



New Mexico Jobs Council

Santa Fe, NM - 11.16.15



1. Jobs Council Program Review

2. Assessment highlights:

- State and District Assessments
- Job Creation Program Theater Profiles
- Factor of Production Gaps Summary
- EDC Player's Matrix
- Summary Assessment – insights and key findings

3. Next steps:

- Metrics, Accountability and Planning Act
- Jobs Council Process Continuation
- Legislative Initiatives



2015 -2016

Jobs Council Contract Team

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Goals of the Council

1. Framework, process and criteria for sorting out economic development priorities.

1. Assess what it will take to get back to pre-recession employment levels.
 - a. How many jobs?
 - b. Where could they come from?
 - c. What factor of production gaps must be cured?

2. Get clarity and consensus on a legislative agenda.



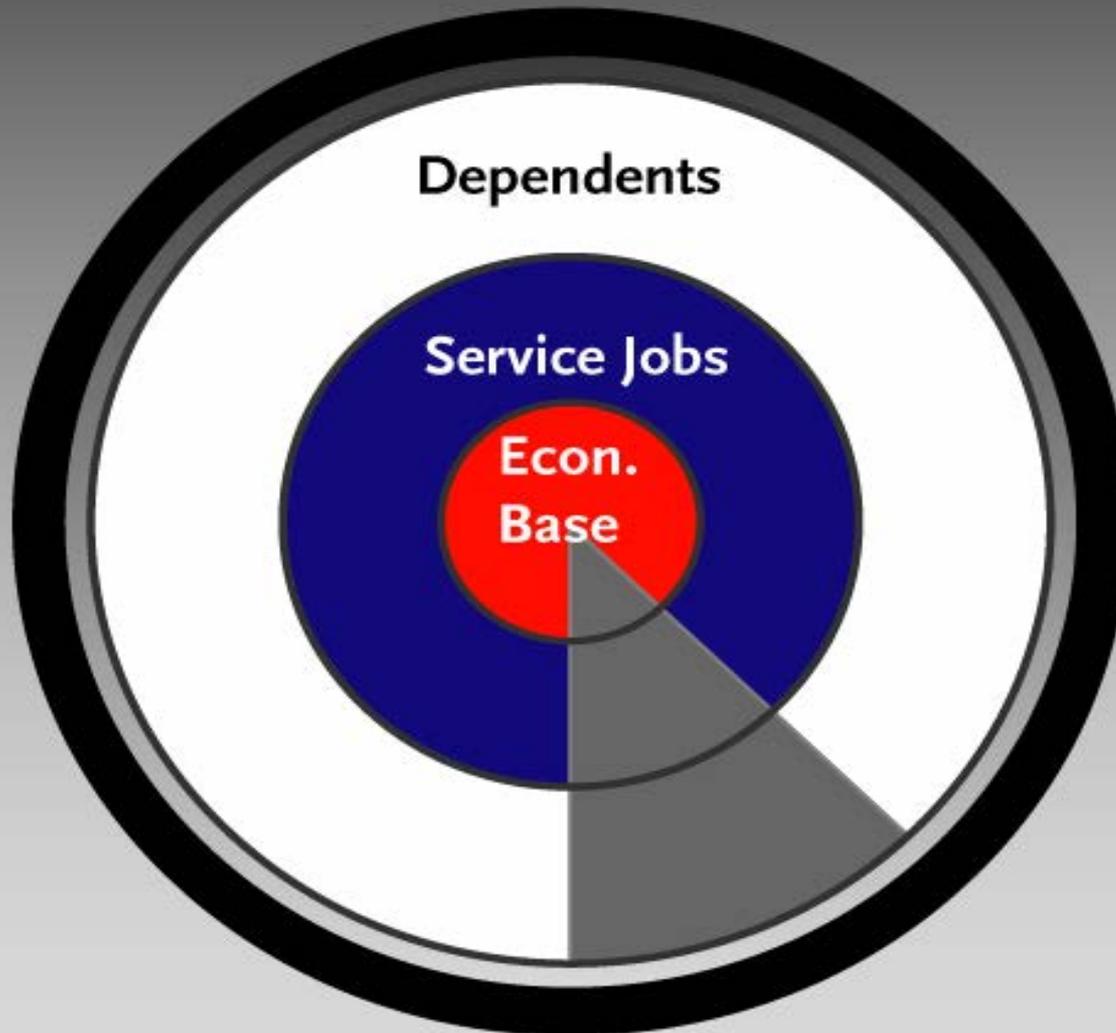
2015-2016 Program of Work

1. Jobs Council Meetings – program development, logistics, venue preparation.
2. Legislation Development – appropriations sensitive > new legislation.
3. County/Regional Assessments - completion, validation and refinement.
4. Economic Base Program Program Theaters – definition and assessment.
5. Database and Dashboard Development – refinements.
6. New Program Development – staff augmentation, solowork, workforce model.
7. Metrics Development – performance/operations, longitudinal, attribution, ROI.
8. Develop Options for Institutional Succession.

2015-2016 Jobs Council Preliminary Work Plan

2015-2016 Jobs Council Preliminary Work Plan																																	
	June				July				August				September				October				November				December								
	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4	Wk 1	Wk 2	Wk 3	Wk 4					
Council Meetings		Jun 9 SF			Jul 6 ruid oso						Aug 10 Dem						Sep. 14 ABQ						Oct. 23 SF						Nov. 16 SF				
New Legislation with Appropriations	[Bar]																																
New Legislation Without Appropriations																																	
Complete 2014-15 County/Regional Assessments					Socorro				SE Cog								SW COG																
Validaition and Refinement Sessions	MR COG								NC-EP COG				NW COG				SC COG																
Program Theaters	[Bar]																																
EDOs					Tech. Team Meetings				State Wide								Report																
Government					Tech. Team Meetings				State Wide								Report																
