

**New Mexico Bioscience Authority (BSA) Board of Directors  
Regular Meeting  
June 22, 2023, 11:30 AM – 1:00 PM  
317 Commercial St. NE, Suite 311, Albuquerque, NM**

**Present:** Dale Dekker (Chair), Christos Christodoulou, Tom Kieft, Paul Laur, Francisco Pallares, David Perkins, Nora Sackett, Tanner Schaub, Prisca Tiasse

**Absent:** Greg Byrnes

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

#	Agenda Items	Board Actions
1.	Call to order and Confirmation of Quorum	The Chair called the meeting to order at 11:32 AM. A quorum was confirmed.
2.	Approval of Minutes: <ul style="list-style-type: none"> <li>May 18th, BOD Meeting</li> </ul>	<p>The Chair called for a motion to approve the May 18th meeting minutes.</p> <p>A motion was made by Tanner Schaub to approve the minutes with a second from Tom Kieft.</p> <p>A roll call vote of all board members was called with eight in the affirmative, none in opposition, one in abstention and one absent. The vote was as follows:</p> <p>Byrnes-Absent, Christodoulou-Affirm, Dekker-Affirm, Kieft-Affirm, Laur-Affirm, Pallares-Affirm, Perkins-Affirm, Sackett-Abstain, Schaub-Affirm, Tiasse-Affirm</p>
3.	Announcements and Chair's Report	The Chair recognized Executive Director Stephanie Tofighi and Program Specialist Sterling Nichols for their efforts in keeping the BSA organized and maintaining a consistent presence with the public. The Chair referenced Tofighi's recent social media posts that provided insight on some of BSA's activities and initiatives which includes the recent participation in the 2023 International BIO Conference in Boston, Massachusetts June 5-8, 2023.

		<p>The Chair provided an update on the remaining items in his report:</p> <p><b><u>2023 Senate Bill (SB382) Co-Investment Update</u></b></p> <p>The Chair revisited Senate Bill 382 expressing renewed vigor in getting the bill passed at the 2024 Legislative session and signed by the governor. Since the Governor’s veto of SB382 following the 2023 Legislative session, the BSA has been in contact with the Governor’s office to get an understanding on why it was not signed which should provide a clear path and direction to address the Governor’s concerns he said. Hopefully, the BSA will return to the legislature in 2024 and achieve the success it experienced in 2023. The Chair thanked Director Paul Laur who dedicated his time representing and testifying on behalf of the legislation which was passed unanimously in both houses without a single negative vote. In 2024, the BOD hopes the legislature will look kindly again upon the BSA’s requests to implement the Co-Investment program and move forward.</p> <p><b><u>Albuquerque Business First Article</u></b></p> <p>Albuquerque Business First reporter Jacob Maranda who wrote an exceptional piece on the Bioscience Authority explaining its role in the development of bioscience in the state of New Mexico. In the article, Maranda also addressed the veto of <b><i>Senate Bill 382 – NMBSA Bioscience Co-Investment Bill</i></b> in which Executive Director Stephanie Tofighi provided clarification on the legislation presented at the 2023 Legislative Session. The Chair praised Maranda for an accurate representation of the facts and ED Tofighi for the interview she gave providing insight on the BSA, and the Co-Investment bill.</p> <p><b><u>Mercury Bio Company</u></b></p> <p>The Chair opened the floor for Director Paul Laur to speak on his involvement with Mercury Bio, a biotech startup located in Santa Fe, New Mexico.</p> <p>Laur explained Mercury Bio which was formerly known as Spartina Biotech was a company he started with Dr. Richard</p>
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		<p>Sayre seven years ago. They repurposed the company in early 2020 to come up with a therapeutic for COVID-19 he said. Their process is similar to technology they were using at Pebble Labs which involved the usage of interfering Ribonucleic Acids (RNA) to block essential genes and viruses. At Pebble Labs they were working with plants and invertebrates like shrimp which have early immune systems to combat plant and farm raised shrimp viruses. However, to use this technology in mammals they had to develop a way to encapsulate it, so they started to work with extra cellular vesicles which all cells produce. Director Laur explained that they are small particles that excrete cellular vesicles which bond with other cells and deliver molecules demonstrating how cells communicate. Through this understanding, they realized that their discovery has broad based applications such as delivering small molecules for cancer treatment and treatment of brain diseases. They will be attending an RNA Therapeutics Conference in Boston where Dr. Sayre will give a presentation on the technology. Director Laur went on to explain that their business model won't involve going through the process of developing a drug that requires clinical trials and FDA approvals which takes \$2 Billion and ten years but rather to license the technology to pharmaceutical companies and others that already have FDA approved drugs and significant funding. They want to give these companies a better way to deliver bioactive molecules whether they are RNAs, proteins or small molecules. Overall, they have a great science team with some new investors. Director Laur concluded by sharing that they are in the process of tripling the size of their facility which is located at the Santa Fe Business Incubator. He explained that they have six patents to protect their intellectual property and they are also working on having a first application on the process for stimulating foam growth.