

New Mexico Legislative Interim Jobs Council

July 23rd, 2014 – 10:00am

Interim Jobs Council



July 23 - Albuquerque

Agenda Item #2

Working Lunch - Review and Selection of Previously Proposed Job-Creation Initiatives

- 11:15 A.M. - NM Partnership – *Noreen Scott (NM Partnership Board Member) and Steve Vierck (President and CEO of NM Partnership)*
- 11:40 A.M. - LEDA – *Steve Maestas (Managing Partner at Maestas and Ward)*
- 12:05 P.M. - Lunch Distribution
- 12:15 P.M. – Co-op Marketing (*TBD*)
- 12:35 P.M. - Staff Augmentation – *Steve Howe (Consultant at Steven Howe Consulting)*
- 1:00 P.M. - JTIP – *Eric Montgomery (Business Development Manager at Mesilla Valley EDC)*
- 1:20 P.M. - Solo Work – *Steve Howe and Mark Lautman*
- 1:45 P.M. - Forest Restoration – *Brent Racher (Racher Resource Management, LLC) and Benny Shendo (New Mexico State Senator)*
- 2:10 P.M. – Physics Early Education – *Mark Lautman*
- 2:35 P.M. - Broadband – *Charles Lehman (Director of Employment and Economic Information Center of NM, LLC) and Duncan Sill (Economic and Strategic Development Director at the North Central New Mexico Council of Governments)*
- 3:00 P.M. - Workforce Gap Model – *Charles Lehman*



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Evaluative Criteria Score Sheet

	Very High	High	Medium	Low	None
Initiative : _____					
Importance					
1. Moves the Needle					
2. Special Impact					
3. Strategic Intangibles					
4. Immediacy					
Manageability					
1. Accountability Metrics					
2. Return on Investment					
3. Leveraged Cooperation					

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Name of Initiative (Synonym)

Appropriation Request: \$ _____

1. What does this bill/appropriation do?
 - *i.e. Plus-up an existing program, innovate a new program, or remove an existing Factor of Production Gap - Is it part of a phased increase?*
2. How is it implemented or administrated?
 - *Who gets the money?*
 - *How is it invested?*
3. What specific economic sectors or regions of the state benefit?
 - *Tourism, Manufacturing, etc – Rural or Urban?*
4. Why is it essential?
 - *How many of the jobs needed won't materialize without it?*
5. How is it measured?
 - *Performance metrics - Number of jobs created, transactions, leads generated, new qualified workers prepared*
 - *Operational metrics – Contacts made, leads worked, prospects worked, column inches of press*
6. Who are the supporters?
 - *Legislative (House & Senate), Executive, Outside Constituent Groups*



Job Training Incentive Program (JTIP)

Appropriation Request: \$12.0 Million

1. What does this bill/appropriation do?

- Enhances current on-the-job training program for newly hired New Mexico residents

2. How is it implemented or administrated?

- NMEDD
- Qualified companies apply through the JTIP Board. Upon approval during a public process, the companies have a specific timeline in which to complete hiring and training. All companies are then subject to an audit performed through the NMEDD prior to reimbursement to ensure training plans were followed and successfully completed.
- A final audit, conducted by an external CPA or accounting firm is also required (each company has two layers of auditing).
- Non-reverting language must be included to ensure that funds are available for performance contracts which cross fiscal years.

3. What specific economic sectors or regions of the state benefit?

- Manufacturing, non-retail service to customers (with 50% of revenue from outside NM), aviation MROs, distributors, headquarter operations.
- Rural locations receive 15% higher reimbursements than urban locations to incentivize growth and development within these areas of NM



Job Training Incentive Program (JTIP)

Appropriation Request: \$12.0 Million

4. Why is it essential?

- During FY14, 46 companies created 1,348 new jobs (37% increase from FY13) with an average wage of \$17.32 per hour with this program.
- Statewide, the average entry wage for positions is \$9.22 per hour (New Mexico Department of Workforce Solutions Economic Research and Analysis Bureau Occupational Employment Statistics). JTIP hourly wages have averaged between \$17.32 and \$24.14 between FY08 and FY14.

5. How is it measured?

- Performance metrics – 1,000 workers trained

6. Who are the supporters?

- Historically, this has been a “speaker of the house” bill, making it permanent w/in the agency. It should fall under the general appropriations bill under NMEDD and is critical for the language to state the funds will be non-reverting.



Co-op Advertising (Co-op Marketing)

Appropriation Request: \$2 Million

1. What does this bill/appropriation do?

- Funds the New Mexico economic development department to match regional and local efforts to generate qualified economic base leads for a specific target.

2. How is it implemented or administrated? Who gets the Money? Potential Partners?

- The program is administered by the New Mexico Economic Development Department through Certified Cities Program and is used to match local marketing and lead generation investments with the appropriate metrics.

