



Federal Government

Advance Team Theater Profile

New Mexico Jobs Council | September 14, 2015

Developing a comprehensive picture of the job creation apparatus of a region begins with understanding the spectrum of program approaches available and the different roles they play in causing the creation of new economic base jobs. The primary objective of this exercise is to develop clarity and consensus around the ambitions, capacity gaps and legislative initiatives for each major program theater engaged in creating economic base jobs.

Economic base program theaters are distinguished by the mix of economic sectors they focus on, the program approaches they use, the organizations and the professionals that manage them and the metrics used to measure them.

The primary economic base job creation theaters include;

1. Start up or Innovation to Enterprise
2. Solo work
3. Retirement
4. Visitor Driven
5. Employer recruiting, retention and expansion
6. Federal Government
7. Film and Digital Media
8. Agriculture
9. Energy and Extractives
10. Import substitution

This briefing paper is the result of an Advance Team dry run of the Theater Profile Canvas Process and is intended to help accelerate deliberations of the Jobs Council deliberative session.

THEATER OVERVIEW: FEDERAL GOVERNMENT

1. Theater Definition

How is the federal government theater of economic base job creation defined?

This theater is focused on increasing the number of jobs paid for by the federal government. This includes general schedule (GS jobs), private sector federal contractors jobs, jobs generated by federal grants and loans, and jobs in healthcare and higher education created as a result of expansion of federal funds and programs.

Synonyms_____

- The Affordable Care Act will spend millions on healthcare in the state.
- The USDA's school lunch programs employ thousands.
- The Experimental Program to Stimulate Competitive Research (EPSCoR), for example, builds faculty and research capacity in universities, and jobs last five years.

What sub-markets or program areas are included in this theater?

The divisions in this theater are derived from funding sources. The following sub-markets receive funding differently and have separate hiring practices. The agencies have been grouped on the basis of funding sources, hiring practice and common function.

1. Agencies in which funding passes through the state or other institutions before creating economic-base jobs:
 - Department of Education
 - Department of Transportation
 - Health and Social Services
 - National Institutes of Health
 - National Science Foundation
 - National Endowment for the Arts
2. Agencies involved in technical fields, working predominantly with contractors:
 - Department of Energy
 - NASA
 - Department of Defense
 - Intelligence community

3. Agencies that hire and procure locally based on local need:
 - Department of Agriculture (includes the Forest Service)
 - Department of Interior (includes the Bureau of Land Management, Bureau of Indian Affairs and Fish and Wildlife Service)

4. Agencies concerned with law enforcement and security:
 - Border Patrol
 - Drug Enforcement Administration
 - Bureau of Alcohol, Tobacco, Firearms and Explosives
 - Department of Homeland Security

Definition of a Transaction

How is an economic base job creation transaction defined for this theater?

An economic base transaction in this theater occurs when a strategic or tactical effort by a state or local, public or private entity, missioned, funded and staffed to create jobs by growing the region's share of federal investment, results in jobs being created. Any spending by the federal government in the state in excess of the amount New Mexico taxpayers pro rata share of that federal line item can be considered an economic base transaction.

Program Approaches

What are the different ways that programs in this theater procure or preserve economic base jobs?

Primary program approaches include;

- Congressional delegation initiatives
- BRAC response programs (Base Realignment and Closure)
- Experimental Program to Stimulate Competitive Research (EPSCoR)
- Medical Insurance Exchange promotion

Key Metrics

What metrics should be used to measure the production and return on investment of procuring programs in the theater?

If New Mexico gets \$1.85 from the federal government for every \$1 it contributes, than economic

base jobs are those funded by the \$0.85 cent margin. In other words, the salaries of those jobs are paid by taxpayers in other states.

Attributes and Insights

What attributes, distinctions and insights are important to understanding the nature and capacity of this theater?

- This theater, while having suffered high rates of attrition in the last decade, could be a significant and underestimated source of additional economic base jobs for every region of the state.
- The federal sector has _____
- Jobs in this theater are primarily stimulated by national need.
- The jobs in this theater are as diverse as the federal budget and require well researched and highly specialized approaches to develop.

2. Players/Procuring Agents

What organizations and institutions are formally missioned, funded and staffed to create economic base jobs in this theater?

