

**MINUTES  
of the  
FIRST MEETING  
of the  
JOBS COUNCIL**

**May 27, 2016  
Room 307, State Capitol  
Santa Fe**

The first meeting of the Jobs Council (council) was called to order by Representative Don L. Tripp, co-chair, on May 27, 2016 at 10:03 a.m. in Room 307 of the State Capitol.

**Present**

Sen. Mary Kay Papen, Co-Chair  
Rep. Don L. Tripp, Co-Chair  
Vicente Alvarado  
Dale Armstrong  
Jason Espinoza  
William F. Fulginiti  
Rep. Roberto "Bobby" J. Gonzales  
Justin Greene  
Steven Kopelman  
Rep. Tim D. Lewis  
Rep. Sarah Maestas Barnes  
Sherman McCorkle  
Sen. Michael Padilla  
Alex O. Romero  
Sen. John C. Ryan

**Absent**

Scott Bannister  
Terry Brunner  
Terri L. Cole  
Sen. Stuart Ingle  
Rep. W. Ken Martinez  
Sen. George K. Munoz  
Sen. Michael S. Sanchez  
Sen. Mimi Stewart  
Eric Witt  
Sen. Pat Woods

**Advisory Members**

Rep. Alonzo Baldonado  
Sen. Carlos R. Cisneros  
Rep. Kelly K. Fajardo  
Rep. Stephanie Garcia Richard  
Rep. Conrad James  
Rep. Larry A. Larrañaga  
Rep. Bill McCamley  
Sen. Howie C. Morales  
Rep. Patricia Roybal Caballero  
Sen. William P. Soules

Rep. David E. Adkins  
Rep. Cathrynn N. Brown  
Sen. William F. Burt  
Rep. Bealquin Bill Gomez  
Rep. Yvette Herrell  
Sen. Steven P. Neville  
Rep. Debbie A. Rodella  
Rep. Monica Youngblood

**Guest Members**

Elizabeth Davis, Research and Marketing Director, Economic Development Department (EDD)  
Barbara Damron, Secretary, Higher Education Department (HED)  
Rebecca Latham, Secretary, Tourism Department

**Staff**

Tessa Ryan, Staff Attorney, Legislative Council Service (LCS)  
Monica Ewing, Staff Attorney, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other written testimony are in the meeting file.

**Friday, May 27**

Representative Tripp welcomed council members and attendees. He said that the three-year-old council is unique because its membership includes representatives from executive agencies and the community and its policy recommendations and legislative endorsements are made only with the unanimous support of its members. As a result, legislation endorsed by the council in previous years has had bipartisan support. He explained that during the 2016 interim, the council will focus on several topics aimed at job creation, including a middle school physics program and initiatives to support solo workers.

**Council's Process and Findings**

Mark Lautman, lead program consultant to the council, said that, when the council began, the contract team was asked to develop a process for prioritizing economic development initiatives and legislation. As part of that process, the council estimated the number of new economic-base jobs that should be created over 10 years to ensure the state's economic health and to return the state to pre-recession employment levels. The council also considered which areas of the state could support creation of those jobs and the employment sectors in which the jobs could be created. Those sectors include: business expansion and recruitment; federal government; energy and extractives; visitor-driven industry; retirees; solo workers; film industry; startup businesses and entrepreneurs; and agriculture. In addition, the council discussed the factors that would need to be addressed in each area of the state to improve the job-creation climate.

Mr. Lautman said that in previous years, council meetings and meetings of local economic development representatives were held throughout the state to work toward the council's goals. Data from across the state were collected, and an online database was developed to show local- and state-level data relevant to job creation and the council's work. He explained that local-level population and employment data are important to understanding the unique

economic development and job-creation situation in the diverse areas of the state. Using these data, the council determined that the state could create approximately 160,000 economic-base jobs over the next 10 years and that approximately 140,000 economic-base jobs would need to be created to return the state to pre-recession employment levels.

