

# FAST TRACK ECONOMIC DEVELOPMENT STRATEGIC PLANNING

NEW MEXICO  
LEGISLATURE  
INTERIM JOBS COUNCIL

**Session 7**  
**Review of Final Report  
and Legislative Actions**  
**December 2, 2013**  
**Santa Fe, NM**

# Session 7 Agenda

- |  |               |
|--|---------------|
| 1. Approval of Session 7 Agenda and Minutes from Session 6 | 8:30 – 8:45   |
| 2. Review of Process and Sessions 1 - 6                    | 9:45 - 10:15  |
| 3. Overview of Council Findings                            | 11:15 - 11:00 |
| 4. Recommendations for Legislative Action                  | 11:00 - 12:00 |
| 5. Criteria and Conclusions Summary                        | 12:00 - 12:30 |
| 6. Public Comment  | 12:30 - 1:00  |

# The Council

## **Council Members**

Rep. W. Ken Martinez, Co-Chair  
Sen. Mary Kay Papen, Co-Chair  
Rep. Donald E. Bratton  
Rep. Rick Miera  
Rep. Debbie A. Rodella  
Sen. Phil A. Griego  
Sen. Stuart Ingle  
Sen. Michael S. Sanchez

Ray M. Baca  
Terry Brunner  
Beverlee McClure

## **Advisory Members**

Rep. Mary Helen Garcia  
Rep. Stephanie Garcia Richard  
Sen. Michael Padilla  
Rep. James P. White  
Sen. William F. Burt  
Sen. George K. Munoz  
Sen. John C. Ryan  
Rep. Thomas C. Taylor

## **Guest Legislators**

Rep. Larry A. Larranaga  
Rep. Dennis J. Roch  
Rep. Roberto "Bobby" Gonzales  
Rep. Luciano "Lucky" Varela  
Sen. Timothy Keller

## **LCS Staff**

Raul Burciaga, Director  
Tessa Ryan, Staff Attorney  
Monica Ewing, Staff Attorney

## **Contractor Team**

Mark Lautman  
Tim Karpoff  
Sal Perdomo

# 2013 Jobs Council Goals

What will it take to get New Mexico's economy back to 2007 employment levels by 2023?

1. A Framework and Process

A description of the council's make up, mission, goals, process and limitations.

2. A Statewide Job Creation Assessment

Jobs needed, economic sector best bets, geographic distribution and factors of production gaps.

3. Potential Legislative Actions

A list of program and policy Initiatives the legislature could take to create economic base jobs

# The Process

## Coherence:

Agree on the theoretical construct, nomenclature and process

## Economic Predicament:

Agree on the number of new, economic-base jobs that must be created

## Economic Sector Selection:

Agree on a ranked list of the sectors with the highest potential for generating the economic-base jobs

## Geographic Distribution and Resource Gaps:

Agree on areas of the state in which the new, economic-base jobs are most likely to be created

## Policy and Program Implications:

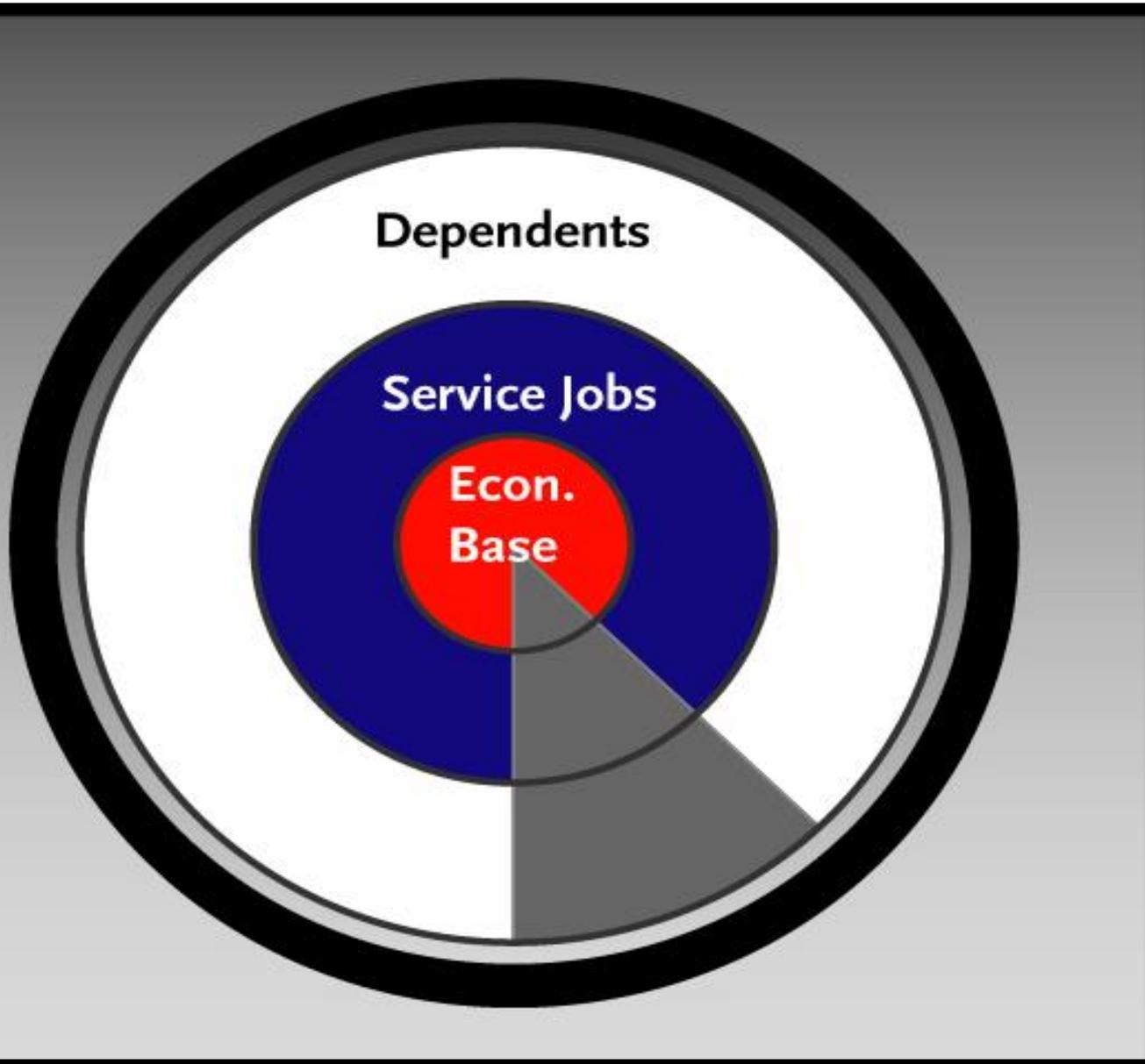
Agree on job creation program and policy initiatives needed to deliver the job numbers