</p> <p>The Chair thanked Director Laur and reflected on how companies such as his assist with building the bioscience ecosystem in New Mexico.</p>
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4.	Executive Director's Report	<p>Executive Director (ED) Stephanie Tofighi reported on the following for the Executive Director Report</p> <p><b><u>2023 International BIO Conference</u></b></p> <p>ED Tofighi attended the 2023 International Bio Conference held in Boston, Massachusetts June 5 – 8. Tofighi said the conference presented an opportunity to make more contacts than the previous BIO conference in 2022. Tofighi made thirty-five contacts at this year's conference. Strategy and Policy Director Ryan Cangiolosi attended the BIO conference along with ED Tofighi. Tofighi, said unlike last year's BIO conference in San Diego which was overwhelming, she and Cangiolosi expressed enthusiasm for this year's event in that they felt comfortable in finding people to make contact with as well as to collaborate with and grow. Tofighi continued stating she had some great meetings with potential investment partners and met with other state led organizations such Maryland and Connecticut to get a better perspective on how to use state funding that will grow the bioscience industry in the state. From them, she explained that she was able to gain a new perspective and learn a few things which she hopes we can share with the Governor.</p> <p><b><u>Small Business Administration (SBA) Growth Accelerator Fund Competition Stage 2 Meeting; Washington DC</u></b></p> <p>At the SBA meeting which was in conjunction with the Tech Connect conference, Tofighi said it was great to see all of the SBIR/STTR program officers representing their federal agencies. Tofighi met and had some great conversations with the National Institute of Health, the Department of Transportation and others.</p> <p>ED Tofighi mentioned that she will be working on developing collaborations with other organizations that are moving forward with Stage 2 of the competition. Also in regards to Stage 2 of the Fund Competition, Tofighi said that the BSA cannot focus solely on Northern New Mexico. Stage 2 really needs to be the expansion of the program. Previously, we discussed Stage 1 as identifying with Northern New Mexico, however Stage 2 will involve the</p>
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	<p>expansion to include all of rural New Mexico which will be the focus.</p> <p>Tofighi connected with colleagues in New Hampshire that are creating a national database for usage by rural biotech entrepreneurs. Tofighi will sit on their advisory board to assist with their efforts and in return they will work with the BSA in providing external resources. Connections were also made with representatives from Hawaii in which there are some groups that are working on developing companies within the state. The experiences they are having seem similar to New Mexico in that they are too multi-cultural and face similar obstacles to expand their efforts. A collaboration with them could benefit the BSA. Tofighi suggested for the Mission Accomplishment Committee to list other prospective partners in the state that are needed to make the ecosystem really work.</p> <p><b><u>Albuquerque Community Foundation Grant Submission</u></b></p> <p>Through screen share, ED Tofighi displayed the Albuquerque Community Foundation’s (ACF) response to the BSA’s submitted application. The Foundation announced that the BSA was not awarded funding, however they were pleased the BSA is collecting data and suggested that a focus needs to be made for collecting ‘Qualitative’ data on how to better serve the community. Tofighi said she envisions Qualitative data being provided on the communities served by the BSA and will reach out to Director Prisca Tiase. In an effort to gather qualitative data, Tofighi proposed preparing a survey for attendees to complete at the next Los Alamos STEM event. The BSA could attend the event by setting up a table and soliciting attendees to participate in the survey.</p> <p><b><u>Local Evaluation Panels</u></b></p> <p>ED Tofighi has been active by participating in some evaluation panels. She recently served with NMBSA Director Nora Sackett on the <i>TRGR</i> panel to evaluate Mercury Bio’s participation in the TRGR. Tofighi also served on the LEEP panel participating in their interview process of companies that are interested in coming to New Mexico</p>