Mr. Lautman noted the importance of local-level economic development planning to job-creation efforts. He said that identification of "factor of production gaps" — i.e., impediments to job creation — is most effectively undertaken in local communities.

Mr. Lautman noted that some of the council's endorsed initiatives became law, while other initiatives await funding by the legislature. He added that in the months between the 2015 and 2016 interims, the council's contract team, including him, Charles Lehman, another consultant to the council and others, has continued work related to supporting the state's solo workers and the middle school physics program. The physics program has been implemented in 45 schools in Colorado and one school in Gallup. Sixteen other New Mexico schools will implement the program in the next school year. The one-time set-up fee for a school is \$50,000. Some schools have paid that fee through school or community budgets, dedicated tax revenue and, in some cases, using a payment plan. A member noted that there are restrictions on the uses of federal education funding that might prohibit a school from using federal funding for the physics program.

Mr. Lautman reported that a pilot program to support solo-worker job creation is under way in Grants. He added that solo-worker programs can involve either workers who are on an employer's payroll but working remotely or entrepreneurs working alone. Some solo workers face the challenge of being isolated from other workers. A solo-worker support program might address that concern in an effort to reduce worker attrition.

The Grants program will involve an employer whose payroll would, within five years, include between one-third and one-half solo-worker employees. Currently, students at the Grants branch of New Mexico State University can participate in a 144-hour training program, which includes job placement with one of 65 participating employers upon graduation. The program also offers mentors and job coaches for participants and will result in the creation of approximately 120 economic-base jobs in the next five years. Pilot programs like the one in Grants could partner with other programs to identify potential participants among hard-to-employ and chronically poor populations.

A member expressed support for the solo-work pilot program but noted that the success of a given program could depend on whether the program's region has adequate access to broadband. Legislation was introduced in 2016 to address the inadequate broadband infrastructure in many parts of the state. The member said that a public-private partnership model could be used to build the necessary infrastructure for regions lacking broadband access, and the member suggested that the council consider supporting such legislation.

Another member expressed interest in the council's online database and jobs data repository but noted that the data currently show that no jobs have been created in the state. The member asked whether that information would be updated. Mr. Lautman said that in light of recent significant shifts in the state's economy, the information in the database would be reviewed and re-calibrated in July, August and September of this year.

Finally, Mr. Lehman reviewed the council-developed criteria for prioritizing legislation. He reiterated that legislation supported by the council should: be essential to economic-base job creation; create jobs within 10 years; have the unanimous support of the council; and have the support of the legislature, of the executive branch and of constituents.

### **Previously Approved Jobs Council Initiatives**

Ms. Ryan reviewed a summary of legislation endorsed, and initiatives approved, by the council in 2015. She provided information on the status, following the 2016 legislative session, of the bills the council endorsed and the bills that embodied council-approved initiatives. Ms. Ryan also noted that several initiatives were approved by the council in 2015 but were not pursued through legislation in that session.

Remarking that all of the recent recipients of the state's Job Training Incentive Program funds were located in Albuquerque, Los Alamos or Santa Fe, a member asked whether any efforts are being made to award funding outside those few geographic areas. Ms. Ryan replied that the EDD administers that program and that the program received appropriations during the 2016 legislative session, but she did not have information about how the funds are allocated.

Ms. Davis commented that it was difficult for the department to provide rural-area job-creation assistance through any of its programs during the past year. She added that the department markets the Job Training Incentive Program through its statewide regional representatives and that it has considered simplifying the application process. She noted that many cities' economic development organizations are focusing their efforts on pursuits other than the Job Training Incentive Program.

### **Proposed Work Plan and Meeting Schedule**

Ms. Ryan reviewed the 2016 proposed work plan and meeting schedule. She noted that the work plan was developed in cooperation with Mr. Lautman, Mr. Lehman and the council's co-chairs.

Ms. Ryan noted that four new public representatives were added to the council's membership: Scott Bannister, director of Amistad Family Services; William F. Fulginiti, executive director of the New Mexico Municipal League; Justin Greene of New Urban Design & Development; and Steven Kopelman, executive director of the New Mexico Association of Counties.