# Logic Model

# Process And Scope Decisions – Session 1

1. Purpose: *A framework for developing economic development priorities*
2. Define economic development: *Economy grows faster than population ( $E > P$ )*
3. Primary Planning Metric: *Measurable Economic base jobs*
4. Predicament driven: *Work from “the number” of new jobs for recovery*
5. The rationale for planning: *Planning for the unpredictable – not a plan*
6. Planning Horizon: *10 years with priority for what moves the needle in 3-5*
7. Clinical Intuitive: *Local player’s WAGs checked by statistical analytics*
8. Geographic Focus: *Statewide and Regional Planning Districts*
9. Comprehensive: *Include outlier economic base sectors*
10. Inclusive: *NMEDD, Councils of Governments, Counties, State Workforce Boards*

# Economic Base



$$E > P$$

# Predicament Matrix

	2013	2023	Calculus Used (2013)	Calculus Used (2023)	Decade Deltas ( $\Delta$ )	Descriptions
Population Growth	2,091,000	2,300,100		10%	209,100	Change in New Population
Workforce Participation	993,225	1,092,548	48%	48%	99,323	Change in Jobs for Population Growth
Unemployment Rate	89,390	43,702	9%	4%	45,688	Jobs to reach Goal Unemployment Rate
Employment Rate	903,835	1,048,846	91%	96%	145,011	Total Jobs Needed at Goal Employment Rate
E-base Jobs Rate	316,342	367,096	35%	35%	50,754	E-base needed for full employment
E-base Attrition Rate		110,129		30%	110,129	To replace E-base jobs lost
Total E-base Needs					160,883	Total E-base jobs needed
Annual E-base					16088	Average needed per Year
Program Reliant						How many are procured by programs vs. automatically?

# How many economic base jobs are needed to reach 2007 employment levels by 2023?

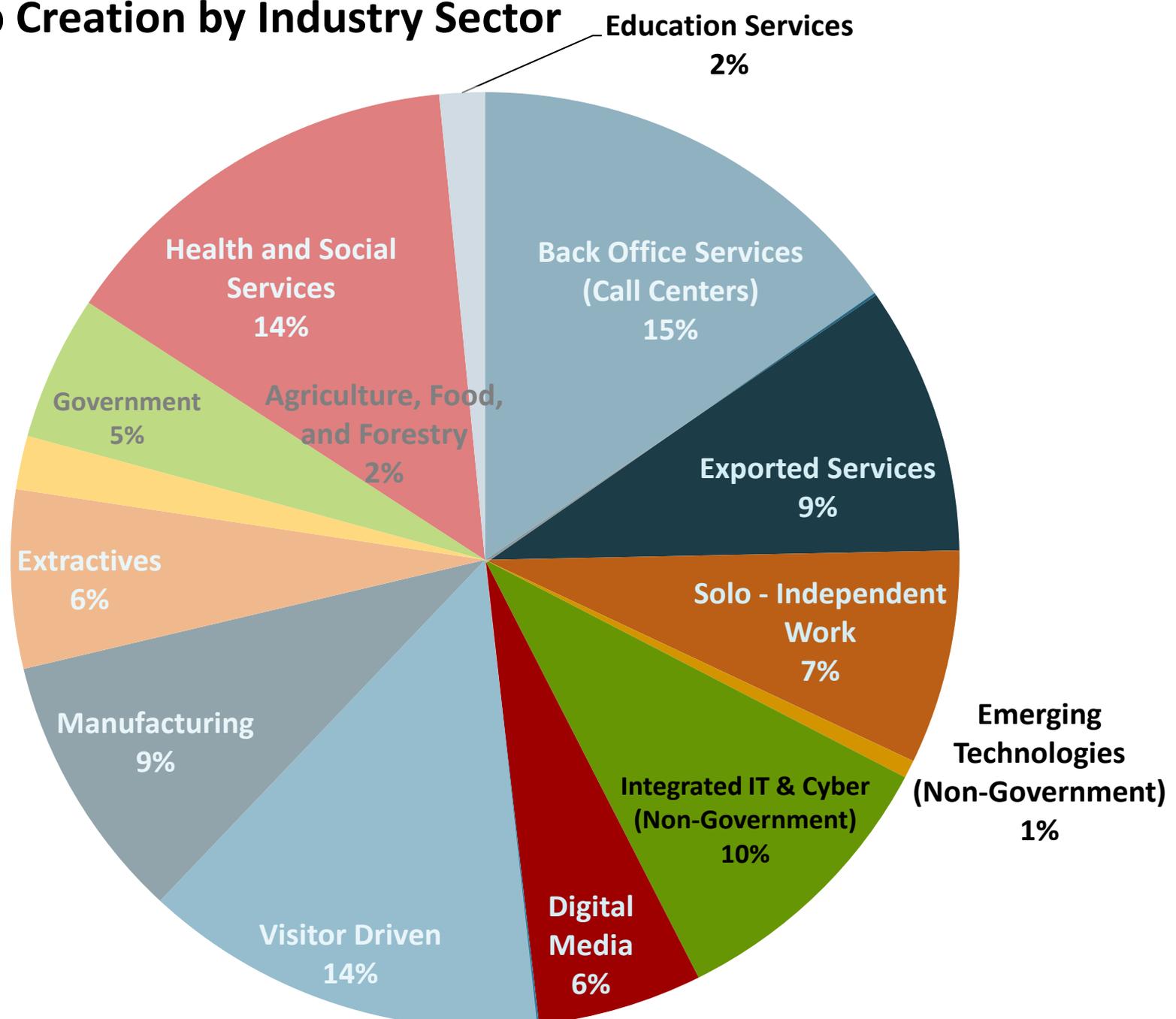
Support new population growth		34,763
Close the current unemployment gap		15,991
<u>Replace economic base jobs yet to be lost</u>		<u>110,129</u>
<b>Total Economic base jobs needed</b>	<b>=</b>	<b>160,883</b>
	<b>Annual gross</b>	<b>= 16,088</b>

## **State-wide Economic Base Jobs per Economic Sector**

*Legislative Jobs Council Session 3 | Taos, NM | Aug. 8th 2013 10am*

<b>List of General Industry Sectors:</b>	<b>Jobs</b>	<b>Transactions</b>
<b>Back Office Services (Call Centers)</b>	25,000	70
<b>Exported Services</b>	15,000	1,500
<b>Solo - Independent Work</b>	12,000	12,000
<b>Integrated IT &amp; Cyber (Non-Government)</b>	16,000	1600
<b>Digital Media</b>	9,100	160
<b>Visitor Driven</b>	22,400	228
<b>Emerging Technologies (Non-Government)</b>	1,000	200
<b>Manufacturing</b>	15,000	506
<b>Extractives</b>	10,000	250 7
<b>Agriculture, Food, and Forestry</b>	3,000	186
<b>Government</b>	8,100	?
<b>Health and Social Services</b>	23,000	15,000
<b>Education Services</b>	2,500	25
<b>Total</b>	<b>162,100</b>	<b>31,732</b>

