

New Mexico

Science & Technology

Business Startup Grant



ECONOMIC
DEVELOPMENT
NEW MEXICO

POLICY MANUAL
Program Year 2026

PROGRAM OVERVIEW

Introduction

The New Mexico Science & Technology (S&T) Business Startup grant is a competitive state-funded grant that supports small businesses engaged in research and development (R&D) with the potential to commercialize a technology. The S&T Business Startup Grant assists early-stage companies in developing a unique product with strong growth potential. These funds may be used to cover expenses related to business development, such as marketing, customer acquisition, patent filing fees, conference travel, etc.

Program Objectives

The funding provided through the S&T Business Startup Grant is intended to assist early-stage technology companies in commercializing their technologies and continuing to do business in New Mexico. These awards will fund New Mexico-headquartered technology companies to support market entry, customer acquisition, business expansion, and job creation. **Every eligible S&T Business Startup Grant application will be evaluated based on the following objectives.**

Recruitment, retention and expansion, or creation of jobs in economic-base businesses.

An economic-base business is one that manufactures a product in New Mexico (example: manufacturing wire harnesses in New Mexico for sale in California). A business that provides a non-retail service with a minimum of 50% of its revenue coming from a customer base outside of New Mexico is also included (example: payroll company in New Mexico providing services to clients throughout the USA). Economic-base businesses bring new money into the local economy from outside of the area – generally considered to be out of state.

Develop the tax base

More jobs in a community lead to more revenue for the community as employees spend money in local businesses. Businesses and employees pay property and sales taxes. This will result in more money to enhance government-funded community services that contribute to quality of life – everything from libraries to roads. Developing the tax base does not require increasing taxes. Developing the tax base is about creating more assets on the tax rolls (e.g., new or improved business properties, more properties generating tax revenue) to spread the cost of operations across more entities.

Encourage Business Development

Most jobs and investments come from expanding an existing business, but every business starts small – sometimes as small as just one person with an idea. Business growth involves providing advice, support, and resources to enable new businesses to start up; small businesses to grow; medium businesses to expand; large businesses to diversify; and all businesses to succeed. Incubators, business accelerators, and shared workspaces help businesses get off the ground. Programs that provide network development, technology assistance, training and marketing are used to encourage business development.

Program Administration

The S&T Business Startup Grant is administered by Economic Development New Mexico's (EDNM) Technology and Innovation Office (TIO).

Eligible companies will submit applications online.

Applications will be evaluated by TIO staff and the Review Board. Final approvals will be determined by the EDNM Office of the Secretary.

Funding Opportunity

The S&T Business Startup Grant is a competitive grant opportunity. Projects may be awarded between \$25,000 and \$50,000. Grantees will receive the full funding amounts upon signing of the grant agreement by all parties. The number of grantees will vary subject to funding recommendations and available funding.

Eligible Applicants

Businesses that are eligible to apply for the S&T Business Startup Grant:

- Must be headquartered in New Mexico.
- Must have a New Mexico Business Tax ID Number (BTIN) (previously CRS Tax ID Number), a physical NM address, EIN number, and a valid NAICS code corresponding to a science/technology business.
- Must have staff physically present in the state and occupy a physical space -- **Businesses with a virtual headquarters in New Mexico or a business with more than 40% of their staff outside the state will not be considered.**
- Must be a for-profit technology business (a business that creates a technology-based device, software, etc.) with a focus on one of TIO's priority sectors: Advanced Computing, Advanced Energy & water, Aerospace & Defense, or Bioscience.
 - Technology-enabled companies will not be considered.
 - i.e., a company that uses technology to sell a service or product that is not a device/software.
 - Examples of (ineligible) technology-enabled companies include, but are not limited to the following:
 - *Business A is a small New Mexico business that has received technical assistance from a national laboratory to improve the process of compacting wood chips to build a dining table. Business A sells products like dining tables derived from wood using their improved process developed with assistance from the New Mexico Small Business Assistance Program.*
 - *Business B is a small New Mexico business that consults with private sector technology companies and universities to connect STEM graduates with STEM careers.*
 - *Business C is a New Mexico business that developed a real estate CRM platform using existing LLM APIs to generate property descriptions and marketing content and relies on available AI tools and not a novel algorithm or model.*
- Must provide a Letter of Good Standing via the New Mexico Taxation and Revenue Taxpayer Access Point (TAP).
 1. Go to <https://www.tax.newmexico.gov/request-a-letter-of-good-standing/> and watch the video for instructions on how to request a Letter of Good Standing.
 2. In order to request the Letter of Good Standing, you must be logged into the New Mexico Taxation and Revenue Taxpayer Access Point (TAP) through an administrator account.
 3. If you do not have the option to request a Letter of Good Standing through your portal, please contact the TIO Senior Economic Development Coordinator.
- Applicants must submit a **State of New Mexico W-9** to become a vendor with EDNM (if awarded) to receive grant payments. Applications will require the submission of a **State of New Mexico W-9 – wet signatures are required on the W-9.**

- Must certify they do not have overdue tax debt or are not a party to any claim or lawsuit.
- Must agree to all reporting and claw-back requirements.