Ms. Ryan outlined details of the 2016 proposed work plan and meeting schedule. The council proposes to: 1) continue its job-creation assessment process and its efforts to identify ways to promote the creation of economic-base jobs; 2) with stakeholders' participation, create regional 10-year economic development plans; 3) receive testimony on several topics, including regional data collection; an accountability planning program related to economic development investments; a retirement-oriented job-creation program; workforce needs assessment for health care and technical sectors; job-creation prospects in certain sectors; initiatives supported by the council; and other employment-related topics; and 4) evaluate legislative measures for possible endorsement. The council further proposes the creation of a subcommittee for a one-day meeting focused on job creation in the New Mexico-Mexico border region.

Ms. Ryan reviewed the council's proposed meeting schedule, which includes six meeting days.

Representative Tripp emphasized that the council would continue to use a meeting format that uses small discussion groups, which are interactive and productive.

Mr. Lautman added that at its July meeting, the council would review existing job-creation data estimates and make any necessary revisions. The majority of the remaining council meetings would be devoted to discussion of job creation in the various employment sectors. Those discussions would focus on necessary actions to ensure that adequate numbers of jobs are created in each sector and in the various districts throughout the state. The council would also consider workforce supply and demand and health care sector needs.

A member turned the committee's attention to a recent *Albuquerque Journal* special insert that, among other listings, identified the top New Mexico employers for 2016. He suggested that the council receive presentations from some of those employers to learn what makes them successful and how they address employee retention.

Another member suggested that the council focus on workforce education and preparation. The member noted that an organization called Accelerate collaborates with some of the state's higher education institutions to assist students with developing employment "soft" skills. The member asked that the organization be included in the council's workforce deliberations. Mr. Lautman agreed that participation from community stakeholders is essential to the council's work, and Mr. Lehman said that representatives from the organization would be invited to the workforce-related council meeting.

Secretary Damron commented that workforce preparation is the goal of the state's higher education institutions and that those institutions should anticipate workforce needs to ensure that trained students enter the workforce suited to meet employers' needs. To that end, the HED strives to provide quick and effective workforce training for students. She added that the state's higher education remedial system needs improvement and that other remediation models,

including those used in Georgia and Tennessee, are being considered to help better prepare students for post-secondary learning.

Referring to a Legislative Finance Committee report that concluded that 65% of newly created jobs are in the high-tech industry, a member suggested that the council consider the job-creation potential in those industries. The member added that the legislature has made investments in social programs but has not made sufficient investments in the state's infrastructure or its human resources.

In response, Mr. Lautman said that, historically, economic developers could look to the world's economy for clues helpful in building an economic development plan. Now, however, economies have become more locally focused, and workforce migration into a given area is no longer assured. He added that Georgia recently merged its workforce development and economic development executive agencies in recognition that the two efforts should be coordinated.

A member, citing a report of New Mexico's high rate of employment-related litigation, suggested that the council explore the topic and possible measures to reduce the rate.

Secretary Latham remarked that 85% of students who graduate from New Mexico State University with a degree in hospitality start their careers in other states. She noted that a significant percentage of New Mexicans do not pursue higher education, and she remarked that that fact should be considered in economic development and workforce training planning and programs. Additionally, the state should work to promote careers in hospitality, which is one of the few industries in which an entry-level employee without a college degree can eventually earn a six-figure income.

Several members discussed the future management of Sandia National Laboratories and whether the selected manager would be encouraged to award contracts to New Mexico companies. A member conjectured that a manager could be named by September 2016.

Following the council's discussion, the proposed work plan and meeting schedule were approved without objection.

Mr. Lautman and members of the council agreed that stakeholders should be identified and invited to relevant council meetings. Mr. Lautman noted that he and other members of the contract team could provide an overview of the council's previous work and process to any interested new members.

### **Adjournment**

There being no further business before the council, the first meeting of the Jobs Council adjourned at 12:32 p.m.