I>E and Independent					Tech. Team Meetings				State Wide								Report																
Independent					Tech. Team Meetings				State Wide								Report																
Visitor													Tech. Team Meeting				Statewide				Report												
Retirement					Tech. Team Meetings				Statewide								Report																
Others	[Bar]																																
Dashboard System Development	[Bar]																																
Refine Database					Review				System Design								Overhaul																
Data Review					[Bar]																												
Program Development	[Bar]																																
Solo Work					[Bar]																												
Staff Augmentation					[Bar]																												
Workforce Gap predictive test															[Bar]																		
Performance metrics longitudinal and attribution metrics															[Bar]																		
Institution Succession Plan															[Bar]																		

ECONOMIC CONTRACTION SCENARIO



$$E > P^P$$

Hierarchy of Job Creation Programs

		Jobs Added	Revenue Source	Description
<i>Direct</i>	Economic Base (E-Base)	2-3	Revenue derived from out of state	Employers whose products and services are sold outside the state
<i>Indirect</i>	E-Base Supplier	2-3	Revenue derived exclusively from selling to E-Base employers	Employers who supply products and services to economic base employers
<i>Community Direct</i>	E-Base Local Community	1-2	Revenue derived from outside of the community	Employers whose products and services are sold outside of the community, but inside the state
<i>Induced</i>	Service Sector Leakage Prevention	1	Revenue derived from inside the community	Supplies a missing product or service within the community
<i>Induced</i>	Non E-Base	0	Revenue derived from inside the community	Supplies a service or product within the community as the E-Base
<i>Diluted</i>		-1	Revenue derived from inside the community	Jobs that are created at the expense of another (increase competition)



For every job created in the sector, this is the amount of jobs that will be added as a result



Process Methodology

- Strong Convener: Speaker of the House and President Pro Tem.
- Participation: open, diverse and key stakeholder participation.
- Format: Wisdom of Crowds, checked by quants.
- Process: Iterate, review and refine.
- Decision Standard: Unanimity