# 10-Year Job Creation by Industry Sector

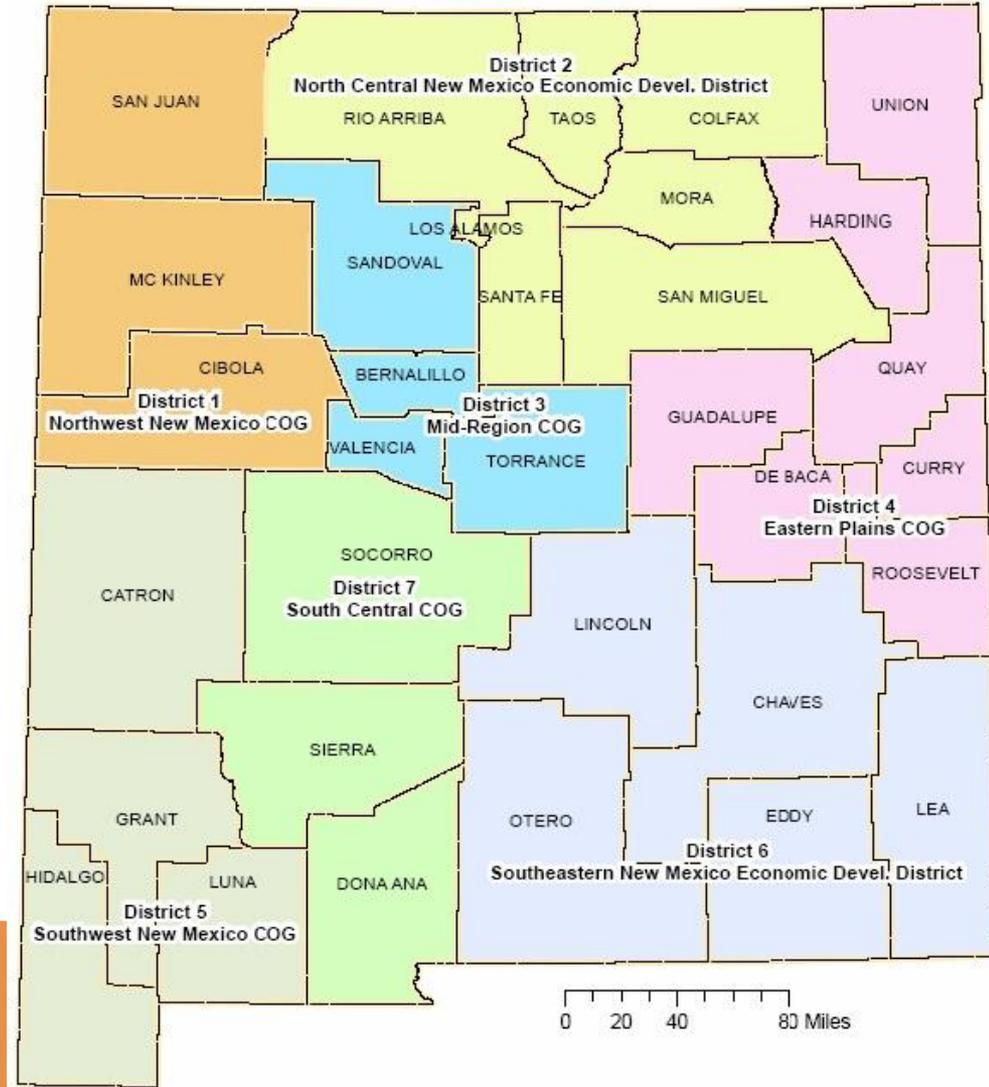
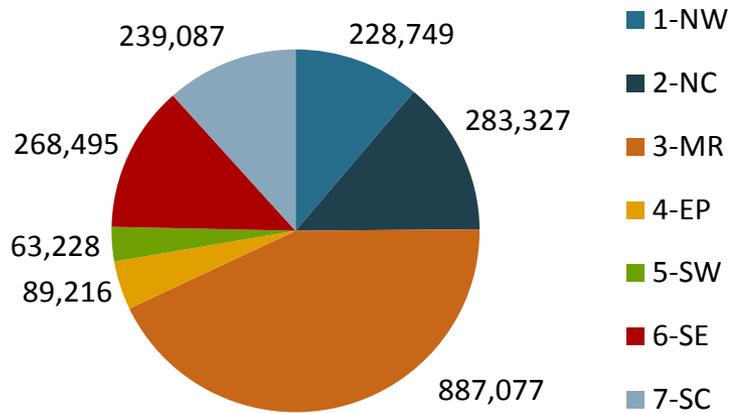


# 10 YEAR Economic Base Job Creation Estimates

<b>Economic Sector</b>	<b>Jobs</b>	<b>Transactions</b>	<b>Transactions/yr</b>
<b>Back Office</b>	<b>25,000</b>	<b>70</b>	<b>7</b>
<b>Health &amp; Social Services</b>	<b>23,000</b>	<b>1500</b>	<b>150</b>
<b>Visitor Driven</b>	<b>22,400</b>	<b>228</b>	<b>23</b>
<b>Integrated IT and Cyber</b>	<b>16,600</b>	<b>1600</b>	<b>160</b>
<b>Manufacturing</b>	<b>15,000</b>	<b>506</b>	<b>50</b>
<b>Exported Services</b>	<b>15,000</b>	<b>1500</b>	<b>150</b>
<b>Solo-Independent</b>	<b>12,000</b>	<b>12,000</b>	<b>120</b>
<b>Extractives</b>	<b>10,000</b>	<b>250</b>	<b>25</b>
<b>Digital Media</b>	<b>9,100</b>	<b>160</b>	<b>16</b>
<b>Federal Government</b>	<b>8,100</b>	<b>?</b>	<b>?</b>
<b>Agriculture</b>	<b>3,000</b>	<b>186</b>	<b>19</b>
<b>Education Services</b>	<b>2,500</b>	<b>25</b>	<b>3</b>
<b>Emerging Technology</b>	<b>1,000</b>	<b>200</b>	<b>20</b>
<b>Total</b>	<b>162,000</b>		