- Congressional delegation
- Kirtland Partnership and similar organizations
- Minority business development agencies
- Professional Aerospace and Contractors Association and other trade groups
- Federal Executive Board
- Science and tech parks
- Regional Coalition of LANL Communities and similar organizations
- LANL Major Subcontractors and similar organizations
- EPSCOR

3. Economic Sectors

Which economic base sectors are the primary focus of this theater?

Health and social services: This includes Federal Windfall, Hospitals, Home Health Care, Assisted Living, and Dentistry

Higher education; This includes increased market share of federal research going to New Mexico institutions of higher education resulting in hiring of new FTE researchers and professors.

Federal Government: This includes USFS, Defense, Health and Social Services, Energy, Homeland Security, Education, Interior, Transportation, Commerce, Agriculture, HUD, Treasury, Environment, Justice), Aerospace and Defense (Unmanned Aerial Vehicles, Commercial Space Flight, Aircraft Modification, Aviation), Public Emerging Technologies (Federal Labs-related, Research and Development), State Government, Federal Government Contract Services (Staff Augmentation, System Integrators)

4. Jobs/Transactions

How many new (gross) economic base jobs are estimated to be created in each sector?

Total 37,000 jobs

Sector	Federal Government	Health	Education
Potential Jobs in each region	SC: 1,850	SC: 3,150	SC: 220
	SW: 130	SW: 172	SW: 50
	SE: 1,325	SE: 275	SE: 110
	NC: 2,565	NC: 5,045	NC: 120
	MR: 3,400	MR: 15,800	MR: 1,500
	EP: 541	EP: 70	EP: 37
	<u>NW: 200</u>	<u>NW: 1,150</u>	<u>NW: 160</u>
	Total: 10,011	Total: 25,662	Total: 2,197

5. Program Reliant

How many of the jobs in these sectors are to be directly caused or procured by the organizations specifically missioned, funded and staffed to generate economic base transactions in this theater?

How many are expected to be generated organically?

- How many jobs _____ and transactions _____ are being procured per year by today's program efforts?
- How many jobs _____ and transactions _____ could be procured per year by 2024?
- This theater's program efforts will procure a minimum of _____ economic base jobs and _____ transactions over the next ten years.
- A minimum of _____% of total economic base jobs in each economic sector are to be procured by programs in this theater.

Put another way, what percentage of the estimated economic base jobs needed in each sector will be under management and produced directly by program efforts? These are transactions and jobs that would *not* happen “but for” the specific program effort.

The balance of the jobs and transactions that would be expected to happen unaided or assisted by the theater's procuring programs.

FACTORS OF PRODUCTION

What factor of production gaps must be cured if the economic base jobs in this theater are to be created?

6. Marketing and Sales

Is the marketing, sales and completion apparatus in place and at scale to generate the necessary interest, manage the pipeline of interest and complete transactions?

What is the current gap and how will it need to scale over the next decade to meet the ten year transaction goals for this theater?

Gaps

- New Mexico lacks the assessment work and planning to strategically approach this theater.

Solutions

- Each region should map current significant federal job levels by cabinet agency program and identify opportunities and targets for possible increases in programs.
- Sign more people up at the state's insurance exchanges.
- Hold procurement conferences to teach people how to do business with the federal government.

7. Real Estate, Infrastructure, Capital

Does the region have the land, buildings, infrastructure, utility capacity and capital resources to fulfill the transactions envisioned for the theater over the next ten years?

Gaps

- Higher Education: New Mexico's EPSCoR needs an independent source of funding for its cost share.
- Healthcare: We don't have enough healthcare facilities in the state.

Solutions

- Higher Education: Create a stand-alone fund for EPSCOR to use.
- Healthcare: Incentivize construction of healthcare facilities that attract out-of-state patients.

8. Workforce, Housing, Community Quality

Does the region have the qualified worksrce, workforce housing and community quality necessary to grow, attract and retain the workers needed over the next ten years?

Gaps

- Healthcare: There is a shortage of healthcare professionals in the state.

Solutions

- Healthcare: Pay off student debts for healthcare workers who return to their own communities and stay at least two years.

9. Leadership, Organization, Planning, Business Climate

Does the region have the leadership, organizational assets, planning and the business climate needed to compete for the theater's targets?

Gaps

- New Mexico lacks the assessment work and planning to strategically approach this theater.

Solutions

- Each region should map current significant federal job levels by cabinet agency program and identify opportunities and targets for possible increases in programs.