

FY23 BUDGET REQUEST

Presentation to the
Legislative Finance Committee

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ALICIA J. KEYES, CABINET SECRETARY

JON CLARK, DEPUTY SECRETARY

MARK ROPER, ECONOMIC DEVELOPMENT DIVISION DIRECTOR

AXIE NAVAS, OUTDOOR RECREATION DIVISION DIRECTOR

AMBER DODSON, FILM DIVISION DIRECTOR

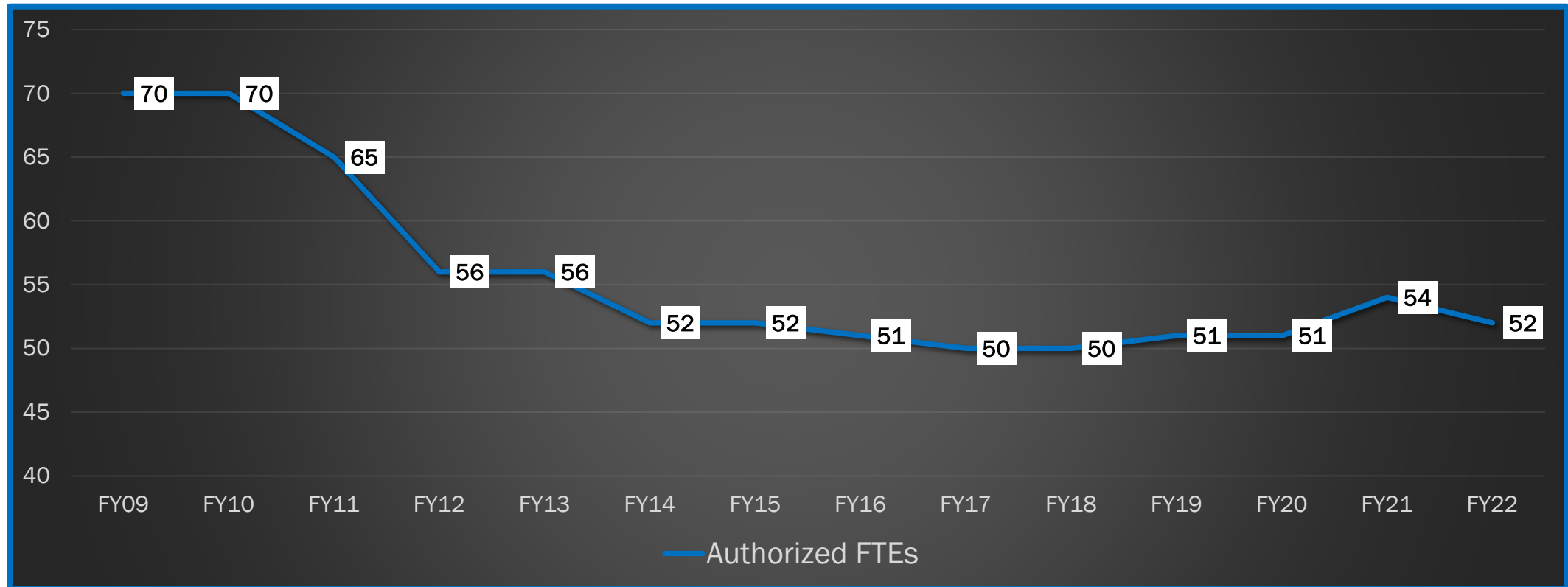


EDD

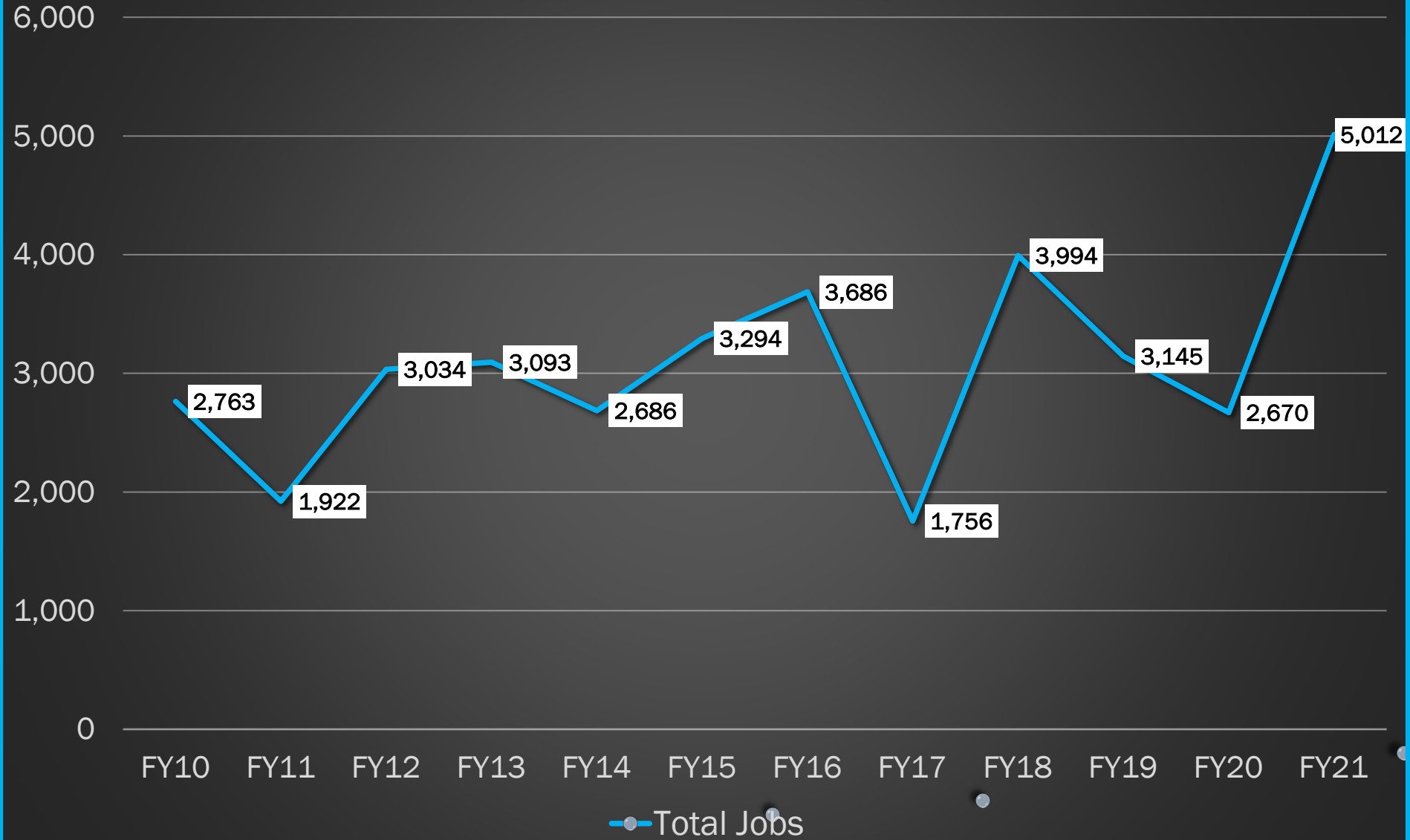
Investing in Recovery

- EDD was one of only two major agencies to get back-to-back budget cuts for FY21 and FY22
- EDD's FY10 recurring budget: \$9.2 million w/o JTIP
- EDD's FY22 recurring budget: \$9 million w/o JTIP
- Accounting for inflation, FY22 funding is \$2.4 million less than in FY10
- Accounting for other designated uses, funding for operating the department is:
 - \$2.9 million less than in FY10 – *a reduction of more than 30%*
- We have 52 authorized FTEs vs 70 in FY10
- Despite the staffing and funding challenges, we have been remarkably effective
 - **FY21 was our best job creation year since FY08 – 5,012 jobs!**
- Our staff have been amazing during the COVID crisis and have helped thousands of businesses and people across the state, but their capacity is maxed out
- More funding for staff and operations = even more job creation and economic recovery