# Regional Councils of Government

**Population of Individual COG**



State Planning and Development Districts  
in New Mexico

# Highest Priority Economic Sectors - GOGs

<b>Econ Sector</b>	<b>Priority</b>	<b>Jobs</b>	<b>Transactions</b>	<b>Transactions/yr</b>
<b>Manufacturing</b>	<b>4</b>	<b>15,000</b>	<b>506</b>	<b>50</b>
<b>Health &amp; Social Services</b>	<b>3</b>	<b>23,000</b>	<b>1500</b>	<b>150</b>
<b>Integrated IT and Cyber</b>	<b>3</b>	<b>16,600</b>	<b>1600</b>	<b>160</b>
<b>Extractives</b>	<b>2</b>	<b>10,000</b>	<b>250</b>	<b>25</b>
<b>Solo Independent</b>	<b>2</b>	<b>12,000</b>	<b>12,000</b>	<b>120</b>
<b>Visitor Driven</b>	<b>2</b>	<b>22,400</b>	<b>228</b>	<b>23</b>
<b>Emerging Technology</b>	<b>1</b>	<b>1000</b>	<b>200</b>	<b>20</b>
<b>Federal Government</b>	<b>1</b>	<b>8,100</b>	<b>?</b>	<b>?</b>
<b>Back office</b>	<b>0</b>	<b>25,000</b>	<b>70</b>	<b>7</b>
<b>Education services</b>	<b>0</b>	<b>2,500</b>	<b>25</b>	<b>3</b>
<b>Agriculture</b>	<b>0</b>	<b>3,000</b>	<b>186</b>	<b>19</b>
<b>Digital media</b>	<b>0</b>	<b>9,100</b>	<b>160</b>	<b>16</b>
<b>Exported Services</b>	<b>0</b>	<b>15,000</b>	<b>1500</b>	<b>150</b>

# Worksheet 9

## Legislative Jobs Council - Session 3 and 4 Results

### COG Estimates vs. Statewide Estimates

	<i>Individual COG Estimated Total</i>	<i>Statewide Session Estimate Total</i>	<i>Difference between State and COG Estimates</i>
<b>Back Office Services (Call Centers)</b>	13,790	25,000	-11,210
<b>Exported Services</b>	12,750	15,000	-2,250
<b>Solo - Independent Work</b>	11,240	12,000	-760
<b>Integrated IT &amp; Cyber (Non-Government)</b>	16,100	16,000	100
<b>Digital Media</b>	7,280	9,100	-1,820
<b>Visitor Driven</b>	26,120	22,400	3,720
<b>Emerging Technologies (Non-Government)</b>	2,095	1,000	1,095
<b>Manufacturing</b>	20,995	15,000	5,995
<b>Extractives</b>	17,806	10,000	7,806
<b>Agriculture, Food, and Forestry</b>	5,740	3,000	2,740
<b>Government</b>	10,425	8,100	2,325
<b>Health and Social Services</b>	27,375	23,000	4,375
<b>Education Services</b>	2,560	2,500	60
<b>Total</b>	<b>174,276</b>	<b>162,100</b>	<b>12,176</b>

Interim Jobs Council - September 11th - Roswell, NM			
Factors of Production Review			
COG	Sectors Chosen	Estimated Jobs	FoP Gaps and Barriers
Northwest COG	Integrated IT & Cyber	4,900	Broadband
	Manufacturing	5,500	Broadband, Roads, Qualified Workforce
	Extractives	6,100	Tax and Regulatory, Qualified Workforce, Leadership
North Central COG	Health and Social Services	4,000	Qualified Workforce, Facilities, Leadership
	Exported Services	2,050	Bandwidth and Data Storage, Capital, Qualified Workforce
	Solo-Independent Work	1,750	Tax and Regulatory, Bandwidth and Data Storage, Facilities
Mid-Region COG	Integrated IT & Cyber	8,800	Qualified Workforce, Bandwidth and Data Storage, Sales
	Visitor Driven	13,200	Facilities, Marketing, Qualified Workforce
	Health and Social Services	13,800	Qualified Workforce, Building Inventory, Tax and Regulatory
Eastern Plains COG	Solo-Independent Work	70	Broadband, Qualified Workforce, Housing
	Emerging Technologies	100	Broadband, Qualified Workforce, Sales
	Manufacturing	200	Sales, Qualified Workforce, Water
Southwest COG			
Southeastern COG	Visitor Driven	1,050	Qualified Workforce, Facilities, Leadership
	Manufacturing	545	Transportation, Qualified Workforce, Housing
	Extractives	9,686	Housing, Qualified Workforce, Roads and Drainage
South Central COG	Manufacturing	545	Water, Tax and Regulatory, Land and Building Inventory, Marketing and Sales
	Government	2,000	Qualified Workforce
	Health and Social Services	5,000	Facilities, Qualified Workforce, Tax and Regulatory, Land and Building Inventory, Marketing and Sales

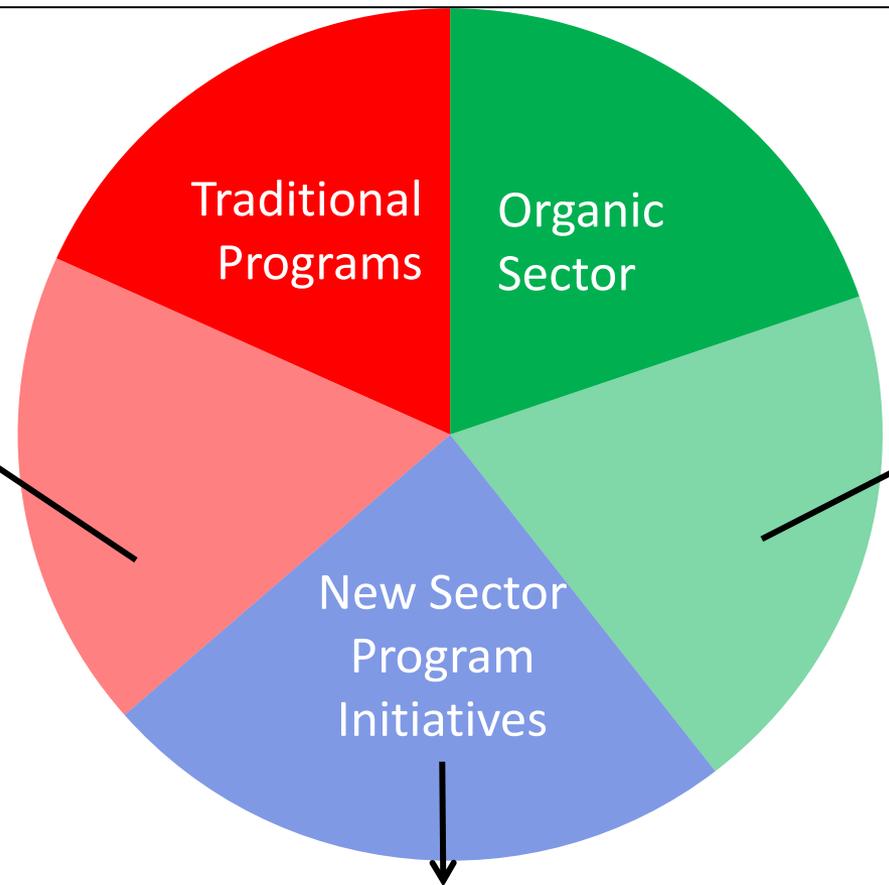
## Worksheet 23 - Factors of Production Gaps - Regionally Aggregated

