

**ACTION PLAN**

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

In the second half of FY20, the COVID-19 pandemic and resulting economic crisis temporarily halted momentum to recruit companies from out of state, and the Economic Development Department (EDD) shifted its efforts to supporting existing New Mexico businesses and providing them with direct access to information on an array of topics related to COVID-19. The unprecedented economic disruption resulted in some FY20 performance results that did not meet the targets including overall jobs created, rural jobs created, and jobs created through the use of Local Economic Development Act (LEDA) Funds. The Film Program also missed both targets for FY20, production came to a halt in March of 2020 due to the pandemic.

New Mexico’s total nonagricultural employment decreased by 59,400 jobs, or 7 percent, when comparing June 2019 to June 2020. Most of these losses were in the private sector down 55,500 jobs, while the public sector was down 3,900 jobs. All major industry sectors reported employment decreases over the year.

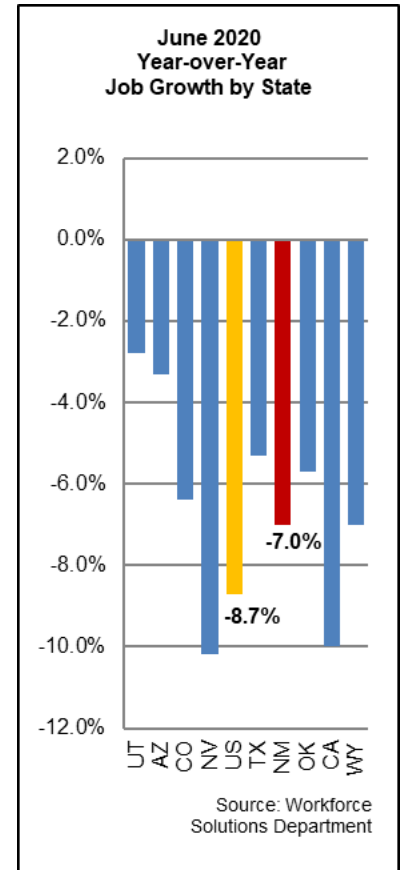
**Economic Development**

The Departments shift to help local businesses during the pandemic resulted in repurposing two funds in to COVID-19 relief funds. The department retooled an existing collateral assistance program and allocated federal funding into a COVID-19 business loan guarantee program. Through the COVID-19 Loan Guarantee Program EDD guaranteed \$2.2 million which provided capital for businesses that otherwise would have struggled to receive financing.

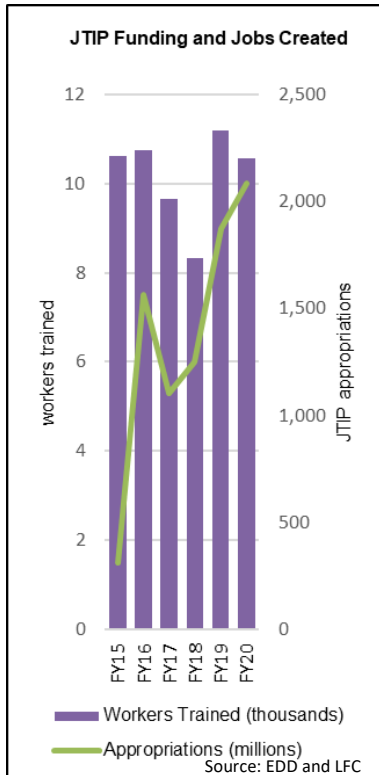
EDD also re-tasked the LEDA program to temporarily operate as a zero percent interest loan program. The company must be a qualified entity (a manufacturer or non-retail service business with more than 50 percent of revenue generated out of state), and loans are limited to expenditures for land, building and infrastructure, but they can be used for lease abatement or mortgage assistance. The loan period is up to two years, and all loans are required to provide security. To date, EDD has \$1.7 million of LEDA loans in process.

EDD also created a “Buy for Tomorrow Today” website to provide a platform for local businesses to reach customers. Finally, EDD has been hosting a series of webinars related to its funding programs, other state and federal programs, the “Buy for Tomorrow Today” website, and other general business webinars for responding to the COVID-19 crisis.

