

REPORT ON WORK OF THE JOBS COUNCIL

ECONOMIC AND RURAL DEVELOPMENT COMMITTEE

Ruidoso, NM

July 27, 2017

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PRESENTATION SLIDES

1...MISSION

2...MEMBERSHIP

3...ECONOMIC BASE MODEL

4...JOB NEEDS AND CAPABILITIES

5...EMPLOYMENT SECTOR THEATRES

6...REGIONAL NEEDS AND POTENTIAL

7...BARRIER GAPS

8...Barrier Levels

9...LEGISLATION-2016 EXAMPLE

10.SIGNIFICANT ACCOMPLISHMENTS

11.CONTINUING & PLANNED WORK

12...Broadband Needs and Report

13...Economic Development Action

14...Soloworkers Program

15... Workforce Needs Components Model

16...KEY FINDINGS

2016 REPORT-INTRODUCTION & EXECUTIVE SUMMARY

MISSION

The Jobs Council of the 2013 New Mexico legislature was formed in 2013 to:

- develop a framework for identifying job-creation priorities;
- ascertain: 1) the estimated number of jobs that would have to be created in order to return to pre-recession employment levels;
2) the economic sectors those jobs could come from and the regions in the state where they would likely be created; and
3) the factors impeding or prohibiting those jobs from being created; and
- begin building bipartisan consensus on legislative measures that could “move the needle” on job-creation in the next five to seven years.

2016 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
JOBS COUNCIL

Members

Sen. Mary Kay Papen, Co-Chair
Rep. Don L. Tripp, Co-Chair
Rep. Roberto "Bobby" J. Gonzales
Sen. Stuart Ingle
Rep. Tim D. Lewis
Rep. Sarah Maestas Barnes
Rep. W. Ken Martinez

Sen. George K. Munoz
Sen. Michael Padilla
Sen. John C. Ryan
Sen. Michael S. Sanchez
Sen. Mimi Stewart
Sen. Pat Woods

Advisory Members

Rep. David E. Adkins
Rep. Alonzo Baldonado
Rep. Cathrynn N. Brown
Sen. William F. Burt
Sen. Carlos R. Cisneros
Rep. Kelly K. Fajardo
Rep. Stephanie Garcia Richard
Rep. Bealquin Bill Gomez
Rep. Yvette Herrell

Rep. Conrad James
Rep. Larry A. Larrañaga
Rep. Bill McCamley
Sen. Howie C. Morales
Sen. Steven P. Neville
Rep. Debbie A. Rodella
Rep. Patricia Roybal Caballero
Sen. William P. Soules
Rep. Monica Youngblood

Public Members

Vicente Alvarado, Business Manager/Financial Secretary, Sheet Metal Worker's Local Union No. 49

Dale Armstrong, President, TLC Plumbing & Utility

Scott Bannister, Director, Amistad Family Services

Terry Brunner, State Director, United States Department of Agriculture Rural Development

Terri L. Cole, President and Chief Executive Officer, Greater Albuquerque Chamber of Commerce

Jason Espinoza, President and Chief Executive Officer, New Mexico Association of Commerce and Industry