Economic Base Sectors	Marketing	Infrastructure	Land and Facilities	Capital	Labor	Housing	Competitiveness
Back Office Services	2	3	4		4		2
Exported Services	3	4		2	2		1
Solo - Independent Work	3	4	1	1	3	1	1
Integrated IT & Cyber (Non-Gov't)	1	4		2	4		1
Digital Media	3	6	1	1	2		
Visitor Driven	6	3		1	2	1	1
Emerging Technologies (Non-Gov't)	3	4	2	5	4		
Manufacturing	2	5	6	3	6		4
Extractives	1	4		2	5	1	2
Agriculture, Food, and Forestry	2	4	1	2	3	1	1
Government	3	5	2		5	1	1
Health and Social Services	3	4			5	3	1
Education Services	3	3		2	3		1
<b>Total</b>	<b>35</b>	<b>53</b>	<b>17</b>	<b>21</b>	<b>48</b>	<b>8</b>	<b>16</b>

# Degrees of Program Influence over the 160,000

Overarching  
Planning – Analytics - Accountability

Assessment and  
Planning Process



Traditional (Legacy)  
Capacity Building

General Factors of  
Production

**Primary Sectors**  
Back Office Services  
Digital Media  
Visitor Driven  
Emerging  
Technology  
Manufacturing

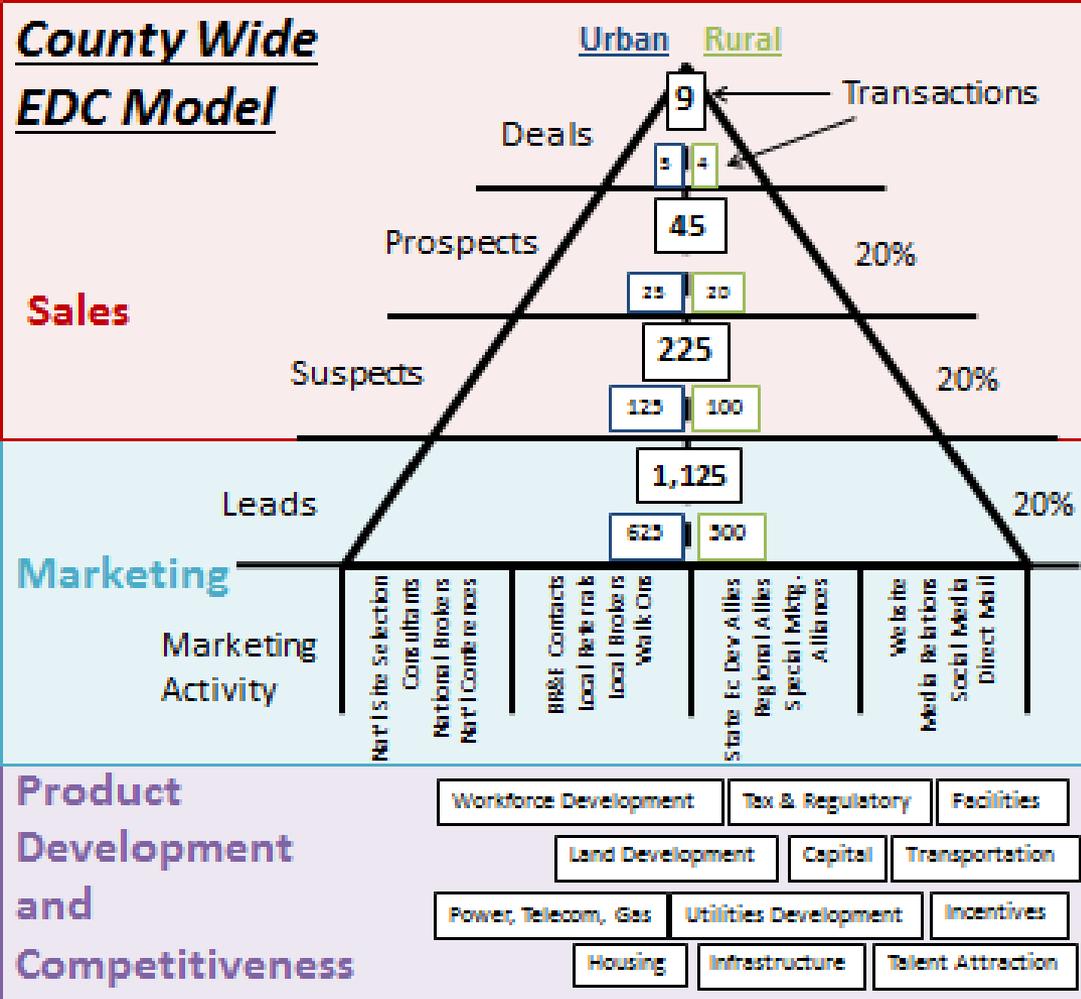
Outlier New Programs

**Impacts All Sectors**

**Primary Sectors**  
Exported Services  
Solo-Independent Work  
Health & Social Services

# Procuring Agent Criteria

1. Economic base job creation as a primary mission
2. Identified specific economic base sector targets
3. Numerical job creation and transaction goals and metrics
4. Substantial financial and professional resources focused on two of the three following activities:
  - Marketing and lead generation
  - Sales, deal structuring and completion
  - Product development - curing critical factors of production gaps - improving competitiveness.



# Estimating Gaps in Regional Marketing and Sales Capacity

1 Professional FTE : 1 Transaction Per year

## Organization Development

Staff	Operational Burdens
CEO Marketing	• 225 cases = ~1 Proposal per day
VP Product Dev.	~1 Site Visit per day
EDP Webmaster	• 1,125 leads = ~4 per day
EDP Administration	• 1 EDP = ~50 Cases per year
EDP Research	
EDP Fundraising	

## Worksheet 24 - State Economic Development FTE Gap

<b>COG Regions</b>	<b>Annual Transaction Target from Traditional Sector</b>	<b>Procuring FTE's Needed</b>	<b>Procuring FTE Existing Capacity</b>	<b>Gap</b>
<b>Northwest</b>	30	10	5	-5
<b>North Central</b>	14	5	4	-1
<b>Mid-Region</b>	75	25	10	-15
<b>Eastern Plains</b>	2	1	3	x
<b>Southwest</b>	3	1	2	x
<b>Southeast</b>	7	2	7	x
<b>South Central</b>	21	7	4	-3
<b>Total</b>	<b>152</b>	<b>51</b>	<b>35</b>	<b>-16</b>

# Major Sectors with no Program Approach or Procuring agent

Health and Social Services	23,000
Exported Services	15,000
Solo-Independent Work	12,000
Extractives	10,000
Agriculture	3,000
<u>Educational Services</u>	<u>2,000</u>
Total	65,000