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		<p>that will work with Los Alamos by developing products for commercialization. One of the companies interviewed which is from Cornell University, has invented a wearable health sensing device that has been tested by the United States Air Force and the Major League Baseball team, Chicago Cubs. For more insight on the company's charging technology Tofighi has put them in touch with Don Ryu and Peter Anselmo of New Mexico Tech who head the RD Health Sensing Company in Socorro, NM to collaborate.</p> <p><b><u>Albuquerque Regional Economic Alliance Town Hall Meeting</u></b></p> <p>ED Tofighi will be attending the Albuquerque Regional Economic Alliance Town Hall Meeting on Thursday, June 22 2023. Tofighi will seek to make more partnerships to assist with the rural biotech entrepreneur ecosystem.</p> <p>In conclusion, Tofighi said that there have been many new developments that are coming to fruition which should be exciting to see.</p> <p>ED Tofighi concluded the Executive Directors Report for the month of June.</p>
5.	Presidents Report	<p>NMBSA President Dr. David Perkins announced he also attended the 2023 International Bio Conference in Boston. Perkins mentioned that he agreed with Executive Director Stephanie Tofighi's evaluation of the BIO conference in that it can be overwhelming but found time to make quality interactions. Perkins left the conference with some thoughts to receive feedback from the board.</p> <p>Dr. Perkins asked the BOD to consider addressing the following points whether it be by a sub-committee or by discussion at a future board meeting.</p> <p><b>1. Number of sources for potential Venture Capital funding across the USA:</b></p> <p>Perkins said he was surprised by how many Venture Capital (VC) firms exist, their interaction and how they don't have to be from New Mexico to invest with the BSA. From this perspective, Perkins said what needs to happen is to</p>

	<p>identify top notch ideas and patents that could potentially lead to a startup company and bring to New Mexico.</p> <p><b>2. Should the BSA look outside of New Mexico for potential companies to recruit and/or link them with VC firms that are not in New Mexico as a way to expand our base</b></p> <p>Although New Mexico has 2 Million people with Top Tier talent, it's a small base to start from Perkins said. There are many states like Michigan, Illinois, and Virginia that have programs similar to what we are doing here at the BSA.</p> <p><b>3. What are some thoughts on how we can approach looking outside of New Mexico for potential companies and VC firms and would the Legislature be interested.</b></p> <p>Perkins added if we are not going to fund companies outside of New Mexico we would want them to be attracted to New Mexico. He also asked what if the BSA's reach could grow by expanding its focus.</p> <p>Executive Director Stephanie Tofighi informed that part of the language in the Co-Investment bill is to attract businesses into the state. One part of the Co-Investment is that we can fund businesses willing to move to New Mexico which is part of the legislation but needs to be expanded. For an example of attracting businesses to the state, Tofighi mentioned the conversation she had recently had with President Perkins where he suggested hosting a competition to attract outside businesses that would present to various venture funds that are present here which are growing. One of the venture firms here in New Mexico is CerraCap Ventures in which former NMBSA board member Alex Greenberg will provide a presentation on the company. Also, the BSA can invest with external VC firms if they are willing to invest in New Mexico companies.</p> <p>NMBSA Director Christos Christodoulou asked for ways to garner 'more' support from the state to attract companies. The Chair suggested forming a task force to address Perkins' suggestions. What we are trying to do in growing the biosciences in New Mexico aligns with the state's Economic</p>
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		<p>Development Department’s Strategic Plan. By incorporating Perkins’s ideas for support to attract businesses and the state’s interest in the biosciences according to the strategic plan, there could be an opportunity to approach the legislature to see if there is an interest for investment in this arena as well as addressing some of Director Perkins’s concerns that could be impediments to companies moving here. The state has a projected \$4.1 Billion surplus this year and a projected surplus for the next eight years so we will either have a new and diversified economy or a status quo economy which could signify trouble.</p> <p>To conclude the President’s report, The Chair proposed to address President Perkins ideas and the possibility of creating a task force to address them at the next Executive Committee Meeting in July.</p> <p>Director Tanner Schaub left the meeting at 12:20 PM.</p>