Think

Plan

Do

Discourse >

Assessment >

Strategy >

Operational Plan (Metrics) >

Organization >

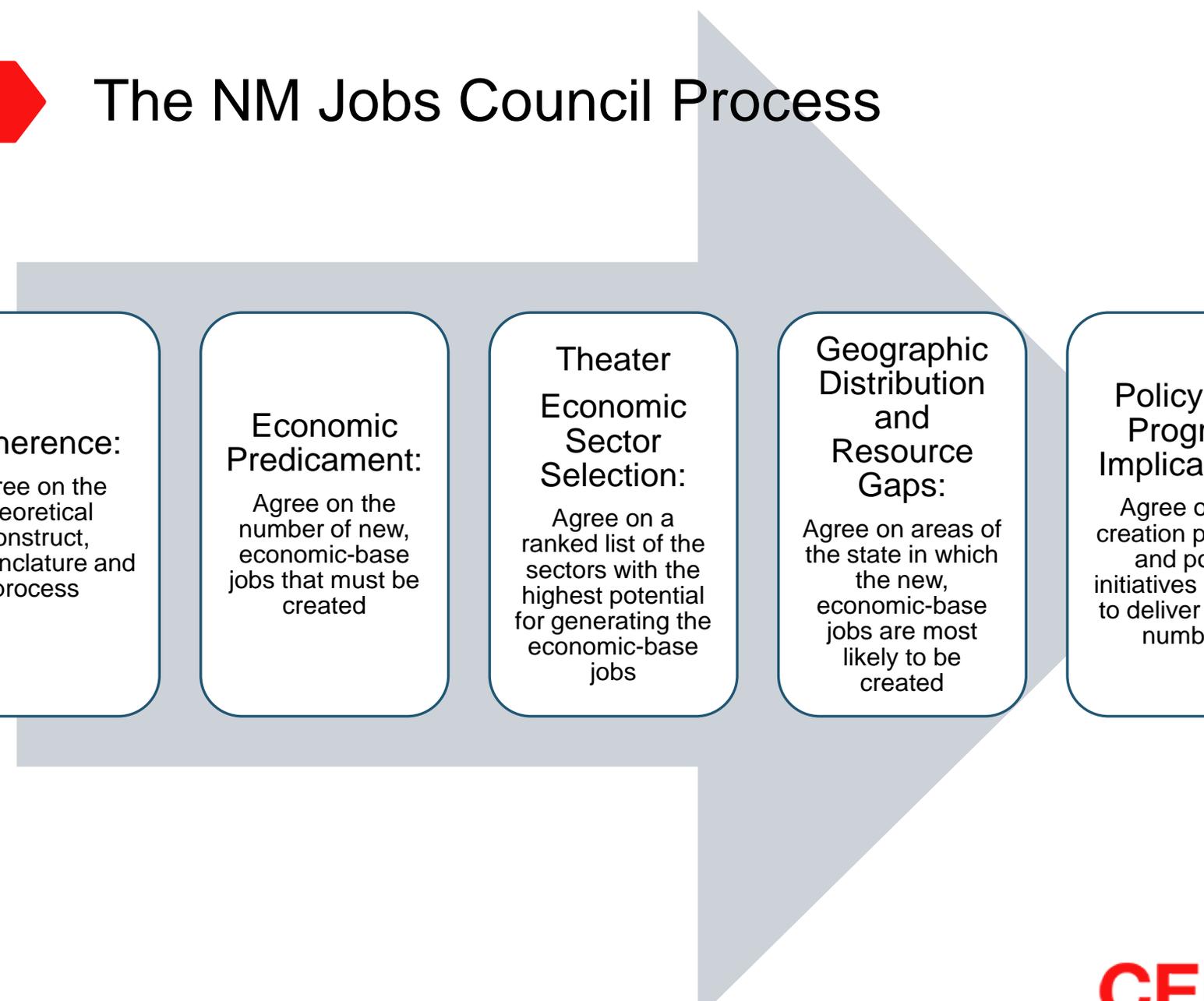
Fund & Staff >

Execute >

Report >



The NM Jobs Council 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

Theater 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



Selection Criteria for Legislation

1. Essential
2. Moves the Needle
3. Unanimous Council Approval
4. Legislative Support
5. Executive Support
6. Constituent Support



What will it take to get back to pre-recession employment levels in 10 years?

1. How many economic base jobs do we need?
2. Where will they come from?
3. What factors of production gaps will have to be cured?
4. Who will do it? How much will it cost?
5. How will we know it is working?