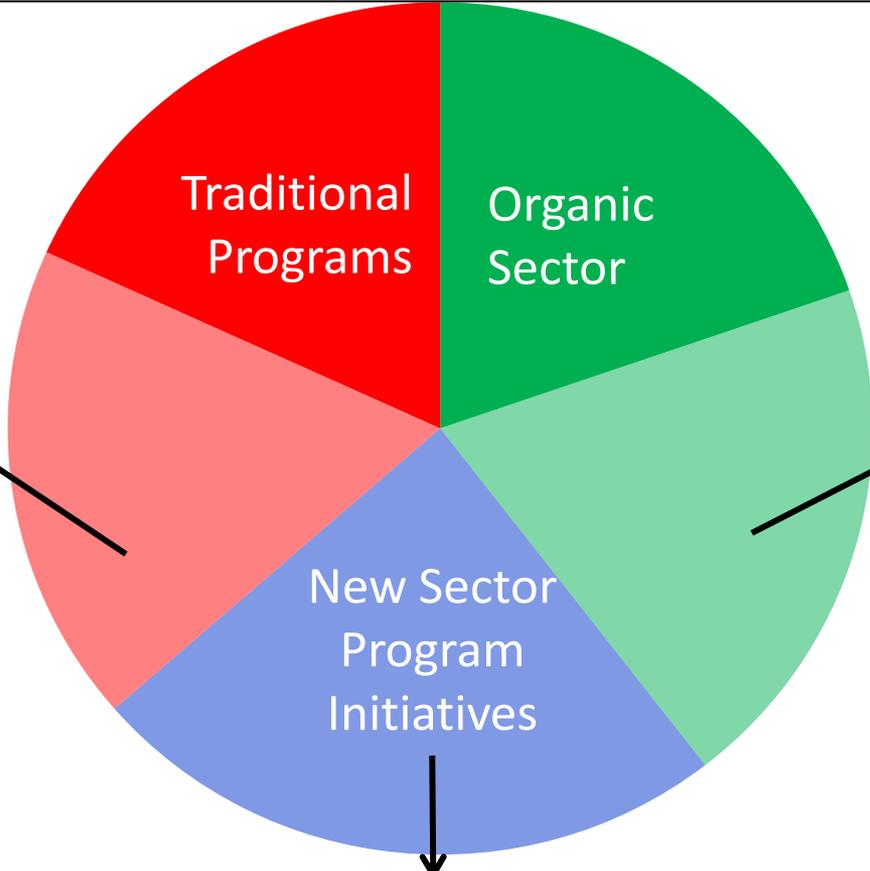
# Criteria

	High	>	Low
1. Moves the Needle			
2. Special Impact			
3. Return on Investment			
4. Accountability			
5. Leverage			
6. Immediacy			
7. Strategic intangibles			
<b>Total</b>			

## Worksheet 22 - Economic Development Program Approaches

		(1) Traditional Programs - Procurement Agent in Place	(2) New Sector Program Initiatives [No Current PA]	(3) Organic Sector (Business Climate - FoP)
	Total Jobs	Percent / Jobs	Percent / Jobs	Percent / Jobs
Back Office Services	25,000	/	/	/
Exported Services	15,000	/	/	/
Solo - Independent Work	12,000	/	/	/
Integrated IT & Cyber (Non-Government)	16,000	/	/	/
Digital Media	9,100	/	/	/
Visitor Driven	22,400	/	/	/
Emerging Technologies (Non-Government)	1,000	/	/	/
Manufacturing	15,000	/	/	/
Extractives	10,000	/	/	/
Agriculture, Food, and Forestry	3,000	/	/	/
Government	8,100	/	/	/
Health and Social Services	23,000	/	/	/
Education Services	2,500	/	/	/
<b>Total Jobs</b>	<b>162,100</b>			

Overarching  
Planning – Analytics - Accountability



Traditional (Legacy)  
Capacity Building

General Factors of  
Production

**Primary Sectors**  
Back Office Services  
Digital Media  
Visitor Driven  
Emerging  
Technology  
Manufacturing

**Primary Sectors**  
Extractives

Outlier New Programs

**Primary Sectors**  
Exported Services  
Solo-Independent Work  
Health & Social Services

## Worksheet 23 - Factors of Production Gaps - Regionally Aggregated

Economic Base Sectors	Marketing	Infrastructure	Land and Facilities	Capital	Labor	Housing	Competitiveness
Back Office Services	2	3	4		4		2
Exported Services	3	4		2	2		1
Solo - Independent Work	3	4	1	1	3	1	1
Integrated IT & Cyber (Non-Gov't)	1	4		2	4		1
Digital Media	3	6	1	1	2		
Visitor Driven	6	3		1	2	1	1
Emerging Technologies (Non-Gov't)	3	4	2	5	4		
Manufacturing	2	5	6	3	6		4
Extractives	1	4		2	5	1	2
Agriculture, Food, and Forestry	2	4	1	2	3	1	1
Government	3	5	2		5	1	1
Health and Social Services	3	4			5	3	1
Education Services	3	3		2	3		1
<b>Total</b>	<b>35</b>	<b>53</b>	<b>17</b>	<b>21</b>	<b>48</b>	<b>8</b>	<b>16</b>

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## Part II Assessment and Findings

### Findings from Session One - Coherence :

1. The state legislature needs a better way to sort out its economic development priorities.
2. The framework and process model emerging from the council's work has the potential to be a real-time model that integrates and coordinates local, regional and state job creation ambitions.
3. The strategic focus must be on stabilizing and growing the state's economic base.

### Findings from Session Two - Predicament:

4. New Mexico needs to create more than 160,000 new economic base jobs in order to recover to pre-recession employment levels by 2023 - 16,000 per year.
5. New Mexico may be under-investing in job creation by an order of magnitude – Given that the success metric for the New Mexico Partnership is only 1,700 per year

## Findings from Session Three – Economic Sectors

6. New Mexico is capable of generating the 160,000 economic base jobs by 2023.
7. New Mexico will need to ramp up efforts quickly and execute in every sector.
8. New Mexico is not in a position to be selective.
9. Over 95% of the new economic base jobs will come from the private sector.

## Findings from Session Four – Geographic Distribution

10. Job creation estimates by the regions exceeded the statewide estimate by only 7%
11. The mix and proportions of potential jobs per economic sector varied widely between the seven COG districts.
12. A shortage of qualified workers, infrastructure, and sales and marketing capacity were the most common critical factors of production gaps.
13. Only a handful of counties or communities currently do this type of economic base job creation assessments.
14. A high level of interest and collaboration in the development of a viable statewide assessment process and planning model was evident from participating leaders from the Councils of Governments, economic development, tourism and incubator organizations.

## Findings from Session Five – Factors of Production Gaps:

15. Only a fraction of the transactions needed to produce the 160,000 new economic base jobs in the next ten years are being formally pursued by procuring agent organizations using proven program approaches.
16. As much as a third of economic base sectors in play are program outliers meaning there is yet no program approach or procuring agents working them.