6.	Presentation on CerraCap Ventures	<p>Alex Greenberg, Managing Director of CerraCap Ventures presented a slide presentation on the firm’s history, objectives and their expansion into New Mexico. CerraCap is defined by founders, investors and technologists who invest globally into business to business (B2B) companies.</p> <p>Through screen share, Greenberg presented the overview on CerraCap Ventures</p> <p><b>Industrializing Innovation</b></p> <p><b>About CerraCap Ventures</b></p> <p>The core group of partners have been working together for about 15 years. They started in a corporate venture environment where they earned 9 times on their returns for the corporate venture capital firm they were working for at the time. As mentioned, the goal is to raise \$100 Million for Fund 3 in which they closed on the first \$30 Million in early 2023.</p> <p>CerraCap benefits from a great ecosystem network of over 500+ partners, advisors and chief experience officers. CerraCap also boasts a novel methodology for ‘Sales and</p>



		<p>Scales’ which reduces risk for returns by returning significant exits for investors and helping companies grow.</p> <p><b>What Makes us Unique</b></p> <p>From Dreams to Impact, the goal is to transition from conceptualization to commercialization. CerraCap has a great amount of chief science officers and chief technology officers that have originated from the national labs who don’t transition to CEO. However, CerraCap likes to take an ‘Operator’ role in the companies they invest in by taking a board seat and assisting the chief science and technology officers get to the next level whether it is finding executive talent or finding the work force to develop the NVP.</p> <p><b>The Team:</b> A diverse and cohesive team with complementary skills that has worked together and created success for 15 years. Each of the core partners has a different area of expertise that they bring to the portfolio companies.</p> <p><b>The Approach:</b> A unique Sales &amp; Scale approach to help companies get contracts with the corporate clients they are working for. CerraCap invests exclusively with B2B companies.</p> <p><b>The Ecosystem:</b> CerraCap has a large and well leveraged ecosystem with labs and universities. CerraCap has great relationships entities such as the Mayo Clinic, Cedar Sinai and various health systems throughout the country. One of the first investments from CerraCap’s Fund 1 was a company in New Mexico named BlueDot out of Los Alamos but is now known as Biome. Biome is due for an IPO (Initial Public Offering) in the fourth quarter of 2023.</p> <p><b>The TEAM</b></p> <p>Saurabh Ranjian – Founder and CEO</p> <p>Saurabh Suri – Managing Partner with a background in Artificial Intelligence</p>
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	<p><u>Cyber Security</u> – CerraCap actively searches for cyber security companies originating at Sandia Laboratories with an emphasis in Network cybersecurity.</p> <p><u>Planet Tech</u> – Anything with agricultural optimization. CerraCap looks for a controlled environment agriculture company. CerraCap has invested in thintech and biometric companies and or anything that has an opportunity to benefit the planet positively.</p> <p><b>A Good product is not enough to build a great business.</b></p> <p><b>Reasons for lack of success:</b></p> <p><i>90% of Start-Ups fail due to lack of product market fit</i>  <i>50% of Founders have no Enterprise Sales experience</i>  <i>65% of Founders lack hiring or team management experience</i>  <i>40% of founders have no team building experience</i></p> <p>Greenberg explained that many start-ups do not make it out of the ‘Valley of Death’ which is the term describing the budding phase of start-ups beginning at the commence of operations. Companies lack an identifiable product market fit. Companies are also so hyper-focused that developing their engineering or innovation reveals a dearth in ‘people skills’ that define a good team or lack the proper strategies to develop the product market fit. CerraCap can help with these issues.</p> <p><b>CerraCap SALES &amp; SCALE Model</b></p> <p>Evaluation -&gt; Guidance -&gt; Sales -&gt; Scale -&gt; Exit</p> <p><b>Sales</b> = Receiving sales from 1,000 clients of the network CerraCap has</p> <p><b>Scales</b> = Scaling the company to be able to reach future funding rounds for eventual exit.</p> <p>Greenberg said CerraCap has executed roughly 16-18 investments as of late. We have lost only two companies so in terms of ‘Floor’ it is pretty high. We have also had successful exits in terms of ‘Ceiling’ which offers a very positive value proposition to potential partners.</p>
