

New Mexico Job Creation Assessment

Job Predicament & Potential Consensus

Legislative Interim Job Council

The Interim Jobs Council of the 2013 New Mexico Legislature was formed to:

- Develop a framework for identifying job-creation priorities;
- Ascertain: (1) the estimated number of jobs that would have to be created in order to return to pre-recession employment levels; (2) the economic sectors those jobs could come from and (3) the regions in the state where they would likely be created; and
- Provide bipartisan consensus on legislative measures that could “move the needle” on job-creation in the next five to seven years.

Data by
State
Region
County

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New Mexico Job Creation Assessment

Members

MEMBERS

- Representative W. Ken Martinez
- Senator Mary Kay Papan
- Representative Donald E. Bratton
- Representative Stephanie Garcia Richard
- Senator Phil A. Griego
- Senator Stuart Ingle
- Representative Rick Miera
- Senator George K. Munoz
- Representative Debbie A. Rodella
- Senator Michael S. Sanchez
- Senator Pat Woods
- Senator William F. Burt
- Representative Mary Helen Garcia
- Representative Patricia A. Lundstrom
- Senator Howie C. Morales
- Senator Steven P. Neville
- Senator Michael Padilla
- Senator John C. Ryan
- Representative Thomas C. Taylor
- Representative Don L. Tripp
- Representative James P. White

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- Ray M. Baca
- Terry Bruner
- Secretary Celina C. Bussey
- Beverly J. McClure
- Alex O. Romero
- Eric Witt



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Process

The Council agreed at its first meeting to focus on measures that would return the state to pre-recession employment levels within 10 years.

The council met six times in day long sessions, one each month from June through November 2013 and at a seventh, half-day session in December. Most sessions were conducted as an informal workshop setting in which the council interacted with subject matter experts and interested persons from throughout the state. Those topics were as follows.

Session 1, Coherence:

What process should be used to understand and define the scale and nature of the problem?

Session 2, Predicament:

How many economic base jobs are needed to reach pre-recession employment levels 10 years from now?

Session 3, Economic Sectors:

How many jobs can be created in each economic base sector 10 years from now?

Session 4, Geographic Distribution

In what regions of the state will those jobs be created?

Session 5, Factors of Production Gaps:

What are the major impediments to creating those jobs?

Session 6, Programs and Policies:

What measures could lawmakers take to remove those impediments and otherwise spur job creation?

The council used a consensus approach for diagnosing the state's jobs predicament and sorting strategic near term options. The consensus approach relied on the education, intuition, tacit knowledge and common sense of participants to ascertain key information.

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Economics Based Jobs

The council used “economic base” job creation as its primary metric. “Economic base” refers to jobs that yield goods or services that are sold outside of the state or, in the case of some federal jobs, that are mostly paid for by taxpayers in other states. Economic base job-creation is the primary goal of most economic development strategies because economic base jobs attract “new” money needed for the state economy to grow.

Examples of Economic Based jobs:

- A computer manufacturer selling electronic products nationally
- A coal mining company selling to national & international markets
- Health expenditures and employment paid for by federal government funding and legislation

Examples of Non Economic Based jobs:

- A food manufacturer selling precuts to NIM consumers
- A sand and gravel mining company used in local construction
- Health expenditures and employment dependent on local insurance and patient payments



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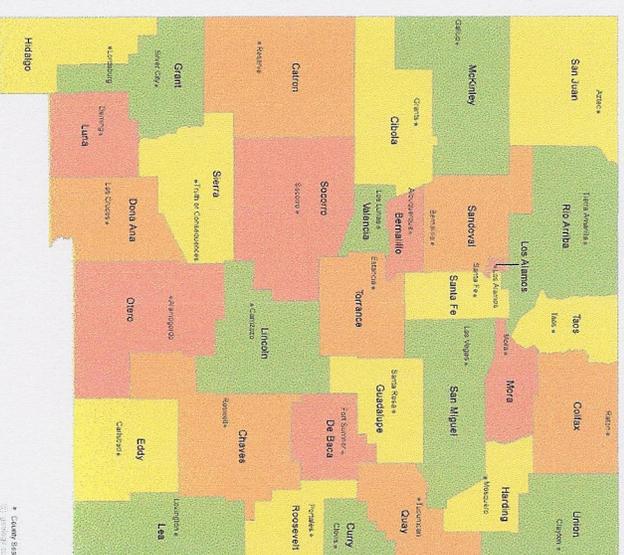
Predicament

The council found that New Mexico needs more than 160,000 new economic base jobs in order to recover to pre-recession employment levels by 2023. That averages to about 16,000 new economic base jobs per year.

NEW ECONOMIC BASE JOBS NEEDED TO:

- Support new population growth **34,763.0**
- Close the current unemployment gap **15,991.0**
- Replace economic base jobs yet to be lost **110,129.0**
- Completely recover from the recession **160,883.0**
- Recover that loss proportionately by year **16,088.3**

For district predicament estimates, click:



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Sector Creation

Number of new economic base jobs that might be created in each economic sector.

ECONOMIC SECTOR	JOB	TRANSACTIONS*	APPROXIMATE NUMBER OF TRANSACTIONS PER YEAR
BACK OFFICE	25,000	70	7
HEALTH AND SOCIAL SERVICES	23,000	1,500	150
VISITOR-DRIVEN	22,400	228	23
INTEGRATED INFORMATION TECHNOLOGY (IT) and CYBER	16,600	1,600	160
MANUFACTURING	15,000	506	50
EXPORTED SERVICES	15,000	1,500	150
SOLO/INDEPENDENT	12,000	12,000	120
EXTRACTIVES	10,000	250	25
DIGITAL MEDIA	9,100	160	16
FEDERAL GOVERNMENT	8,100	?	?
AGRICULTURE	3,000	186	19
EDUCATION SERVICES	2,500	25	3
EMERGING TECHNOLOGIES	1,000	200	20
TOTAL	162,700		

* A Transaction is a conscious deliberate effort by an individual or an organization to grow or attract employers that provide economic based jobs.