William F. Fulginiti, Executive Director, New Mexico Municipal League

Justin Greene, New Urban Design & Development

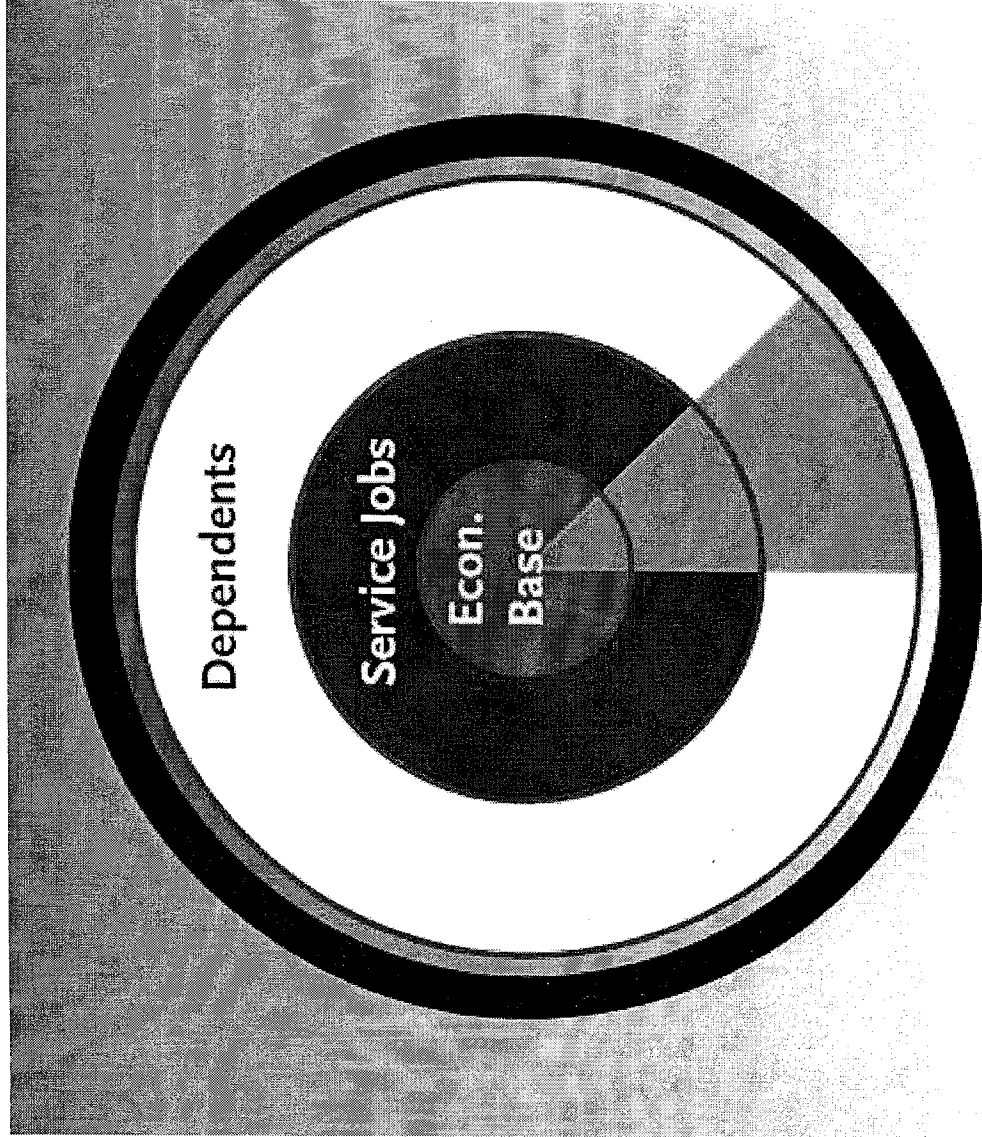
Steven Kopelman, Executive Director, New Mexico Association of Counties

Sherman McCorkle, Chairman and Chief Executive Officer, Sandia Science & Technology Park Development Corporation

Alex O. Romero, Chair, Economic Development Commission, and President and Chief Executive Officer, Albuquerque Hispano Chamber of Commerce