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		<p>For <b>Sales &amp; Investments</b> and <b>Tech &amp; Talent</b> CerraCap helps in all realms which is value added compared to other VC's who want to use their capital loosely and not take an active role in the investment. CerraCap is not a great fit for firms who don't want to receive outside help but for some companies CerraCap invest in that have good synergy CerraCap can be very helpful.</p> <p><b>Quantitative Evaluation Model</b></p> <p>Represents how CerraCap's manages their due diligence process</p> <p><b>The 7 T's [Decision Signs]</b></p> <ol style="list-style-type: none"> <li>1. Theme</li> <li>2. Team</li> <li>3. Timing</li> <li>4. Technology</li> <li>5. Terrain</li> <li>6. Traction</li> <li>7. Terms</li> </ol> <p>Greenberg stated that if one is choosing between multiple strategic options you don't choose between Option A, Option B, or Option C, you create '<b>Mediating Assessments</b>' which is important for personnel selection or choosing strategic partnerships. CerraCap does not evaluate firms solely on finances or market data. We create mediating assessments which is essential for best practices and a decision signs perspective in the selection of companies. CerraCap likes to invest between \$500K - \$1.5Million with reserves for following rounds. The goal of investing in companies is usually between a \$5 and \$20 million evaluation with significant contracts in the pipeline or post revenue, so some of the early stage companies or seed stage might not be suitable for CerraCap.</p> <p><b>Sales &amp; Scale: A Case Study</b></p> <p>Deep Instinct Company</p>
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		<p><b>Fund 2</b> Fund Size \$35M; Companies 16; Exits 4</p> <p><b>Solving Real World Problems: Healthcare with a focus on Future of Chronic Diseases</b></p> <p>CerraCap’s focus on the future of Chronic Diseases defines their Fund 3. AI will address chronic disease with companies Gemelli Biotech and Predicta Med at a Fund 3.</p> <p>Gemelli Biotech – Company uses AI to detect Irritable Bowel Syndrome (IBS)</p> <p>Predicta Med – Company uses AI to efficiently diagnose auto immune diseases. Predicta is based in Israel. Greenberg said he hopes they will base their operations in New Mexico.</p> <p><b>Solving Real World Problems: Protecting our Digital Presence</b></p> <p>deepinstinct – A case study revealed that the company fielded a success exit. It was also the first company to apply deep learning for the detection of unknown malwares.</p> <p>Wink – A biometric company with an incredible CEO with hopes to relocate to New Mexico.</p> <p><b>Companies Solving Real World Problems: Planet: Future of Food, Climate, and Financial Inclusion</b></p> <p>Solena – Company will help analyze and quantify microbiomes within soil to help with agricultural optimization. Solena is active in Africa</p> <p>Greenacrc – Company performs impact investment and outcomes measurement.</p> <p><b>CerraCap Fund 3</b></p> <p>The Fund 3 goal is \$100M and is likely to close at \$70-80 Million.</p> <p><b>Focus Areas:</b> Healthcare, Cyber Security, Planet Tech</p>
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		<p><b>Stage:</b> Seed &amp; Series A  <b>Co-Invest:</b> For Limited Partners only  <b>Fund Life:</b> 8 years  <b>Carried Interest:</b> 20%  <b>Management Fee:</b> 2%  <b>GP Commitment:</b> 2%</p> <p>Managing Director Greenberg opened the floor for questions at the conclusion of the presentation.</p> <p><b>Director Christos Christodoulou</b> asked how CerraCap selects the type of companies to invest in as he observed that some of the companies CerraCap selected were service companies. Managing Director (MD) Alex Greenberg responded stating that CerraCap has a wide net of both referrals from other agencies. The most recent controlled environment agricultural company they are looking at was referred to them by BASF who is a partner in a different company they have invested in. However, in terms of referrals CerraCap stays close to the different research universities, and laboratories that have interesting companies that appear to be examples for moving forward, especially internationally as they have gathered companies from the United Kingdom, Israel and Singapore. CerraCap is also looking at companies from South America and Spain Greenberg said. Referrals haven't been a challenge. MD Greenberg went on to explain that for New Mexico, one of their partners said a gap exists in the lack of tech services companies. So, companies that can work with startups and produce products for major corporations like Netflix, or Costco which is one of the few initiatives they are working on and parallel with raising the fund is bringing tech service companies to New Mexico. They plan to meet with the state's Economic Development Department leadership to see what kind of incentive packages are available for some national tech services companies that works with companies such as Apple, Google, Intel, to come to New Mexico and help startups build capital. They would also like these companies to serve as talent pools to eventually have qualified individuals, software developers enter the startups. Relocating tech service companies is a top priority. They have started conversations with local universities about Indian student foreign exchange programs as all of</p>