Past S&T Business Startup Grant grantees are eligible to reapply two years from the date their past grant agreement was fully executed.

Application

The link to the online application will be posted on the TIO Science and Technology Business Startup Grant webpage [here](#).

- Applications must be submitted electronically via Submittable.
- Instructions and guidelines will be available within the online application.
- Portions of the application include uploading documentation (i.e. Letter of Good Standing and correct State of New Mexico W-9).
- Applications must be submitted no later than **July 7, 2026, at 5:00 PM MDT**.

Eligible Funding Use

- Funds can be used for expenses, including, but not limited to, intellectual property assessment, patent filing, outside lab testing and validation, regulatory assessment and certifications, meeting with customers, partners, or investors, **attending trade shows (no more than 10% of total awarded funds)**, or market research and data acquisition.

Ineligible Funding Use

- Payroll
- Research & Development
- Materials or supplies over \$100
- Laboratory or business equipment
- Food, alcohol, drugs, etc.

Evaluation Criteria and Application

The award application will require a detailed executive summary, slide deck, budget table and budget narrative. Applicants will be required to provide projections for future growth, including a business plan, staff, and revenue model. Previous grantees applying for this grant will also be evaluated on their prior performance of the NM S&T Business Startup Grant.

Submitted proposals will be evaluated by the Review Board based on competitive criteria. In considering proposals, the Review Board will review factors that may include:

- a) The experience and expertise of the company's management team.
- b) The uniqueness of the product being developed by the company.
- c) The alignment of the technology to one of TIO's target sectors.
- d) The market and market growth potential for the product.
- e) The risks associated with the proposed business plan.
- f) The likelihood of a projected return on any investment in the company.
- g) The competitive market landscape of the company and product/technology.
- h) The potential benefits to the State of New Mexico, such as job creation and economic impact.
- i) The proposed budget and its' alignment to the grant requirements.
- j) The stage of business, revenue, and/or funding history.
- k) Other factors deemed relevant by the Review Board.

Award

- All work must be completed within twelve months of grant agreement execution.
- Grantees will receive full funding amounts upon grant agreement execution. Quarterly milestone and expense reports will be required.
- Grantees are expected to retain records of all expenses related to grant expenditures and will be required to submit receipts upon TIO request.

The State of New Mexico will issue a 1099 tax form to all grantees of state grants, including the Science and Technology Business Startup Grant.

All applicants will be notified by TIO of the final award decisions. The number of businesses that may receive funding will vary based on funding availability.

Grant Agreement

- Past grantees of TIO funding must be in good standing with the department to be considered for additional funding.
- Grantee must agree to, when asked by EDNM, provide (non-financial) support and/or testimonials as to the value and impact of the financial support they are awarded
- Grantees must agree to include EDNM's logo on their website and marketing materials for funds used to attend conferences, build websites, presentations, etc.

Project Reporting

- Grantees will be required to submit quarterly milestone and expense reports.
- Upon completion of the scope of work, grantees must submit a final report to TIO. Final reports will be due within thirteen months of grant agreement execution. The final report will include project costs and expenditures, the use of grant funds, measures of project outcomes, description of project impact on the state, and any other factors deemed necessary by TIO.
- EDNM may request bi-annual updates on follow-on funding received after completion of the grant. Grantees must respond within the deadline indicated in each request for a period of two years in order to remain in good standing with the department – failure to respond may negatively impact future participation in EDNM programs.

Key Dates

TIO will be accepting applications for the NM S&T Startup Grant from **June 16, 2026 through July 7, 2026 at 5PM MDT**. Awards will be made dependent on application evaluation scoring and funding availability.

An informational webinar will be held on June 23, 2026 at 2pm MDT.

Finalists will be notified and may be required to present in person or virtually to the Review Board.

Applicants will receive an update on their application within 2-3 months of grant application close date.

Awarded projects must be completed within twelve months and final reports submitted within thirteen months of grant agreement execution

For more information on the NM Science and Technology Startup Grant, please contact: Esteban Martinez, Sr. Economic Coordinator at esteban.martinez@edd.nm.gov or (505) 618-0969