA presented an opportunity for a Co-Investment Fund. When the enacting legislation was passed in 2017, the BSA was authorized to receive public dollars for investment into private business. As a result, the STTC endorsed a \$25 Million Co-Investment fund in 2019. The STTC also sent a letter endorsing the Co-Investment which was pivotal in getting the conversation started Cangiolosi said. The BSA brought the letter to state legislators and began educating them on the investment potential. There are great incentives from the state such as LEDA funding, (Local Economic Development Act) which is funding used to</p>

		<p>help business grow and develop infrastructure. There is JTIP, a very vibrant film incentive program and a variety of things happening from an economic development standpoint. Hence, the Co-Investment presents an opportunity to grow business and the economy. With this understanding, the BSA has been working with different Senators such as George Munoz who carried the legislation to create the BSA in 2017 and Senator Martin Hickey who has been in Health Care his entire career. Hickey is enthusiastic about the proposed legislation along with every committee that was approached in the interim. Cangioli listed people such as Senator Soles, Representative Lundstrom, Representative Hockman, Joy Garret, and Meredith Dixon who saw this as an opportunity to diversify the economy.</p> <p>Cangioli also described what was written into the bill.</p> <ol style="list-style-type: none"> <li>1. An assurance that funding would not revert if all of \$25M is not used within the year. Given the targeted approach the BSA will follow to partner with appropriate investment firms and select appropriate companies to co-invest in, he said this will surely be a multiyear process.</li> <li>2. When the BSA invests in a company and the company exits with the BSA having equity, and that equity grows, the investment return will be placed back into the fund for further investments. So, we are truly creating an Evergreen Fund that is self-perpetuating by allowing the BSA to invest for multiple years in the long term. Cangioli emphasized that this should be a model that the state can use for not only bioscience but other industries such as Intelligent Manufacturing or Cyber security. People can look at this model and witness its efficacy and then in turn apply it to other industries. Cangioli said people will be watching to see how the BSA handles matters with the Co-Investment.</li> </ol> <p><b>Update on SB382</b></p> <p>Senator Munoz decided to take the appropriations out of the bill and put into House Bill 2 (HB2). When it came over to the Senate side they put in \$25 Million. In HB2 there is a line item which is one-time non-reverting appropriation.</p>
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	<p>assure he said. This money is a way for public funding to take risks that they couldn't necessarily do with a LEDA program. Cangiolosi explained that legal ramifications would need to be included in the rule making provisions. One provision is the company has to be in the state for five years. We would not be fulfilling state law if we invested in a company and they left three years later to relocate to Arizona, Texas or Colorado. In that case, the BSA would need to develop a legal solution to adhere to state law. Laur said he did not disagree with Cangiolosi's explanation but needed clarification on having clawbacks to try and get the money back from the company if it moves out of state. Laur asked how would you get the money back. He asked if a bond was needed or would you take money out of your operating capital or your investment fund, and put it in a bank in escrow which ties the money up. Laur said he had no problems with the five year restriction on moving but asking a small company or a company relocating here to take money out of their operating capital and tie it up is not very helpful. Cangiolosi said the company would need to understand that they agree to stay for the five years or don't take the money. ED Tofighi asked Cangiolosi if that does not prohibit companies from going out of business to which he confirmed it does not. For clarification Cangiolosi explained that for any company that is a startup, there is no 100% guarantee that they will stay in business, but there is a provision that very clearly prohibits them from moving that business out of New Mexico for at least five year if they take funds from the BSA. Cangiolosi said the BSA will need legal input to address the provisions. The BSA will enter a contract for investment into the company but legally the BSA is bound by that law to remain for five years. It is imperative that this law is made clear and adhered to. Cangiolosi acknowledged Director Laur's concerns and said there will be further conversations in rule making on how we make sure that provision is held. Director Prisca Tiasse asked if a company has headquarters in New Mexico but has operations out of the state, would there be any stipulations. Cangiolosi said the State Investment Council handles situations like these and the BSA is familiar with their rule making which focuses on what the company's set up looks like and what are the percentages. Ideally we would like for a company to be based here and have</p>
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		<p>operations elsewhere but there could be issues when a majority of their workforce or capital investment is in another state before the five year term is finished, there might be concerns. The Chair asked if the rules will come back to the BOD for approval or comment to assure members have ample input. Cangiolosi said what needs to happen is a subcommittee from the board plus outside people like Alex Greenberg, Harold Lavender, and Waneta Tuttle who have expertise to meet and draft rulemaking policy. Once drafted, it would come back to the board as an action item and the full board votes. After the vote, the rulemaking would be submitted to Raul Burciaga at Legislative Council Services to be filed showing that this legislation went through the rulemaking process to ensure the provision and protection is in place and the BSA performed the appropriate action. Before concluding, Cangiolosi said he hopes to work with Director Laur on the rulemaking as Laur has extensive insight on these matters.</p> <p>SPD Cangiolosi concluded his Legislative Funding Update.</p>
9.	Adjourn	<p>The Chair called for a motion to adjourn the meeting.</p> <p>A motion was made by Paul Laur with a second from Prisca Tiasse</p> <p>A roll call vote of all board members was called with eight in the affirmative, none in opposition, none in abstention and four absent. The vote was as follows:</p> <p>Arvizu-Absent, Byrnes-Affirm, Christodoulou-Absent, Dekker-Affirm, Gifford-Affirm, Kieft-Affirm, Laur-Affirm, McLaughlin-Absent, Perkins-Absent, Sackett-Affirm, Schaub-Affirm, Tiasse-Affirm</p>

Respectfully submitted by Sterling Nichols and Stephanie Tofighi