Confidence Level Ratings

Region	NW	NC	MR	EP	SC	SE	SW
Full spectrum connected with local planning							
Formal full spectrum stakeholder group							
Results vetted by data experts and refined			X				
Stakeholders including major FOP allies		X	X				X
Comprehensive, all theaters present		X	X	X			X
Small group of experts					X	X	
Interview, No Deliberation	X						
Total Score	1	3.5	5	2.5	2	3.5	2



Caveats and Limitations

1. Estimates are the work of local deliberations and not of the staff or outside experts.
2. Estimates are a starting point that we did not have before.
3. Level of certainty is low, but will improve with stronger, more frequent local deliberations. Numbers will tighten up and spreads will close.
4. Jobs aren't the only measure of economic development.
5. The methodology does not account for the weighted value of rural jobs, salary impacts, varying attrition rates, or tax revenue implications.
6. The lack of planning, accounting and reporting at the local level limited the nuanced understanding of factors of production gaps needed to craft prescriptive solutions.

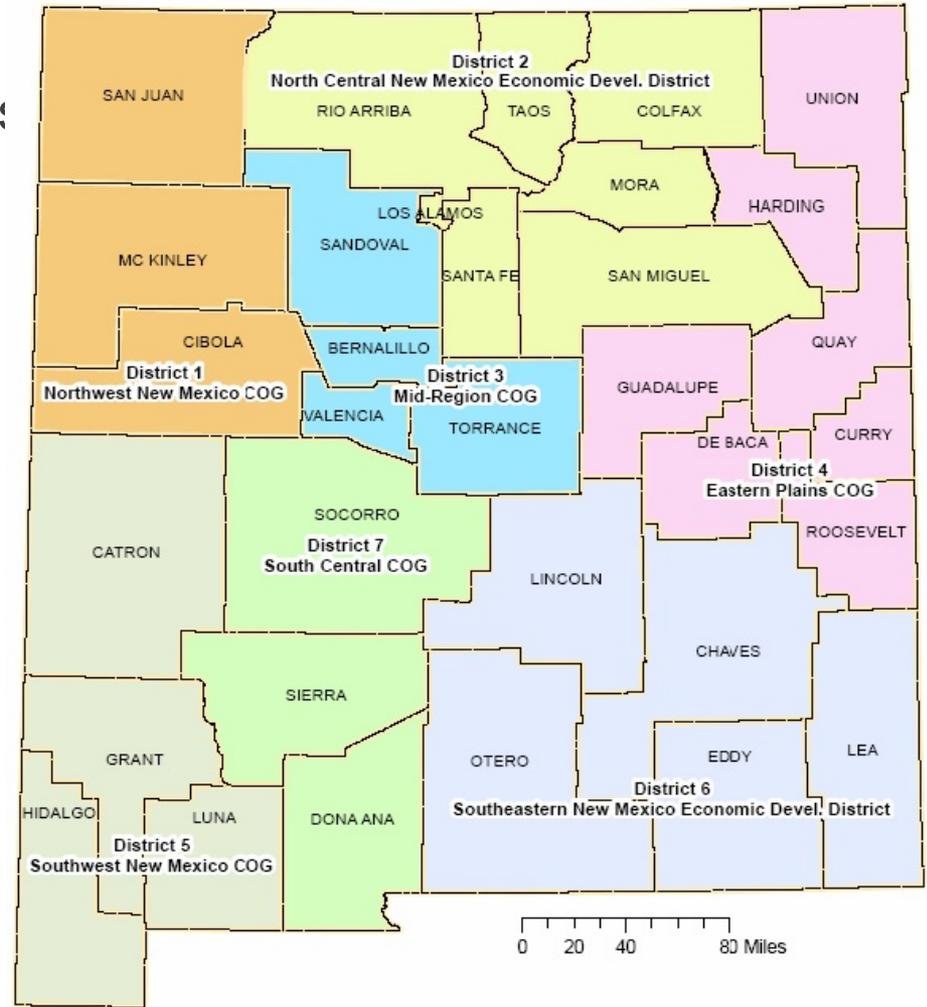
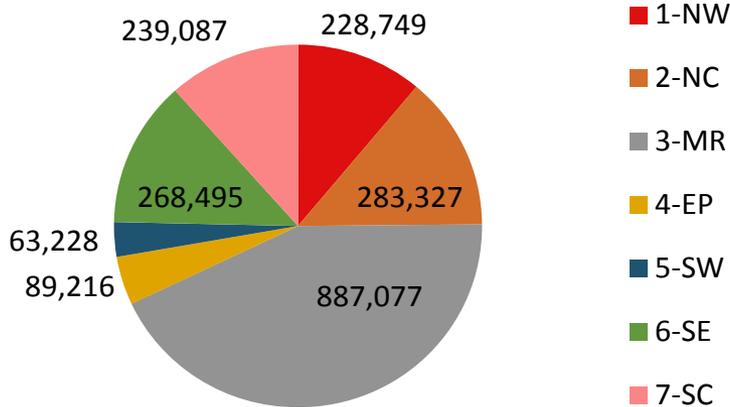