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Factors of Production

“Factors of Production” are the resources considered essential to the creation of economic base jobs. Those resources are: the availability of qualified workers; basic infrastructure, including broadband and data storage, roads, drainage and water; land and building inventory, including facilities; housing; tax and regulatory competitiveness; leadership; marketing, including sales; and capital.

District	Sector	Factors of Production Gaps
Northwest	Integrated IT and Cyber Manufacturing Extractives	Broadband Broadband; Roads; Qualified Workforce Tax and Regulatory; Qualified Workforce; Leadership
North Central	Health and Social Services Exported Services Solo/Independent Work	Qualified Workforce; Facilities; Leadership Bandwidth and Data Storage; Capital; Qualified Workforce Tax and Regulatory; Bandwidth and Data Storage; Facilities
Mid-Region	Integrated IT and Cyber Visitor-Driven Health and Social Services	Qualified Workforce; Bandwidth and Data Storage; Sales Facilities; Marketing; Qualified Workforce Qualified Workforce; Building Inventory; Tax and Regulatory
Eastern Plains	Solo/Independent Work Emerging Technologies Manufacturing	Broadband; Qualified Workforce; Housing Broadband; Qualified Workforce; Sales Sales; Qualified Workforce; Water
Southwest*	-	-
Southeast	Visitor-Driven Manufacturing Extractives	Qualified Workforce; Facilities Leadership Transportation; Qualified Workforce; Housing Housing; Qualified Workforce; Roads and Drainage Water; Tax and Regulatory; Land and Building Inventory; Marketing and Sales
South Central	Manufacturing Government Health and Social Services	Qualified Workforce Facilities; Qualified Workforce; Tax and Regulatory; Land and Building Inventory; Marketing and Sales

*Because too few people with knowledge of the relevant issues about this district participated in the session, no conclusions were collected.

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Initiatives – 2013 Results

Several legislative proposals were prepared for the 2014 Legislative session. They were included in House Bill 272 (Job Creation & Economic Development Appropriations) which did not pass and House Bill 273 as amended (Economic Development Grant Program) which was signed into law, but the fund did not receive an appropriation.



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Initiatives - 2014

The following initiatives were proposed, discussed and approved without objection at the 2014 council meetings.

- New Mexico Partnership - \$500,000 in FY2016 and \$1 million in FY 2017
- Local Economic Development Ace (LEDA) \$50 million Non-reverting
- Job Training Incentive Program (JTIP) \$12 million Non reverting
- Co-op Advertising/Marketing - \$2 million
- Economic Development Grant Fund (staff augmentation) \$4.5 million
For fiscal years 2016 through 2018 (\$1.5 million per year)
- Solo Work Program - \$500,000
- Forest Restoration Economic Development Assistance - \$250,000
- Middle School Physics Pilot Program - \$250,000
- Broadband Infrastructure Needs and Solutions - \$300,000
- Work Force Gap Analysis - \$125,000

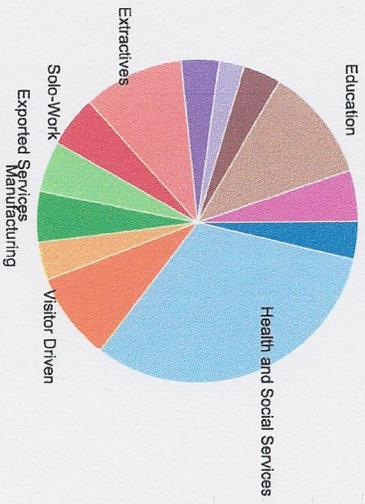


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Curry County Job Creation Potential

Predicament

		Economic Sector Selection					
		Sector	Jobs	Transactions	Factors of Production	Procured	Total
Population Change	25,000						
Population in Workforce	15,000	Back Office	300	3	Facilities	100	100
Unemployment Reduction	3,000	Health and Social Services	2500		Workforce	500	1200
Total Jobs	18,000	Visitor Driven	700			0	0
Economic Base Jobs	6,000	Integrated IT	300	5	Workforce	100	100
E-Base Attrition	2,000	Manufacturing	400	3		200	250
Total Economic Base	8,000	Exported Services	400	6		0	0
Annual Economic Base	800	Solo-Work	400		200		250
		Extractives	800	3	Housing		700
		Digital Media	300	4	Broadband	100	100
		Federal Government	200				50
		Agriculture	300		Water		100
		Education	900				300
		Emerging Technologies	400	5	Workforce		100



		Sector	Jobs	Transactions	Factors of Production	Procured	Total
		Back Office	300	3	Facilities	100	100
		Health and Social Services	2500		Workforce	500	1200
		Visitor Driven	700			0	0
		Integrated IT	300	5	Workforce	100	100
		Manufacturing	400	3		200	250
		Exported Services	400	6		0	0
		Solo-Work	400		200		250
		Extractives	800	3	Housing		700
		Digital Media	300	4	Broadband	100	100
		Federal Government	200				50
		Agriculture	300		Water		100
		Education	900				300
		Emerging Technologies	400	5	Workforce		100

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