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		<p>the partners of CerraCap are from India and have really great relationships with many Indian Universities. The goal would be to import talent from India and keep them in New Mexico.</p> <p><b>Director Francisco Pallares</b> commented about the exposure to debt incurred by some of the firms in bioscience that may have been affected by funding because of previous low interest rates and then the potential of future increased interest rates. Pallares said he did not know the debt exposure of New Mexico companies in the biosciences and what would be the outcome for them given the changes presented by the interest rates. From his assessment, he asked Greenberg if he has seen any level of debt exposure to the change in interest rates and if so, is there anything the CerraCap Fund can do to possibly address this. MD Greenberg said that from a company standpoint interest rates have returned to normal which is good for venture capital firms looking for a high percentage of equity for a reasonable investment. Currently, Interest rates have not been inflated in Aerospace and Bioscience as they have been the past few years. However, the bad part is, anytime there are ripples in the market it affects our base of limited partners and so fundraising from Fund 3 has become difficult. To address these concerns, MD Greenberg explained that the majority of CerraCap’s biosciences startups locally are ‘equity’ based financing that might have a hard time getting an up round compared to a down round in following rounds. But, Greenberg stated that he does think there is some exposure and any type of putbacks necessary in terms of either team or tangible overhead is going to be really challenging for a company that’s trying to scale. Overall it’s definitely been a challenge because people have been waiting for that fist move for follow-on investments or customers making new contracts until the market settles.</p> <p><b>Director Prisca Tiasse</b> asked how CerraCap determines when to exit equity based investments using a hands on approach. Greenberg replied it depends on the company. In general, they try to invest in an amount that guarantees a board seat so the <b>First stage</b> is becoming involved in strategic decision making, and the <b>Second stage</b> each of the</p>
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		<p>partners will bring in their own expertise to the table and in turn the portfolio company will bring expertise to determine what they need to advance whether it requires lower end talent, C Suite talent and helping with that scale.</p> <p>The Chair thanked Managing Director Greenberg for his presentation on the CerraCap Venture Capital Firm.</p>
7.	<p>Executive Committee Report</p> <ul style="list-style-type: none"> <li>Legislative Committee Presentation</li> </ul>	<p>The Chair announced that the BOD will move forward and work exclusively with the appropriate people in the Governor's Office and others relative to addressing the concerns in the Co-Investment legislation that was vetoed.</p>
8.	<p>Finance Committee Report</p> <ul style="list-style-type: none"> <li>Monthly Financial Statement Review (May)</li> </ul>	<p>Executive Director Stephanie Tofighi presented the monthly financial statement review for the month of May in place of Strategy and Policy Director Ryan Cangiolosi who was not in attendance.</p> <p>ED Tofighi stated there were no significant changes to the budget except for the 'Out of State Travel' expense she incurred to attend the International Bio Conference in Boston June 5 - 8. The June financial statement will detail all of the expenses related to the BIO conference as well as the expenses incurred for ED Tofighi's attendance at Small Business Administration Growth Accelerator Fund Meeting in Washington DC. The remaining expenses were for Staff Salaries, Fringe and for Office Supplies that were utilized at the BIO Conference. The NMBSA Finance Committee unanimously approved the May Financial statement at their June 15<sup>th</sup> meeting.</p> <p>ED Tofighi concluded the May Financial Statement report, and the Chair called for a motion to approve.</p> <p>A motion was made by Christos Christodoulou with a second from Francisco Pallares.</p> <p>A roll call vote of all board members was called with eight in the affirmative, none in opposition, none in abstention and two absent. The vote was as follows:</p> <p>Byrnes-Absent, Christodoulou-Affirm, Dekker-Affirm, Kieft-Affirm, Laur-Affirm, Pallares-Affirm, Perkins-Affirm, Sackett-Affirm, Schaub-Absent, Tiase-Affirm</p>