Assessments

New Mexico's 7 Economic Regions

- Councils of Government
- Economic Development Districts
- Workforce Districts

Population of Individual COG



State Planning and Development Districts in New Mexico



Online Data Repository

- News and updates will be posted at:
<http://www.thecelab.org>
- Previous years data posted at:
<http://nmdashboard.thecelab.org>

Northwest Council of Governments - District Profile

Counties: Cibola, San Juan, McKinley

Unemployment	1,539
Growth	5,299
Attrition	9,515
Total New E-Base Jobs over 10 Years	16,353
Estimated Potential	6,855
Surplus/(Shortage)	(9,498)

Theater	Jobs	% Program Reliant	Organic	Program Reliant
Employer	1,850	85%	278	1,573
Fed Gov	1,510	75%	227	1,284
E&E	1,500	85%	225	1,275
Visitor	750	50%	113	638
Ag	575	50%	86	489
Solo	400	25%	60	340
Startup	200	70%	30	170
Film/DM	70	100%	11	60
Total	6,855		1,028	5,827
			Current Capacity	760
			Capacity needed	5,067



Factor of Production Gaps:

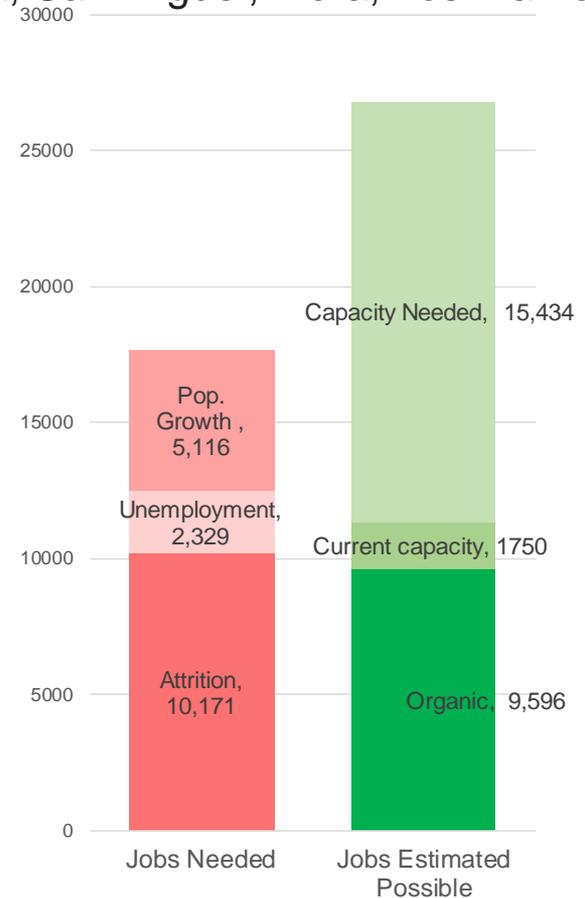
1. Qualified Labor: 4,555 Jobs
2. Marketing/Lead Generation: 750 Jobs
3. Bandwidth: 575 Jobs