Eric Witt, Executive Director, Santa Fe Film Office

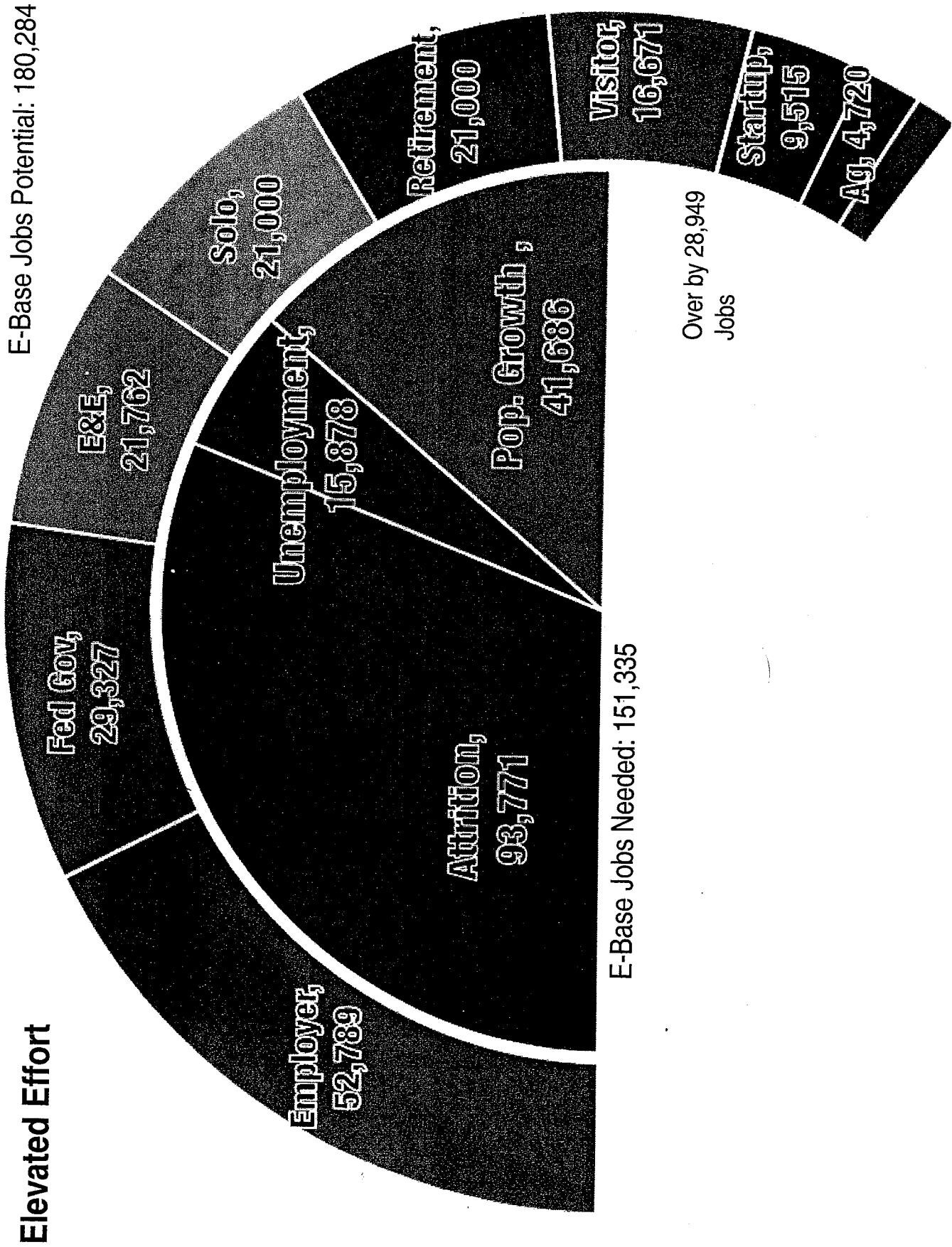
Economic Base Model



$$E > P^P$$

Growing the Economy
faster than the Population

New Mexico 10 yr Job Creation Scenarios



A New Taxonomy - Program Theaters

Theater

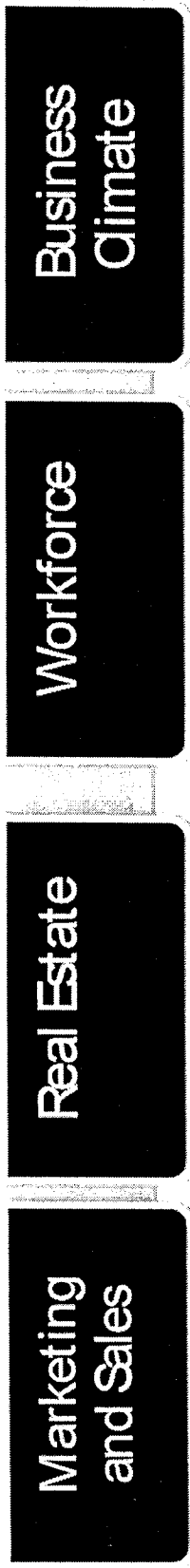
Activities

Employer	Recruiting, expansion and retention of employers
Federal Government	BRAC efforts, Health, Education, transfer payments
Film and Digital Media	Film, TV, games
Start Up	Starting new enterprises that will have employees
Solos	Enterprises with no employees, remote work
Visitor Driven	Tourism, hospitality, transit services
Retirement	Affluent retirement strategies
Agriculture	New crop development
Extractives and Energy	Mining, oil & gas, power plants, wind, solar, bio
Import Substitution	Produce locally instead of importing