The Economic Development Division awarded 15 companies \$12.9 million in LEDA funds in FY20, and created 2,891 jobs. Of the 15 companies awarded LEDA funds, five were in rural areas; Cimarron, Big Dog Industries, W. Silver Recycling, High Plains Processing, and HAPSMobile/AeroVironment. The funds matched for all LEDA projects in FY20 totaled \$350 million, contributing to a 27 to 1 ratio of private sector dollars invested per dollar of LEDA funds awarded for FY20. As of August 2020, EDD reported \$26 million in other state funds and severance tax bonds is available for LEDA projects.



Budget \$8,798.7 FTE: 25



	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Jobs created due to economic development department efforts Measure	3,994	3,840	4,500	2,670	Y
Rural jobs created	2,414	1,376	1,750	460	R
Jobs created through business relocations and competitive expansions facilitated by the economic development partnership	1,415	617	2,250	812	R
Potential recruitment opportunities generated by the New Mexico Partnership marketing and sales activities	52	53	84	33	Y
Private sector investment in mainstreet districts, in millions	\$53.9	\$30.7	\$11	\$24.57	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	36:1	32:1	12:1	27:1	G
Jobs created through the use of Local Economic Development Act funds	2,613	3,586	2,500	1,600	R
Workers trained by Job Training Incentive Program	1,736	2,326	2,050	2,202	G
<b>Program Rating</b>	<b>Y</b>	<b>Y</b>			<b>Y</b>

Overall, \$24.57 million in private sector reinvestment in MainStreet was reported for FY20, with 306 building rehabilitations being reported from MainStreet Communities. The largest investments were seen in the second and fourth quarters of the fiscal year, with \$18 million of private investment. Los Alamos MainStreet reported six private rehabilitations in their district with a total investment of \$560.2 thousand. Roswell MainStreet had five private building rehabilitations with a total investment of \$307.5 thousand, leading to the opening of six new businesses and the creation of 55 new jobs. Las Vegas MainStreet reported eight building renovations for a total of \$294 thousand in private sector reinvestment.

JTIP funds over the past 6 years total \$45 million. The Job Training Incentive Program (JTIP) board approved 69 businesses for funding in FY20, including 20 in rural communities, with a total of \$18 million in awards, and exceeded the target of workers trained with 2,202. The average hourly JTIP wage was \$19.32. The JTIP board obligated \$5.5 million to rural companies in FY20, meeting statutory requirements for funding of rural communities.

**New Mexico Film Office**

Due to the economic impact of the COVID-19 pandemic, all production came to a halt in March 2020 and continued through the end of FY20. Film/TV production remain halted, except for purely digital production.

Direct spending by the film industry missed the target for FY20, reaching only \$257.3 million, a significant decrease from \$525 million in FY19. The number of worker days also decreased to 102 thousand for FY20 from 319 thousand in FY19.

In response to the COVID-19 pandemic, the New Mexico Film Office (NMFO) is currently collaborating on the creation of a set of guidelines and an accompanying training video for entertainment industry workers regarding general health, wellness, and communicable disease prevention practices on-set. NMFO is also in the process

of moving to a digital platform for the tax credit workflow, increasing efficiency for the NMFO as well as the end-user, the production company.

JTIP for Film & Multimedia provides opportunities for residents to expand their skill sets, advance in high wage positions, gain on-the-job training, and increase retention and continual employment in the industry. As an additional incentive to the film tax credit, this program provides companies a 50 percent reimbursement of the trainee wages for up to 1,040 hours. There is an annual cap of \$2 million each fiscal year, and companies are approved by the chair of the JTIP board. The board and the Film Division are evaluating the program to determine if any changes should be made while adhering to the statutory requirements.

**Budget:** \$7,47.1 **FTE:** 8

	FY18 Actual	FY19 Actual	FY20 Target	FY20 Actual	Rating
Direct spending by film industry productions, in millions	\$234	\$525.5	\$330	\$257.3	Y
Film and media worker days	259,961	319,814	209,000	102,376	R
Measure					Y
<b>Program Rating</b>	<b>G</b>	<b>G</b>			Y