<p>Fiscal Year 2024 NMBSA Budget</p>	<p>ED Tofighi shared the Fiscal Year 2024 Budget via Screen Share. Tofighi said the budget will be finalized July 1<sup>st</sup> with more information available at the August 18<sup>th</sup> board meeting.</p> <p>In the FY 2024 budget, the SBA Growth Accelerator fund has been added along with the annual request to accommodate the 6% raise for state employees which the Governor approved. Funds related to the SBA Growth Accelerator have been placed into ‘Other research Costs’ which will be allocated into the appropriate expense. Some of the SBA Growth Accelerator expenses will appear in ‘<i>Out of State Travel</i>’ due to ED Tofighi’s attendance at the SBA Growth Accelerator meeting. Part of the COE Carryforward included in the budget detailing a portion of ED Tofighi’s salary will be included in the BSA Business Accelerator expense. The Fiscal Agent Fee will reflect an increase in the budget. The monthly facility Rental will increase. Tofighi said a discussion about considering additional rental space for the possible inclusion of extra employees at the Verge facility was made at the June Mission Accomplishment Committee meeting. The BSA will receive an Intellectual Property expert who will devote thirty percent of her time to handle IP duties. Tofighi offered the available cubicle space at the Verge.</p> <p>The Chair proposed forming an additional task force to produce a Budget Justification for increasing the BSA’s budget for what the return on investment would be for the state. The proposed budget justification will be addressed at the next July Executive Committee Meeting.</p> <p>ED Tofighi concluded the FY 2024 Budget review.</p> <p>The Chair called for a motion to approve.</p> <p>A motion was made by Christos Christodoulou with a second from Tom Kieft.</p> <p>A roll call vote of all board members was called with eight in the affirmative, none in opposition, none in abstention and two absent. The vote was as follows:</p>
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		Byrnes-Absent, Christodoulou-Affirm, Dekker-Affirm, Kieft-Affirm, Laur-Affirm, Pallares-Affirm, Perkins-Affirm, Sackett-Affirm, Schaub-Absent, Tiasse-Affirm
9.	<p>Mission Accomplishment Committee Report</p> <ul style="list-style-type: none"> <li>SBA Stage 2 Growth Accelerator Proposal Discussion</li> </ul>	<p>Executive Director Stephanie Tofighi said the BSA applied for the Small Business Administration’s Stage 1 Growth accelerator and was awarded for Stage 1 which was the Catalyzed stage. From the BSA and being awarded stage 1 she said the understanding was that there would be a year for the BSA to work on and develop Stage 1 and then apply for Stage 2 the following year. However, she was informed that the BSA needed to apply for Stage 2 this year by the end of July. Tofighi informed the BOD that she will submit the application for Stage 2, the Accelerated Stage, at the end of July. Tofighi said that Stage 2 is to be considered the stage with the most importance so the BSA will be looking at developing the infrastructure for developing the rural biotech entrepreneurs. She added that a colleague of hers in New Hampshire said that the state was not working on developing companies from the ground up, but instead, were focusing on attracting companies by providing the infrastructure and incentives for them so that companies would remain in the state. Her colleague located in Keene New Hampshire said they utilize these types of small town incentives to incentivize companies to move to the town. They have been able to land a Dutch based company in Keene and are working on solidifying the relationship. Tofighi said the BSA needs to help New Mexico identify where the resources are throughout the state to build up the infrastructure and create a ‘road map’ for rural entrepreneurs like Director Christos Christodoulou suggested at an earlier meeting. Tofighi added there is a need to identify partners to make everything work. Director Prisca Tiasse said that her understanding of Stage 2 was to expand because the focus should not be on just Northern New Mexico. Tiasse stated that she was glad Tofighi was working on the expansion but informed the problem with bringing people into rural areas is that you still have the same problem in that you can’t build teams because you don’t have an adequate work force. Tiasse asked how one would develop an ecosystem with the workforce component missing. Director Nora Sackett agreed with Tiasse’s assessment and said that it will take some work in</p>

	<p>assembling a work force and including the state’s Higher Education Department would be a start. The Chair pointed to recent LEDA grants awarded by the state’s EDD to small communities such as Cibola, Clovis, Farmington and EDC Grow Raton. He asked if they would be considered possible partners. Director Sackett informed that all of the LEDA fund awards are specific to a pre-decided programs they specifically applied for to receive funding. Sackett said she would check to see if there are programs in bioscience. Tofighi said that it does not have to be related to bioscience as her colleague stressed development of the community around the specific location would consider other incentives to attract talent to small towns. Director Francisco Pallares stated that rural areas received funding from the federal government in the form of transfer