Regional Predicaments

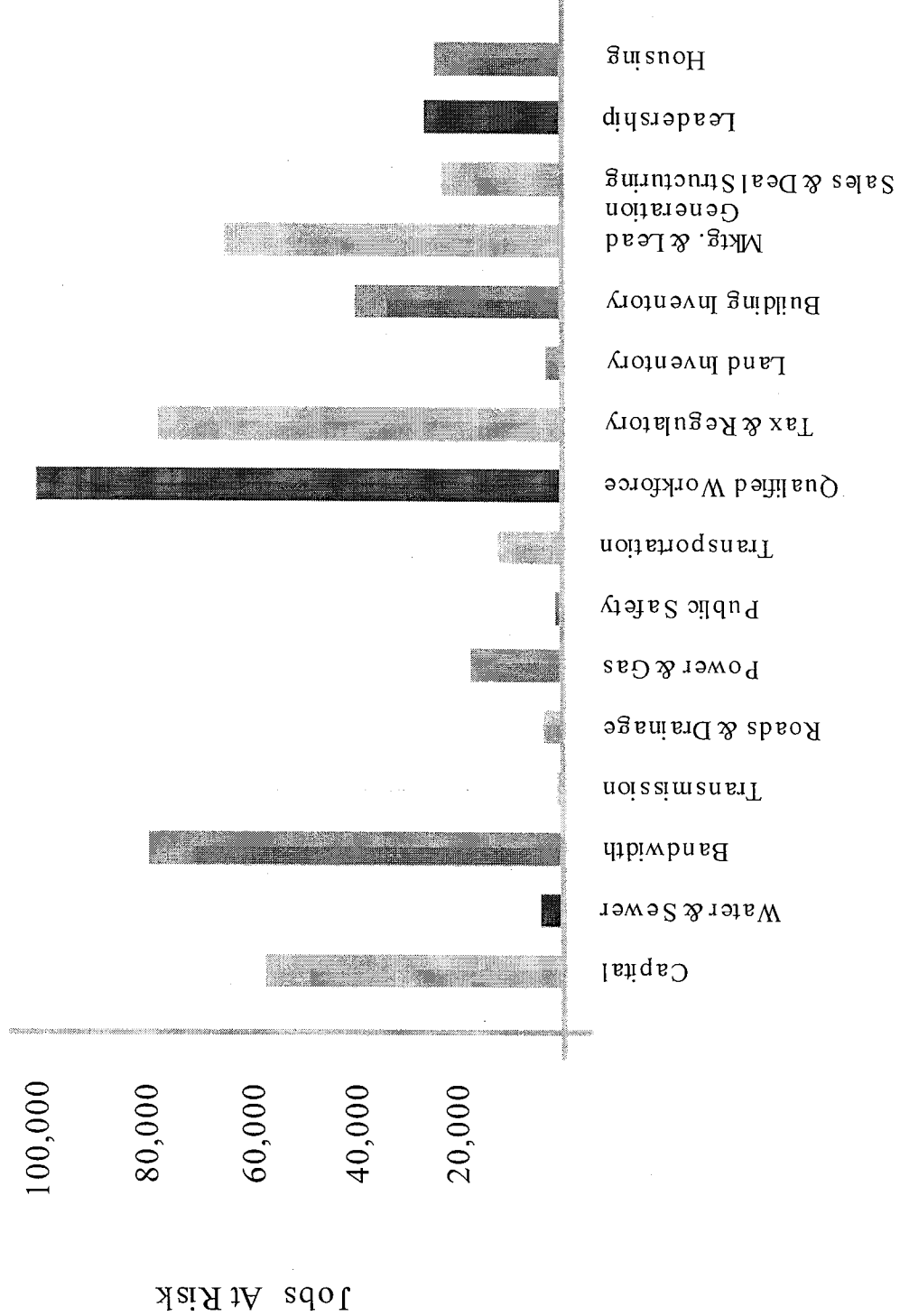
Region	E-base Needed	E-base Potential	Program Reliant	Over/Under
North Central	19,350	20,505	12,807	1,155
Eastern Plains	4,174	3,257	2,120	(917)
Southeast	24,987	29,280	22,860	4,293
South Central	20,560	15,072	10,471	(5,488)
Southwest	3,010	2,812	1,905	(198)
Northwest	15,985	10,980	8,104	(5,005)
Mid Region	59,111	85,450	63,548	26,339