EDD Historical Authorized FTEs



Effective Programs = Economic Recovery

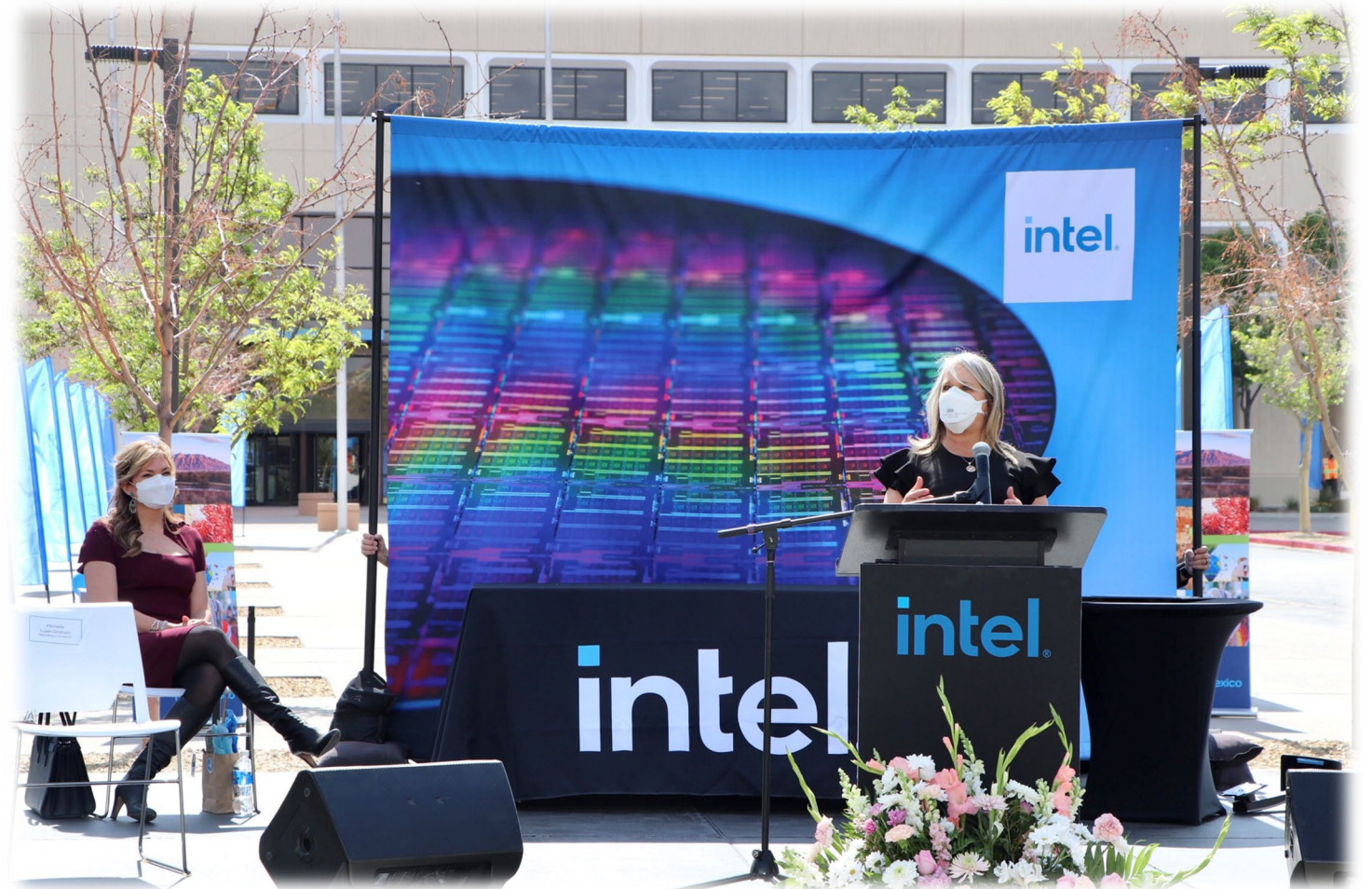


FY21 job creation was the highest in more than a decade!