3. What specific economic sectors or regions of the state benefit?

- Any community or region with a viable strategy and procuring agent for generating economic base jobs.

4. Why is it essential?

- The state cannot hope to scale its rate of economic base job creation if it cannot scale the number of qualified leads generated each year.

5. How is it measured?

- **Performance metrics** – Number of qualified leads procured. Cost per lead generated.

6. Who are the supporters?

- Legislative (House & Senate), Executive, Outside Constituent Groups



Staff Augmentation

Appropriation Request: \$4.5 Million

1. What does this bill do?

- HB 273 was signed into law after the 2014 Legislative Session as the Economic Development Grant Act, but was unfunded.
- The purpose, per the Act, “*is to provide matching state grants to local and regional economic development agencies to expand the economic development and job-creation capacities of those agencies through employment of economic development professionals.*”
- The request before you is not to pass new legislation, but to ensure funding for the Act.
- **RECOMMENDATION:** provide funding of **\$1.5 million in matching funds** which will employ approximately 30 new economic development professionals in NM. Grants would be available for 3 years, upon which any future match funding would be positioned as a bonus for those communities meeting stated economic base job creation goals.

2. How is it implemented or administered?

- The Act provides the funding to the Economic Development Department and to be administered through the Economic Development Commission.

3. What specific sectors or regions benefit?

- This bill will benefit all target industry sectors and will have a particularly positive impact in the rural economic development effort. It is smaller organizations that struggle to employ professional economic developers.
- The overall benefit will be felt statewide, as a strengthened effort throughout the state is needed to meet the IJC’s job creation goals.



Staff Augmentation

Appropriation Request: \$1.5 Million

4. Why is it essential?

- Funding of this program is essential to meeting the IJC's goal of 16,000 economic base jobs annually. To create these jobs, it will require professional recruitment and sales effort from all communities and regions, not just the healthiest metro areas, and not just from the Economic Development Department and the Partnership.
- Those unable to support the full burden of funding staff are the ones who need this assistance the most. It will enable them to become players in and contributors to the state's economic development effort, not only now, but over the next 10 years.

5. How is it measured?

- The passed bill outlines the metrics and measurements.
- Reports are to be provided to the commission outlining:
 - Info on and credentials of the hired employee
 - New jobs created through the efforts
 - Case load of the hired professional
 - The number managed
 - The number completed
 - Leads generated by the professional
 - Projects derived from professional's marketing effort
- Not in the bill are any stated goals behind this reporting.

RECOMMENDATION:

- Funded economic development professionals close at least 1 deal per year and create 130 verifiable jobs from their efforts.
- If 30 new ED professionals were funded and these metrics met, this would create nearly 4,000 economic base jobs annually, or **25% of the IJC goal**.

6. Who are the sponsors?

- TBD



Solo Work Program

Appropriation Request: \$500,000

1. What does this bill/appropriation do?

- Funds the New Mexico economic development department to the Higher Education Department to establish a new economic base job creation program focused on solo and independent workers. The matching fund would be used to staff and fund a minimum of two local pilot programs; one rural and one urban or suburban. Funding could also be used to match local program funding for rewarding jobs created by pilot programs.

2. How is it implemented or administrated? Who gets the Money? Potential Partners?

- **Option 1:** The new Mexico Economic Development Department through CCI through Main Street or local incubators, accelerators and co-working programs.
- **Option:2** .The Higher Education Department through the state's SBDC network and community colleges.
- **Option 3;** The Department of Workforce Solutions by developing a program to convert the unemployed in their system to become solo and independent workers
- **Option 4;** A joint program effort with economic development, higher ed, workforce solutions and tourism.

3. What specific economic sectors or regions of the state benefit?

- **Rural and Urban:** Solo and independent work may be the only major sector available to many of New Mexico's rural communities to create economic base jobs. It may already be the fastest growing sector of the state's economic base right now. Program creates economic base jobs among independent or home-based workers; consultants, writers, artists, digital animators, financial advisors, accounting, design services, IT services, etc.



Solo Work Program

Appropriation Request: \$500,000

4. Why is it essential?

- Currently there are no formal economic development programs missioned, staffed and funded to create economic base jobs in this sector. **How many of the jobs needed won't materialize without it?** As many as 8000 economic base jobs could be procured with a formal job creation program focused on the Solo and independent sector. The proposed solo work program accounts for as much as 10% of the total economic base jobs that need to be procured in a region to get to full employment.