Factors of Production – Gap Analysis



Research	Building Inventory	Qualified Workforce	Leadership
Lead Generation	Land Inventory	Workforce Housing	Planning
Sales	Utilities	Education & Training	Organization
Deal Structuring	Bandwidth	Community Quality	Tax and
Completion	Transportation Capital		regulation

Factors of Production – NM 2014



LEGISLATIVE INTERIM JOBS COUNCIL INITIATIVES APPROVED

Status as of 1/26/16

COUNCIL LEGISLATION

Initiative	Amount	Comments	Status
EDO Staff Augmentation	\$2.25M	Local Match, 3 years	HB218
Broadband	\$950K	State Comprehensive Plan & Priority Rural Infrastructure	HB170
Partnership	\$2M		HB2, Bill drafted
Solowork	\$500K	Pilot	HB177
Co-op Marketing	\$2M	State Branding, Local Merit	Bill drafted
Metrics & Accountability	\$150K		SB131
Local Education & Planning	\$200K	Plus \$400K match	HB213
Workforce Gap Study	\$125K	HED, pilot being completed	HB216
Middle School Physics	\$250K	PED or local districts	SB111
Workkeys Assessment	\$35K	Partial offset NMDWS cost	HB214
Forest Restoration	\$250K	Replace by Water Trust	N/A

COUNCIL SUPPORT

Initiative	Amount	Comments	Status
LEDA	\$50M	Maintain	
Rapid Workforce Deployment	\$1.25M		Support SB92
JTIP	\$10M		Support EDD
Public Private Partnerships	---		Support
Hospitality Training	\$300K		Support Industry
Tourism Advertising	\$4.7M	Budget increase	Support Tourism
NMSU STEM-E	\$408K		Support NMSU
Small Business Tech Maturation	\$2.5M	5 years	Support
Rural Infrastructure Tax Credit	---		Support HB108
Workers Comp Evaluation	\$500K		Support
Scenic Byways	\$500K		Support HB15

JOBS COUNCIL SIGNIFICANT ACCOMPLISHMENTS

1. DEVELOPMENT AND ACCEPTANCE OF AN ECONOMIC DEVELOPMENT JOBS MODEL
2. DETERMINATION AND PUBLIC/PRIVATE SECTOR CONSENSUS ON LONG TERM STATE AND REGIONAL JOB NEEDS AND BARRIERS
3. UNANIMOUS AGREEMENT ON LEGISLATION
4. LEDA FUNDING INCREASE
5. SOLOWORKER PROGRAM INITIATION
6. BROADBAND ANALYSIS AND RECOMMENDATIONS
7. SEE THE CHANGE MIDDEL SCHOOL PHYSICS PROGRAM
8. LOCAL ECONOMIC DEVELOPMENT ORGANIZATION MARKETING AND FUNDING NEEDS SURVEY
9. SUPPORT FOR JTIP AND TOURISM FUNDING LEVELS

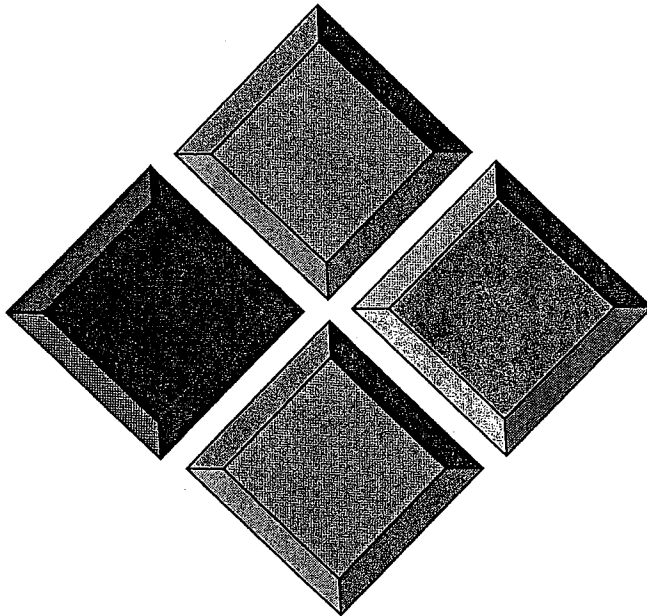
CONTINUING INITIATIVES FROM THE JOBS COUNCIL