Intel Expansion

\$3.5B investment to modernize RR facility

- Domestic hub for advanced semiconductor manufacturing
- 700 permanent jobs
- 1,000 construction jobs
- \$550M in construction
- \$5M LEDA investment



BlueHalo Campus

The Max Q location will be a 200,000 SF campus, consolidating all the company's ABQ employees in one facility

- 64 jobs
- Average salary of \$105K
- Private investment of \$60M
- 10-year economic impact of \$3.2B



MTX Group

MTX provides technology consulting and will hire directly from CNM and other NM colleges

- 250 jobs
- Average salary = \$90-\$175K
- Private investment of \$2M
- 10-year economic impact of \$354.6M



Green Stream Farms

Green Stream Farms grows algae for use in Omega-3 nutrition products

- **23** jobs
- Private investment of **\$7M**
- 10-year economic impact of **\$33M**



WTEC Energy

WTEC will occupy a former Alpo dog food processing facility in Chamberino to manufacture steel wire for solar and wind energy units

- **315 jobs**
- Private investment of **\$22.15M**
- 10-year economic impact of **\$409M**



LEDA Impact in Rural Communities

Company	Location	Jobs	Annual Payroll
Ascent Aviation	Roswell	360	\$24.8M
Prent Corporation	Santa Teresa	85	\$4.225M
SCEYE	Moriarty/Roswell	140	\$10.5M
Cymmetrik	Santa Teresa	10	\$490K
SpinLaunch	Spaceport America	59	\$10.2M
La Primera Tortilla Factory	Sunland Park	14	\$336K
Capitol Bar & Brewery	Socorro	6	\$156K
Green Stream Farms	Luna County	23	
WTEC Energy	Chamberino	315	

Empower & Collaborate:

New Mexico's economic path forward

VISION: NEW MEXICO WILL HAVE A DIVERSE AND ROBUST ECONOMY THAT ENGAGES LOCAL TALENT, CULTIVATES INNOVATION, AND DELIVERS PROSPERITY FOR ALL NEW MEXICANS.

By the Numbers

96 Survey responses

More than 100 organizations throughout NM

60 Hours of interviews

Seven COGs

Two Public update sessions

Open surveys

Data collection from:

- ❖ National Center for Science & Engineering Statistics
- ❖ Bureau of Labor Statistics
- ❖ Bureau of Economic Analysis
- ❖ American Community Survey
- ❖ Ewing Marion Kauffman Foundation
- ❖ Association of University-Technology Managers
- ❖ Pitchbook
- ❖ And others

A Call to Action

Ensuring Strategy Success

- ❖ **NM's business community** needs to adapt to rapidly changing times and be prepared to pay higher wages, increase schedule flexibility and provide greater options to attract employees.
- ❖ **NM's business community & economic development activists** need to join calls for increased EDD funding from the legislature; provide financial assistance to local EDOs and COGs; put more boots on the ground; increase capacity to garner federal funding & grow resources
- ❖ **EDD, HED and the higher education system** need to collaborate to give incoming students the information necessary to choose careers in high-demand areas; degree and certification programs must meet the current and future needs of industry in the state
- ❖ **Policymakers** need to recognize that major changes to the economy will require significant funding for EDD and economic development programs.



New Mexico cannot continue on the path it has pursued in prior years – this plan provides a new path forward and the state must now provide funding and take action.

Successes & Needs for Each Division

Economic Development Division

A record-setting year:

- 5,012 jobs
- 74 companies supported by JTIP
- 21 LEDA projects
 - \$19B (10-year) economic impact
 - Annual payroll = \$241.6M
 - Average salary of \$79K



ED Division Budget Request

Economic Development	FY21	FY22	FY23	Difference
P512				
200 Personnel	1,835.3	1,867.4	2,781.4	914.0
300 Contractual	1,548.3	1,540.0	3,540.0	2,000.0
400 Other Costs	6,068.6	6,022.7	10,820.7	4,798.0
TOTAL	9,452.2	9,430.1	17,142.1	7,712.0

- ❖ Adding 11 funded FTEs:
 - ❖ 6 FTEs to expand regional representatives team
 - ❖ 2 FTEs – Healthy Food Financing Specialists
 - ❖ 3 FTEs for JEDI Minority Business Office
- ❖ Add \$1.5M for EDD marketing; \$500K for International Trade
- ❖ Add \$50K for travel for business recruitment; \$2M for JTIP
- ❖ Add \$500K for loans/grants for healthy food program
- ❖ Add \$2.25M for JEDI Minority Business Office