<u>Outlier Economic Base Sectors</u>	<u>Jobs</u>
Health and Social Services	23,000
Exported Services	15,000
Solo-Independent Work	12,000
Extractives	10,000
Agriculture	3,000
<u>Educational Services</u>	<u>2,000</u>
Total	65,000

17. A significant portion of jobs in these sectors might be put under program management if the program approach and procuring agents can be developed.
18. The expansion of Medicaid under the Affordable Healthcare Act represents one of the few significant and imminent economic base opportunities in the next decade that will benefit small rural communities.

## Findings from Session Six - Five Factors of Production Gaps:

19. The combined state and local apparatus for sourcing and managing economic base job creation in New Mexico is significantly underfunded and understaffed to manage the lead generation and prospect caseload required to create the 16,000 new economic base jobs needed per year. The capacity of all state and local job creation organizations may be enough to source and manage only 20% of the annual 16,000 new jobs transaction required per year.
20. By default many of the 160,000 economic base jobs that need to be created in the next ten years will have to be generated organically outside a managed or procured program effort meaning that between half and a third of all economic base jobs will be left to develop on their own.
21. Much more detailed and site specific assessments are needed at the local and regional levels before specific legislative actions can be strategically and systematically linked to critical factors of production gaps.

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## General Areas of Strategic Action:

- **Development of a statewide assessment and planning process:** Initiatives that will help to clarify the state's economic development challenges and opportunities and unify state and local leaders around a common agenda.
- **Expanding and improving proven programs:** Initiatives that systematically produce or procure new economic base jobs through existing program approaches where the injection of new resources into a working program will result in a predictable number of new job being created.
- **Innovation of new programs:** Legislative actions and investment intended to innovate and new program approaches for promising target new economic sectors for which there are yet no program approaches or procuring agents.
- **Improving factors of production and general statewide ecosystem for job creation:** Legislative action designed to remove major factor of production gaps impeding the job creation rate in target sectors. Examples of such barriers are workforce, infrastructure, facilities, housing, capital, tax and regulatory competitiveness. This includes initiatives which are designed to accelerate the metabolic rate of entrepreneurship and business growth .

## Recommended Legislative Actions

### Development of a statewide assessment and planning process:

- Continue the IJC process for one more year in order to finish developing process model, get the bottom up local and regional data needed to calibrate the criteria for legislative and policy value judgments. Provide matching funding support for NMARC efforts to integrate the COG and county economic assessments into a statewide model.
- Develop a companion assessment and planning process that accommodates job creation and community development priorities for tier two and three economic development priorities.
- Fund efforts by the New Mexico Department of Higher Education, Workforce Solutions and the employability council to continue their work on the development of a Workforce Gap Forecast model. The model is being designed to predict the number of jobs needed in the future (demand), the skill, knowledge and experience requirements, the education and training pipeline (supply) and calculate gaps.
- Develop a Jobs Impact Model to evaluate the impact of proposed legislation on the potential creation or destruction of economic base jobs.
- Align the state's economic development commission, workforce council and council of government districts to facilitate data collection, analytics, planning and accountability.

## Recommended Legislative Actions

### Expanding and Improving proven programs:

- Undertake the rebuilding of New Mexico's state and local apparatus for sourcing and managing the development of new economic base jobs with proven program approaches.
- Increase funding to NMEDD for the NM partnership for marketing and additional professional FTEs in scale with a detailed pipeline development and case load metrics per target industry sectors under a specific detailed plan.
- Provide funding to NMEDD for a coop marketing program to stimulate local funding of targeted lead generation activities in scale with the region's job creation metrics for each target industry sector under a specific detailed plan. Administer the program through a recalibrated Certified Cities Program.
- Provide funding to NMEDD for a coop staff augmentation program to stimulate and leverage the hiring of professional staff for local economic development organizations in scale with a detailed case load metrics for the target industry sectors under a specific detailed plan. Administer the program through a recalibrated Certified Cities Program.
- Create a discretionary closing fund for major economic development projects.
- Provide funding to NMEDD to grow the capacity of the states incubators and enterprise development centers.
- Fund the NM Department of Tourism budget to expand marketing and visitor experience development activities.
- Increase funding to the Sate Investment Council and SBICs to leverage private equity.

## Recommended Legislative Actions

### Develop new economic base job creation programs:

- Form a consortia of New Mexico based think tanks to focus on development of new program approaches for outlier economic base sectors for which there are no current program approaches or procuring agent organizations in place.
- **Healthcare:** Provide matching funds for development of a state-wide strategic response to an expected surge in economic base job creation from the expansion of Medicaid under the Affordable Care Act. Strategic partners include universities, regional healthcare providers, and local economic development organizations.
- **Solo work:** Fund a series of pilot programs around the state aimed at starting up, expanding and recruiting individual, independent or mobile workers engaged in economic base activity. This sector is one of the fastest growing and highest paying sectors in the economy. Business model development has been completed. Funding and organizational support is required to test and proliferate the program. Strategic partners in this program would include Tourism agencies, business incubators, EDCs, SBDCs, Chambers of Commerce, Community Colleges and trade organizations.

**Exported services and government contractor conversions:** Fund a pilot program designed to expand, recruit and start up small employers that export their services. This would include efforts to pioneer a program to convert New Mexico's idled federal government contractors to private sector international exporters.

- **Forest Restoration:** Fund and support regional efforts to pilot a special program approach to exploiting imminent federal investment in the restoration of national forests for developing a cluster of new economic base enterprises in the bio mass energy and small wood manufacturing sectors.
- **Nuclear task force:** Form a statewide taskforce to assess the significant emerging opportunities for New Mexico to help develop and capitalize on the development of the next generation nuclear energy product and services.
- **Procurement development:** Form a public private task force to develop a statewide strategy to help New Mexico's product and service providers capture an increasing share of contracts sourced by New Mexico's healthcare providers, federal government installations and energy producers.

## Recommended Legislative Actions

General improvements to improve competitiveness, cure factor of production gaps and increase the metabolic rate of entrepreneurship

### **Workforce:**

- Fund an expanded Summer youth employment program.
- Memorial instructing Departments of Workforce Solutions, Higher Education, Public Education and the Employability jobs Council create a soft skills training program for New Mexico students and jobseekers.
- A memorial instructing New Mexico colleges and universities to provide annual reports on hiring, salaries and job offers by major.
- Fund a Physics Early Education Pilot Program for middle schools.
- Fund an online tourism training program.
- Make WorkKeys one of the exit options for high school graduation.

### **Bandwidth:**

- Fund a capital outlay set aside that requires telecommunications companies to partner with local businesses for existing fiber optic connections.
- Fund Department of Transportation for staffing the administration of a rural deployment plan.

### **Transportation:**

#### **Water:**

#### **Housing:**

- Memorial to have NMFA and NMEDD study ways to alleviate the workforce housing shortage in rural high job growth areas such as Lee and Eddy Counties.