1. BROADBAND EXPANSION
CTC study recommendations
Working Group
2. RETIREES ATTRACTION
Social Security Tax memorial study
Economic value-NMSU study
Certified Communities
Marketing
Working Group
3. WORKFORCE EMPLOYABILITY SKILLS
Statewide Program
Working Group
4. LOCAL EDO FUNDING
Community tax option
Discussions
5. ECONOMIC BASE JOBS DATA ANALYSIS
System acquired
DWS input
6. RURAL SOLOWORKER PROGRAM
Grants NM pilot
JTIP set aside
7. PUBLIC PRIVATE PARTNERSHIPS

PLANNED JOB COUNCIL WORK

1. WORKFORCE NEEDS
Wisdom of Crowds sessions-health care, information technology, construction
Employability skills statewide program
2. JOBS NEEDS DATA STATUS
Establish base and annual progress reports
3. PLANNING AND ACCOUNTABILITY PILOTS
3. INCENTIVES STUDY AND ROI DETERMINATION
4. ADDITIONAL BARRIER ANALYSIS AND RECOMMENDATIONS

STAFF COMMENTS




ADEQUATE BROADBAND

Residential 25/3 mbps down/up load
Commercial 100/5 mbps FCC minimum

NM state ranking overall
31st availability
36th adoption
48th speed



 **Employment & Economic**
Information Center of New Mexico LLC

ADEQUATE BROADBAND IMPORTANCE BY ECONOMIC BASE SECTOR

CRITICAL

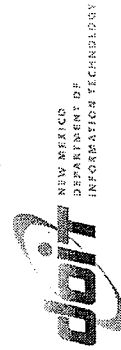
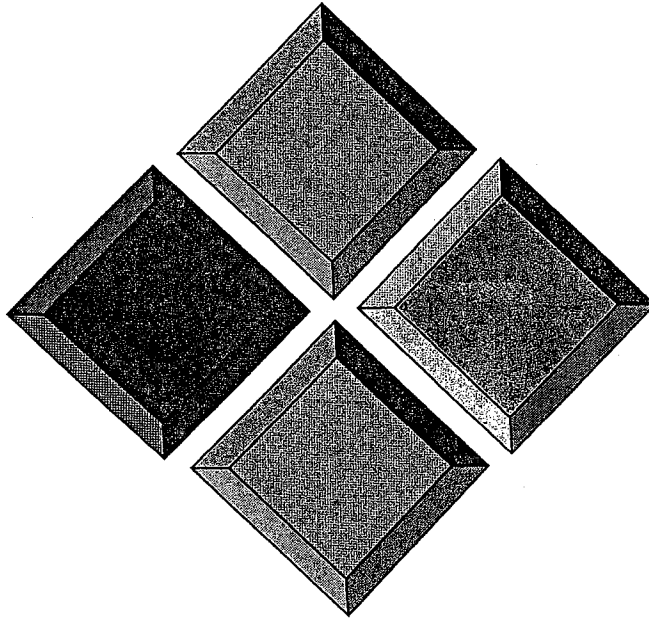
- Back Office Services
- Exported Services
- Solo-Independent Work
- Integrated IT & Cyber (Non-Government)
- Digital Media
- Emerging Technology (Non-Government)

ESSENTIAL

- Visitor Driven
- Manufacturing
- Health & Social Services

NECESSARY

- Extractives
- Agriculture, Food, & Forestry
- Government
- Education Services
- Retirement



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**CTC Technology and Energy Preliminary Report to NM DOIT
Jobs Council Commissioned Study on New Mexico Broadband**