5. How is it measured?

- **Performance metrics** - Number of full time economic base jobs created; minimum of 65% of income generated from out of state.
- **Operational metrics** – Program organization formed, local community of solo workers established, FTE hired, value proposition developed

6. Who are the supporters?

- Legislative (House & Senate), Executive, Outside Constituent Groups



Forest Restoration Economic Development Assistance

Appropriation Request: \$250,000

1. **New assistance to create jobs and establish economic hubs of forest thinning and wood product manufacturing in areas of New Mexico with high wildfire risk.**
 - Supported by a multi-sector, multi-agency Wildfire & Water Source Protection initiative to leverage federal and local investments in proactive forest restoration.
2. **Local/regional economic development assistance funding to establish and grow forest restoration and wood utilization businesses.**
 - Match administered by NM EDD offered to local/regional ED efforts
 - Invested in ED personnel to catalyze efforts, build capacity, and ensure accountability for job outcomes
3. **What specific economic sectors or regions of the state benefit?**
 - Forestry, Manufacturing and Tourism sectors with benefits to rural, forested areas
4. **Why is it essential?**
 - Opportunity for a triple win – wildfire risk reduced, water sources secured, and revival of a once-vibrant industry in rural communities
5. **How is it measured?**
 - Performance metrics - Number of jobs created, transactions, leads generated, new qualified workers prepared
 - Operational metrics – Contacts made, leads worked, prospects worked, column inches of press
6. **Who are the supporters?**
 - Coalition of more than 40 diverse constituent groups



Middle School Physics Pilot (Physics Early Education)

Appropriation Request: \$250,000

1. What does this bill/appropriation do?

- The bill appropriates \$250,000 to fund a pilot for a middle school physics program developed by See the Change USA a 501 (c) (3) to conduct a three year pilot program in 5 of the poorest performing middle schools around the state. The program requires a one time \$50,000 fee for the curriculum modules and the teacher training.

2. How is it implemented or administrated? Who gets the money?

- The New Mexico Department of Education awards \$50,000 one time grants each to five of the poorest performing middle schools in different regions of the state.

3. What specific economic sectors or regions of the state benefit?

- Rural communities with the poorest performing middle schools and greatest risk of running out of local technical talent.

4. Why is it essential?

- Many communities in NM will not be able to sustain their local economic bases unless they can start producing their own local talent. If this program works it could flood the region's economy with new locally educated workers with the cognitive skills to do technical work.

5. How is it measured?

- Performance metric - Improvement in % of students performing at or above grade level.

6. Who are the supporters?

- Legislative (House & Senate), Executive, Outside Constituent Groups



Broadband Infrastructure Needs And Solutions

Regional Assessment, Design and Engineering

Appropriation Request: \$ 300,000

Why is it essential?

- NM is at a competitive disadvantage
- Over half rural and one third urban businesses inadequate now
- Expected to worsen

What specific economic sectors or regions of the state benefit?

- Both Rural and Urban
- Supports All Sectors
 - Especially Solo, Digital Media, Tech, Health, Education

How is it implemented or administrated?

- *Who gets the money?* - DOIT Broadband Program
- *How is it invested?* - Contracts with Technical Experts and Regional Organizations



Broadband Infrastructure Needs And Solutions

Regional Assessment, Design and Engineering

Appropriation Request: \$ 300,000

What does this bill/appropriation do?

- Comprehensive Study And Report
 - Statewide Mapping of Assets
 - Capabilities & Gaps
 - Design & Engineering
 - Existing Pilots
 - Leverage & Partnerships
 - Solutions
 - Priorities
 - Funding Sources
 - Action Plan

How is it measured?

Final Report

- **Needs** – Regional Infrastructure Related to Economic Base Sectors
- **Solutions** - Priorities Investments, Leverage and Implementation
- **Achievable Plan** – Timelines and Measurements

Who are the supporters?

- DOIT
- NMEDD
- Councils of Government
- Local Workforce Boards
- Association of Commerce and Industry



Workforce Gap Analysis (Model)

Appropriation Request: \$125,000

1. What does this bill/appropriation do?

- Identify Current and Future Worker Needs
 - Current
 - Job Openings and Hard to Find - numbers and skills
 - Employer Surveys and Focus Groups
 - WorkKeys and O*Net
 - Forecasts
 - NMDWS, Georgetown U., NCHEMS, Econ Dev.
 - In-State Graduates-numbers and skills

2. How is it implemented or administrated?

- Through an RFP from the NM Higher Education Department



Workforce Gap Analysis (Model)

Appropriation Request: \$125,000

3. What specific economic sectors or regions of the state benefit?

- Workforce Available for Economic Base Sector Growth
 - Critical Factor of Production
 - All sectors - especially health, IT , extractives, digital media, emerging tech

4. Why is it essential?

- Some economic base sectors will not have the critical workers and skills needed

5. How is it measured?

- Changes in number and skills of graduates in shortage occupations

6. Who are the supporters?

- NMHED
- NMDWS
- Local Workforce Boards
- Association of Commerce and Industry