payments. Some of the families in these areas may receive supplemental income, social security payments or perhaps they have retirees that might have some extra income. One of the things that the state does not have is that incentives are more focused in export type of industries. For example, someone in Lordsburg, New Mexico trying to buy groceries has to drive to the local Walmart in Deming, New Mexico using his/her social security or retirement payments. So, these are just transfer payments transferring from one pocket to the other pocket which are not staying in Lordsburg. If there are incentives for retail that could be a way to maximize the money injecting into a rural community by minimizing the leakage out of your community he said. New Mexico does not have any incentives for retail aimed at a type of focus on industries that would prevent these types of dollars from leaving communities that are rural. If the incentives do not have to be for biosciences that could be a potential area for future growth. Pallares continued saying that LEDA goes for the export lead industries, and they also go for manufacturing and attracting money from the outside but in these communities, there is money arriving in the form of transfer payments but are leaving because there is not an industrial base that would prevent those monies from leaving the community itself. The Chair reiterated what Director Pallares explained by stating one of the big issues with rural areas in New Mexico is leakage exists because they lack the services and companies that can support the local</p>
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		<p>population. As a result, they incur travel at hours at a time purchasing bare necessities. Director Tom Kieft added that the tribes and the pueblos are rural and that their organizations are challenged in economic development. Kieft pondered if partnering with the tribes would strengthen the proposal. Director Prisca Tiasse said the way scientists were attracted to Los Alamos was an emphasis made on the surrounding outdoor areas conducive for outside recreation which people consider important.</p> <p>In conclusion of the SBA Stage 2 Growth Accelerator Proposal Discussion, The Chair asked that the BOD to send their suggestions for rural community incentives to ED Tofighi for review ahead of the July 28<sup>th</sup> Growth Accelerator application deadline.</p>
10.	BIO International Convention Report	<p>Referring to a previous discussion with UNM Health Sciences Center Executive Vice President Doug Ziedonis, who also attended the BIO International conference, the Chair raised a point that New Mexico needs to put more effort in communicating that the state is serious about bioscience. He said Director Greg Byrnes has been exceptional in coordinating the New Mexico Pavilion for each BIO conference with very limited resources. Dr. Ziedonis informed the Chair that there is huge collaboration between other state’s economic development departments, bioscience industry, and university officials in planning their respective state pavilion booth at the BIO conferences. The Chair suggested a collaboration between New Mexico State University’s Arrowhead Center, Dr Ziedonis and other organizations to start planning for next year’s 2024 BIO Conference in San Diego. We need to have the states EDD and the New Mexico Partnership to play a big role in the planning of the New Mexico Pavilion. ED Tofighi commented that there were more New Mexico companies at the conference such as NTx Bio who had a very interesting setup within the NM Pavilion. Sandoval County had representatives along with Sandia and Los Alamos Labs. Tofighi said there definitely needs to be representation from the state’s research institutions. There was also great collaboration between New Mexico participants. Tofighi was able to make connections and distribute information on the BSA.</p>

		<p>Director Sackett asked if ‘Qualitative Data’ existed and if there were any success stories from attending previous conferences that she can present to EDD leadership for garnering possible EDD support. Both the Chair and ED Tofighi confirmed Director Greg Byrnes would be the person to speak to regarding qualitative metrics. They assured Director Sackett that they would provide her with the appropriate information.</p> <p>Director Christos Christodoulou left the meeting at 1:00 PM</p>
11.	Adjourn	<p>The Chair called for a motion to adjourn the meeting.</p> <p>A motion was made by David Perkins to approve the minutes with a second from Francisco Pallares.</p> <p>A roll call vote of all board members was called with seven in the affirmative, none in opposition, one in abstention and three absent. The vote was as follows:</p> <p>Byrnes-Absent, Christodoulou-Absent, Dekker-Affirm, Kieft-Affirm, Laur-Affirm, Pallares-Affirm, Perkins-Affirm, Sackett-Affirm, Schaub-Absent, Tiasse-Affirm</p> <p>The meeting adjourned at 1:05 PM</p>

Respectfully submitted by Sterling Nichols and Stephanie Tofighi