Area Coverage

Extensive detail-being completed

Preliminary Recommendations

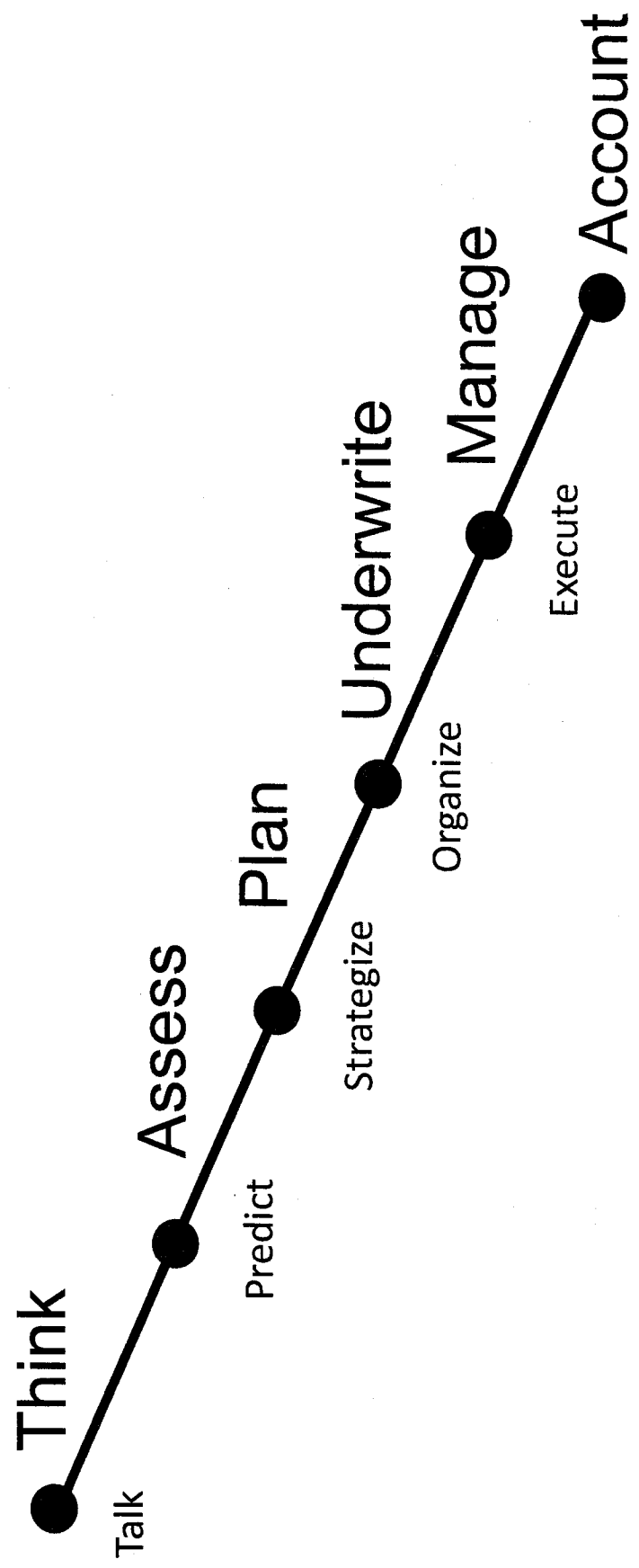
1. Alternative System Advantages -fiber, coaxial, dsl, wireless
2. Utility construction coordination
 - Dig once
 - Climb Once pole access
3. Funding mechanisms-grants, loans, infrastructure bank, funding criteria
4. Building certification program
5. Public Private Partnership-advantages and risks
6. Non profit entity
7. Funding Opportunities

2017 BROADBAND LEGISLATION

Telecommunication Act update to include broadband
Use of LEDA for broadband access
Local broadband infrastructure
Statewide Broadband Network
State Rural Universal Service Fund for broadband

A New Algorithm for Economic Development

Think → Plan → Do



T-A-P-U-M-A

**Solowork
Economic
Base
Job Creation**



W2 Solo workers employed by an economic base employer and allowed to work from home or the Solowork Center.

Solo W2 Workers
Recruit, Screen
Train, Place
Support

Solopreneurs who own their business have no centralized workplace or onsite employees.



Solopreneurs
Recruit, Plan
Incubate or Convert
Support

SoloWorks Center



A community supported program platform to create, advance and retain new economic base jobs.