#### **Power:**

- Improve transmission access to out of state markets

#### **Tax and regulatory competitiveness:**

- Adopt the Utah post performance tax credit program
- Permanently fund JTPA through NMEDD

#### **Capital:**

#### **Metabolic rate acceleration strategies:**

# Session 7 Agenda

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|--|----------------------|
| 1. Approval of Session 7 Agenda and Minutes from Session 6 | 8:30 – 8:45          |
| 2. Review of Process and Sessions 1 - 6                    | 9:45 - 10:15         |
| 3. Overview of Council Findings                            | 11:15 - 11:00        |
| 4. Recommendations for Legislative Action                  | 11:00 - 12:00        |
| 5. <b>Criteria and Conclusions Summary</b>                 | <b>12:00 - 12:30</b> |
| 6. Public Comment  | 12:30 - 1:00         |

## Part III. Criteria and Potential Line of Questioning

Each year legislators are presented with hundreds of ideas, recommendations and proposals to help improve the economic development. The final element of the council's primary goal of developing a framework for prioritizing an agenda was to outline a criteria and sample line of questioning that legislators and others could use to evaluate the hundreds of ideas and proposals for legislative action they receive each year related to economic development. The council produced the following criteria and sample line of questioning for evaluating the degree to which an idea or proposal will impact the creation of the 160,000 economic base the state needs by 2023. This criteria is not meant to infer that economic base jobs the only goal of economic development or that proposals that do not meet this criteria should not be funded under a different rationale- just that it may not have a direct high value impact on state economic base goals.

### 1. **Moves the Needle:** *How many Economic Base Jobs are at stake?*

*Consider:*

- The jobs to be created are economic base to the state.
- The potential number of new base jobs if this action is taken.
- The potential number of base jobs lost if this action is not taken.
- Will play a major "but for" roll in getting to the 160,000 job number

Very High - High - Medium - Low - None

### 2. **Special Impact:** *Is there a special impact on a local community?*

*Consider:*

- The potential to stabilize the economy of a struggling community.
- The potential to stabilize an important and struggling industry.
- The potential to solve a critical factor of production gap.  
(Can replace or offset other criteria)

Needed to Survive - Only Growth Option - Stabilizing - N/A

**3. ROI:** *What will be the potential return on investment?*

*Consider:*

- The initial cost per job investment and/or the budget impact
- The projected increase to the State's tax base
- The projected increase to the local community tax base

Very High - High - Medium - Low - None

**4. Accountability:** *Is there a proven program and a procuring agent working a plan with clear targets and realistic performance metrics?*

*Consider:*

- How many jobs per year in which economic base sectors
- The average number of transactions required (marketing, closing, etc.)
- Capacity: estimated ratio of funding and FTEs to source and manage the transactions.

Very High - High - Medium - Low - None

**5. Leveraged Cooperation:** *What other resources are being leveraged?*

*Consider:*

- Matching local government investment and support
- Matching private sector investment and support
- Public Private Partnership

Very High - High - Medium - Low - None

**6. Immediacy:** *How soon does this proposal move the needle on job creation?*

*Consider:*

- The number of jobs produced in the short term (1-3 years)
- The number of jobs produced in the mid term (3-7 years)
- The overall impact in the long term (7-10 years)
- The majority of jobs to be created will take more than 10 years

Very High - High - Medium - Low - None

**7. Strategic Intangibles:** *What is the overall strategic value of the proposal?*

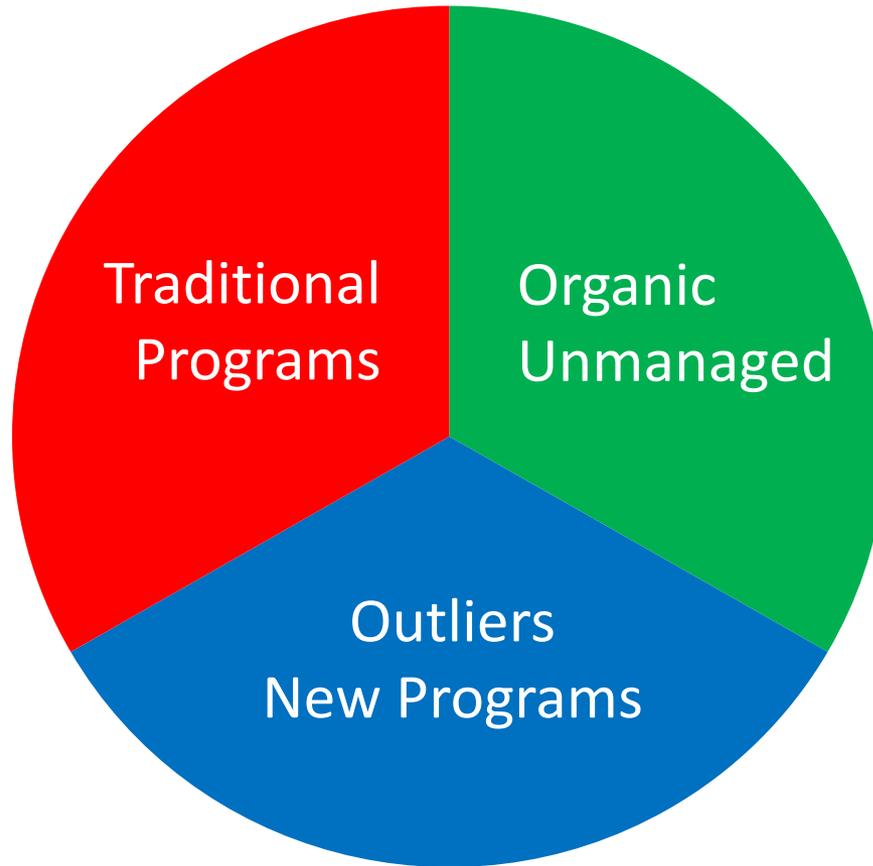
*Consider:*

- Balances rural / urban
- Enhancement of the State's reputation
- Matches skills and interests of current residents
- Raises metabolic rate of entrepreneurship

Very High - High - Medium - Low - None

# Strategic Approaches to Job Creation

- Direct, managed, measured and proven
- Procuring agents in place
- **Plus-up capacity**
- **Improve factors of production**



- Undirected, difficult to measure and prove results
- No procuring agents
- **Improve general factors of production and hope for results**

- Could become directed, managed and measured
- **Develop new program approaches and procuring agents for outlier economic sectors**

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## Conclusions

1. New Mexico will need to generate more than 160,000 new economic base jobs in 10 years just to get back to where we were in 2007.
2. It is doable.
3. It requires four heavy lifts simultaneously:
  - Get clarity and consensus on the predicament and an job creation agenda.
  - Plus up existing program approaches despite diminishing returns.
  - Innovate new program approaches for outlier economic base sectors.
  - Strategically integrate economic development, tourism, education and workforce development.

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