



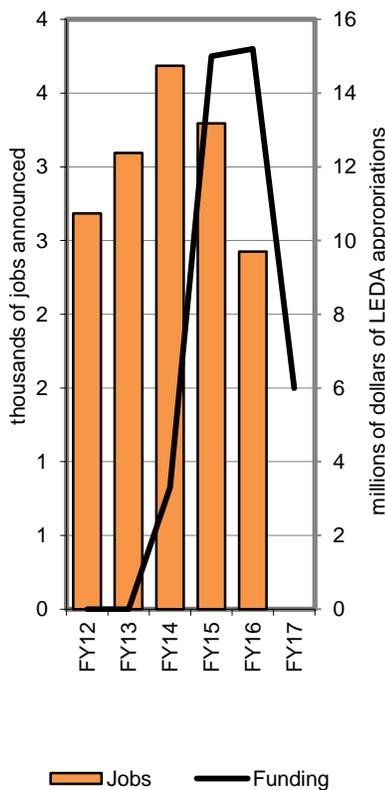
KEY ISSUES

The Economic Development Department fell short of achieving several performance targets, including number of rural jobs created by the NM Economic Development Partnership and average wages for jobs funded through the Job Training Incentive Program. The agency has not disclosed a plan to reach their targets.

AGENCY IMPROVEMENT PLANS

Submitted by agency? No
Timeline assigned by agency? No
Responsibility assigned by agency? No

LEDA Funding and EDD Jobs Announced



Sources: EDD, LFC files

June year over year job growth was a relatively strong 1.7 percent, a gain of 14 thousand, the state’s largest gain since March 2007. However, the average job growth over the year was 0.2 percent. The Economic Development Department (EDD) had its largest job creation growth of the year, announcing 1,980 new jobs during the fourth quarter. However, even with this large growth, the department missed the target for FY16 job creation.

Economic Development Program. EDD struggles to meet rural job growth creation targets, reaching just 36 percent of the annual rural jobs goal by the end of the fiscal year. In addition, statute requires one-third of Job Training Incentive Program (JTIP) appropriations to be spent on training in rural areas, but EDD has violated this statute every year for the last three fiscal years. The agency spent 18.6 percent of FY14 awards on rural training, and this dropped to 14.6 percent of FY15 awards and just 13.3 percent of FY16 awards.

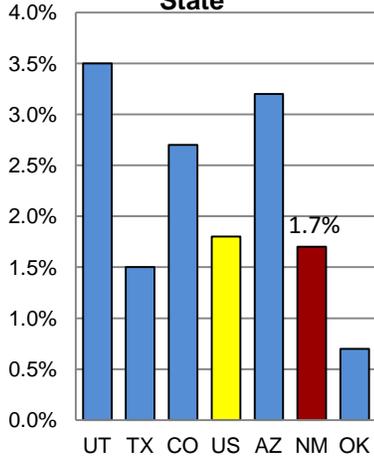
The Economic Development Department awarded \$15.2 million in Local Economic Development Act (LEDA) funds during FY16, closing on 23 projects, with businesses announcing 2,426 jobs, resulting in a cost per job of \$6,265. In the fourth quarter, nine projects were closed, with businesses planning to create 1,572 jobs. These figures represent the cost for announced jobs rather than jobs actually filled.

The Job Training Incentive Program (JTIP) trained 2,238 workers, more workers than in any year since 2008. However, the average hourly wage for trainees for the fourth quarter reached \$18.04, missing the target by almost 10 percent. JTIP served 60 companies, eight of which were rural, for a total of \$13.4 million dollars obligated. The agency is unable to provide full year data to calculate the percentage of trainees still in New Mexico until the Department of Workforce Solutions releases the data.

The Economic Development Partnership remains below job levels needed to meet the annual target. The Partnership finished FY16 with 10 projects closed and a total of 1,519 jobs. The organization is still under operation of an interim director, and plans to hire a permanent director within the next month, with a focus to increase business performance. The organization continues to work with the Tourism Department to develop ads to recruit businesses using the New Mexico True brand, leveraging financial resources and extending the reach of the successful statewide brand.

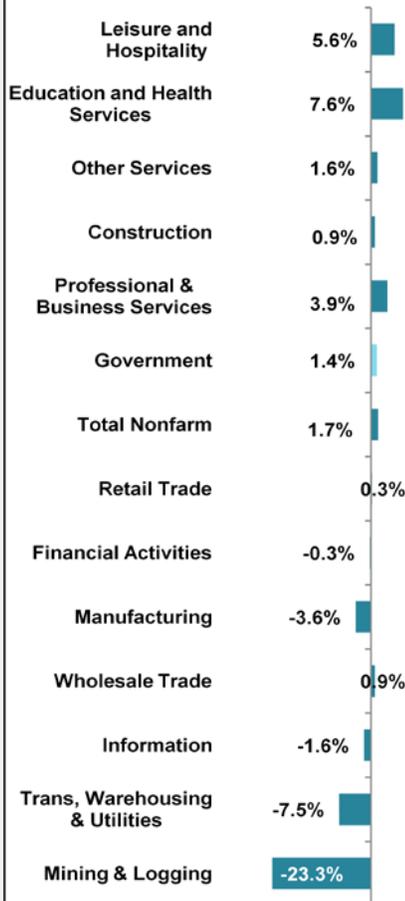
Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Jobs created due to economic development department efforts	3,686	3,294	4,500	4,140	Y
Rural jobs created	1,562	726	1,750	641	R
Number of business advocacy cases closed	67	72	65	63	Y
Jobs created through business relocations and competitive expansions facilitated by the economic development partnership	1,624	222	2,000	1,519	R

June 2016 Year-over-Year Job Growth by State



Source: Workforce Solutions Department

June 2016 Year-over-Year Job Growth by Industry



Source: Workforce Solutions Department

Workers trained by the job training incentive program

1,355 2,086 1,400 2,238

G

Average hourly wage of jobs funded through the job training incentive program (cumulative average)

\$17.32 \$17.67 \$20.00 \$18.04

Y

Program Rating

Y

Film Program. Film activity continued to increase in the fourth quarter, with the largest gains in FY16. The film office currently has six feature films in progress as well as six television series in production. Two measures are still below FY15 levels; however, all targets were met and exceeded. Direct spending by film industry beat the target by \$187 million dollars. The film office continues to focus on three main initiatives: (1) Recruitment: Emerging Media & Production (2) Workforce Development; and (3) Statewide Outreach. In the fourth quarter, the film office hosted the annual film and media educational summit at CNM in Albuquerque. The event hosted over 70 educators, industry professionals, and students. The film office also had a keynote speaker at the Desert Lights Film Festival in Alamogordo. The festival celebrates the achievements of young filmmakers and was attended by over 400 students.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Film and media worker days, in thousands	189	298	190	260	G
Direct spending by film industry productions, in millions	\$162	\$286	\$200	\$387	G
Films and media projects principally made in New Mexico	61	79	61	63	G

Program Rating

G