Film Division

A record-setting year:

- \$623.8M in production spend
- 514,580 worker days
- Total wages to New Mexicans = \$121.25M
- Average salary of \$60,840

DEADLINE

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'Big Sky' Season 2 To Film In New Mexico; Moving From Vancouver

Denise Petski · 8/12/2021



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Film Division Budget Request

Film	FY21	FY22	FY23	Difference
P514				
200 Personnel	576.4	690.5	983.5	293.0
300 Contractual	182.8	53.4	553.4	500.0
400 Other Costs	78.9	78.9	653.9	575.0
Total	838.1	822.8	2,190.8	1,368.0

- ❖ Add funding to cover film economist
- ❖ Add three funded FTEs, Coordinators: Training, Outreach & Location/Production
- ❖ Add \$500K to operate training academy
- ❖ Add \$25K for travel; \$100K for marketing
- ❖ Add \$450K for minority filmmakers

Program Support Division

Office of the Secretary
Administrative Services
(supports):

- Border Authority
- Spaceport Authority
- Office of Military Base Planning & Support



Program Support Budget Request

Program Support	FY21	FY22	FY23	Difference
P526				
200 Personnel	1,746.0	1944.6	2,020.6	76.0
300 Contractual	1,142.7	1,123.3	1,323.3	200.0
400 Other Costs	172.0	172.0	982.0	810.0
Total	3,060.7	3,239.9	3,525.9	1,086.0

- ❖ Add one funded FTE for investment manager
- ❖ Add \$200K for the NM Partnership
- ❖ Add \$10K for travel to recruit businesses
- ❖ Add \$800K for statewide business incubator grants

Outdoor Recreation Division

- \$2.4 billion to state GDP in 2019
- 35,000+ jobs with \$1.2 billion in income
- 5.3% growth in employment since 2018 (versus .4% for US)
- Sign up for our bimonthly newsletter:

www.nmoutside.com/contact-us



ORD Budget Request

Outdoor Recreation	FY21	FY22	FY23	Difference
P708				
200 Personnel	251.4	247.8	323.8	76.0
300 Contractual		25.0	25.0	
400 Other Costs	200.0	482.0	732.0	250.0
Total	451.4	754.8	1,080.8	326.0

- ❖ Add one funded FTE to manage trails infrastructure program
- ❖ Add \$250K for marketing

Maintain the Momentum & Build the Economy

EDD (P512)	FY22	FY23	Difference
Division Total	9,430.1	17,142.1	7,712.0
FILM (P514)			
Division Total	822.8	2,190.8	1,368.0
Program Support (P526)			
Division Total	3,239.9	4,325.9	1,086.0
ORD (P708)			
Division Total	754.8	1,080.8	326.0
DEPARTMENT TOTAL (41900)			
	14,247.6	24,739.6	10,492.0

Special Appropriation Requests

Marketing the State

- ❖ \$1.5 million for business marketing for target industries
- ❖ \$500,000 for collaborative marketing initiative with local EDOs
- ❖ \$250,000 for ORD marketing and creating industry marketing materials

Addressing Infrastructure Gaps

- ❖ \$30 million for traditional LEDA projects
- ❖ \$50 million for LEDA community-owned business and industrial park infrastructure projects
 - ❖ This would create shovel-ready sites to compete with other states
- ❖ \$10 million for ORD Outdoor Equity Fund and Outdoor Recreation Trails
- ❖ \$1.5 million to create new bioscience incubator

Building the Workforce

- ❖ \$50 million for a film academy
- ❖ \$5 million - \$7 million for JTIP (total of \$12 million but need to build base budget)



Alicia J. Keyes
Cabinet Secretary
Alicia.Keyes@state.nm.us
505.827.0305



Jon Clark
Deputy Cabinet Secretary
Jon.Clark@state.nm.us
505.476.3747



Mark Roper
Economic Development
Division Director
Mark.Roper@state.nm.us
505.827.0323



Axie Navas
Outdoor Recreation Division Director
Alexandra.Navas@state.nm.us
505.660.5992



Amber Dodson
Film Office Director
Amber@nmfilm.com
505.476.5656