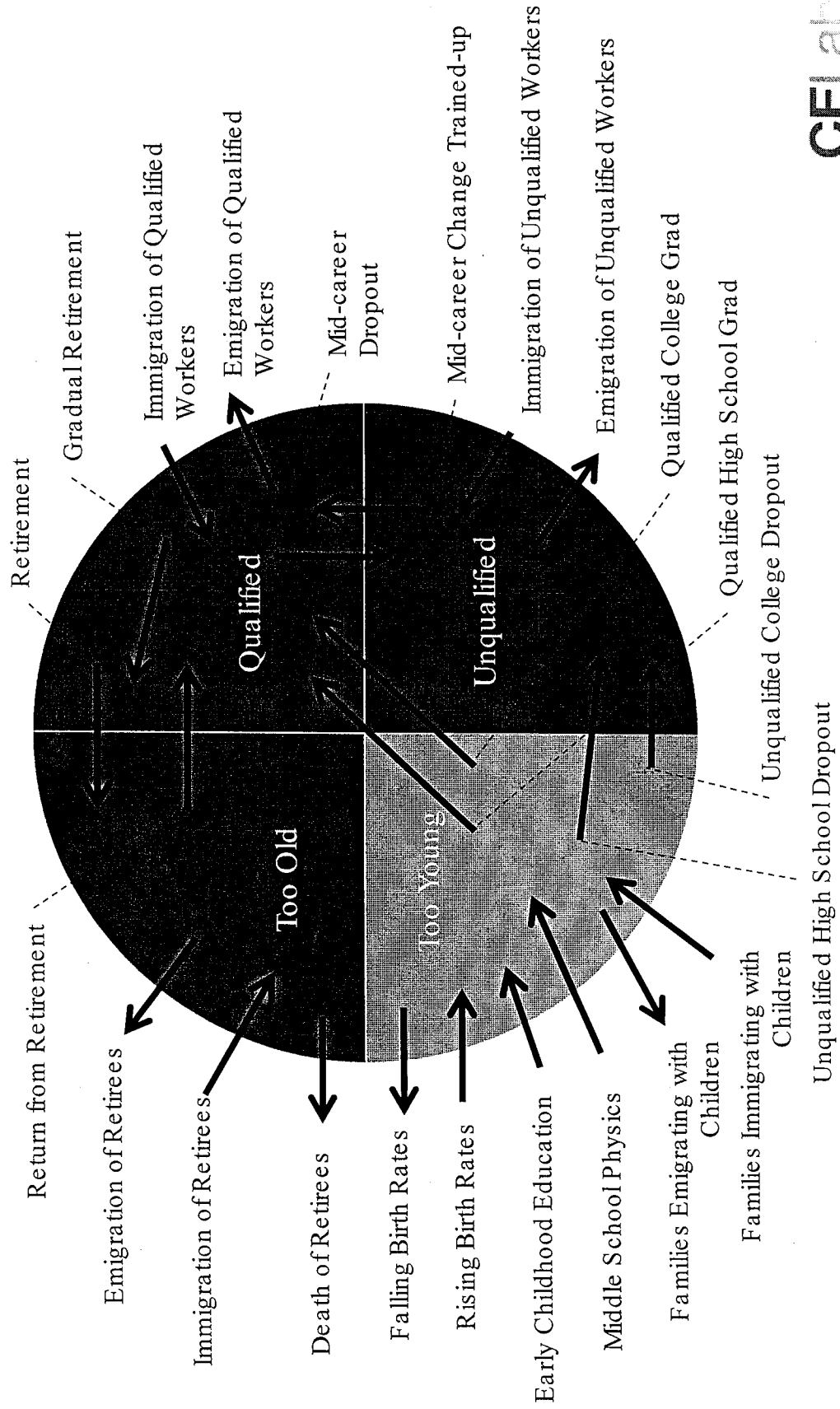
New entrants to the solowork workforce, i.e. students, hard to employ, & chronically poor candidates.

Circles USA



New Solo Workers
Recruit, Screen
Train, Place
Support

Community Demographic Dynamics



CELAR

CELAR

Key Findings

1. The state and many of its communities are at risk of entering an economic death spiral in the decade ahead.
2. Four of the state's seven planning districts could not identify enough potential job creation to avoid further contraction.
3. Consensus estimates found 151,335 new e-base jobs are needed and 180,284 are possible with elevated strategic effort.
4. Two of the six program theaters with highest job creation potential are organized but underfunded and four lack any formal program organization.
5. While the challenges are complex and daunting, solving them is not as difficult to as it might seem.
6. Counties and regions lack the common planning and accountability system and resources needed to describe prescriptive action.
7. Correcting the current trajectory will require an elevated level of planning, investment and accountability.