North Central Council of Governments - District Profile

Counties: Santa Fe, Taos, Colfax, Rio Arriba, San Miguel, Mora, Los Alamos

Unemployment	2,329
Growth	5,116
Attrition	10,171
Total New E-Base Jobs over 10 Years	17,616
Estimated Potential	26,780
Surplus (Shortage)	9,164

Theater	Jobs	% Program Reliant	Organic	Program Reliant
Fed Gov	7,730	75%	1,933	5,798
Visitor	7,700	50%	3,850	3,850
Employer	4,180	85%	627	3,553
Ag	2,200	50%	1,100	1,100
Solo	2,130	25%	1,598	533
Startup	1,230	70%	369	861
Film/DM	810	100%	-	810
E&E	800	85%	120	680
Total	26,780		9,596	17,184
		Current Capacity		1,750
		Capacity Needed		15,434



Factor of Production Gaps:

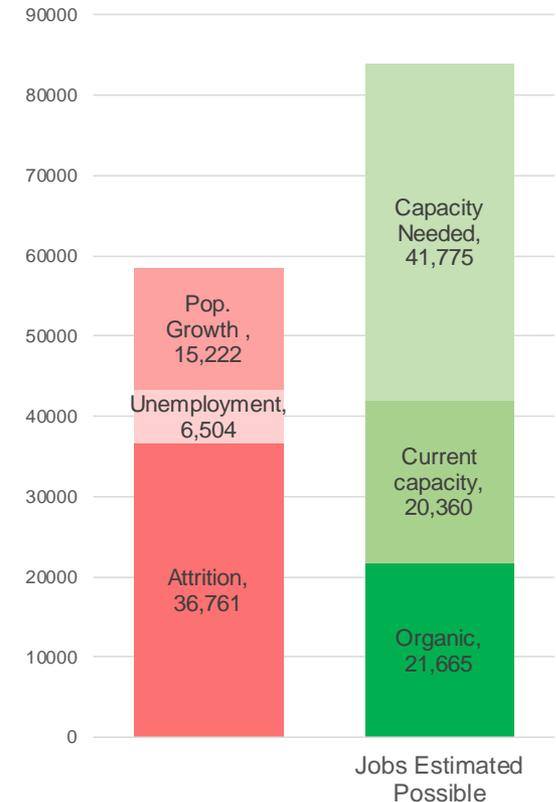
1. Capital: 12,500 Jobs
2. Qualified Labor: 7,075 Jobs
3. Bandwidth: 3,810 Jobs

Mid-Region Council of Governments - District Profile

Counties: Bernalillo, Tarrant, Sandoval, Valencia

Unemployment	6,504
Growth	15,222
Attrition	36,761
Total New E-Base Jobs over 10 Years	58,487
Estimated Potential	83,800
Surplus/(Shortage)	25,313

	Jobs	% Program Reliant	Organic	Program Reliant
Theater				
Employer	30,400	85%	4,560	25,840
Fed Gov	20,700	75%	5,175	15,525
Film/DM	10,000	100%	-	10,000
Solo	8,500	25%	6,375	2,125
Visitor	7,000	50%	3,500	3,500
Startup	5,100	70%	1,530	3,570
E&E	1,500	85%	225	1,275
Ag	600	50%	300	300
Total	83,800		21,665	62,135
		Current Capacity		20,360
		Capacity Needed		41,775



Factor of Production Gaps:

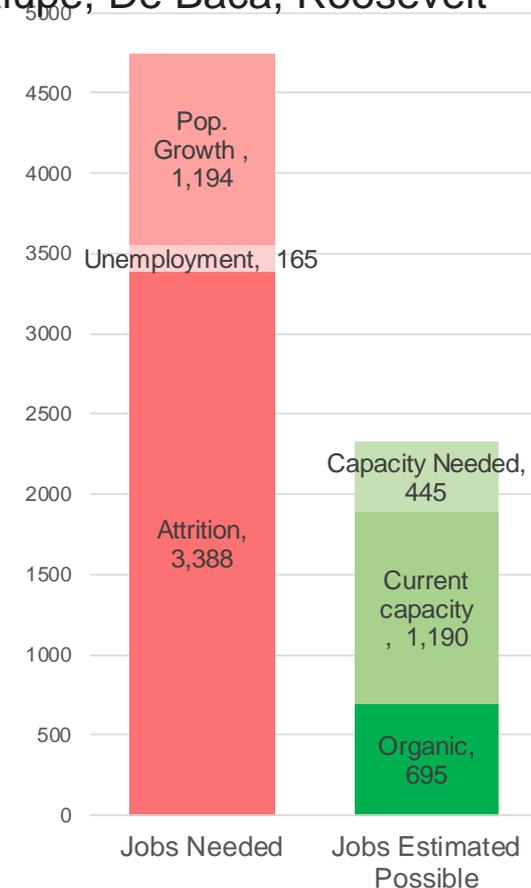
1. Qualified Labor: 40,800 Jobs
2. Building Inventory: 13,500 Jobs
3. Marketing & Lead generation: 10,600 Jobs

Eastern Plains Council of Governments - District Profile

Counties: Union, Harding, Curry, Quay, Guadalupe, De Baca, Roosevelt

Unemployment	165
Growth	1,194
Attrition	3,388
Total New E-Base Jobs over 10 Years	4,747
Estimated Potential	2,330
Surplus (Shortage)	(2,417)

	Jobs	% Program Reliant	Organic	Program Reliant
Theater				
Fed Gov	648	75%	162	486
Employer	642	85%	96	546
Visitor	445	50%	223	223
Ag	283	50%	142	142
E&E	226	85%	34	192
Solo	40	25%	30	10
Startup	30	70%	9	21
Film/DM	16	100%	-	16
Total	2,330		695	1,635
		Current Capacity		1,190
		Capacity Needed		445



Factor of Production Gaps:

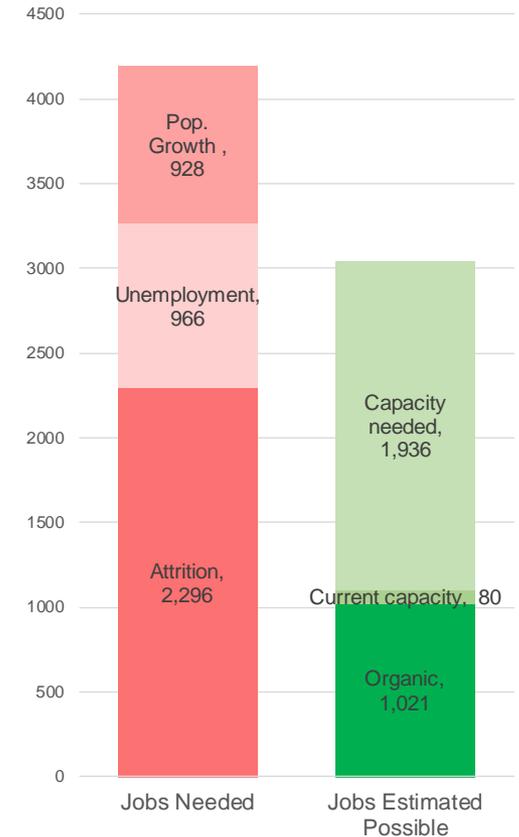
1. Capital: 1,022 Jobs
2. Leadership: 611 Jobs
3. Qualified Labor: 484 Jobs

Southwest Council of Governments - District Profile

Counties: Luna, Grant, Hidalgo, Catron

Unemployment	966
Growth	928
Attrition	2,296
Total New E-Base Jobs over 10 Years	4,189
Estimated Potential	3,037
Surplus (Shortage)	(1,152)

Theater	Jobs	% Program Reliant	Organic	Program Reliant
Employer	847	85%	127	720
Visitor	505	50%	253	253
E&E	501	85%	75	426
Ag	446	50%	223	223
Fed Gov	352	75%	88	264
Solo	320	25%	240	80
Startup	51	70%	15	36
Film/DM	15	100%	-	15
Total	3,037		1,021	2,016
Current Capacity				80
Capacity Needed				1,936



Factor of Production Gaps:

1. Tax and Regulatory: 826 Jobs
2. Capital: 667 Jobs
3. Qualified Labor: 337 Jobs

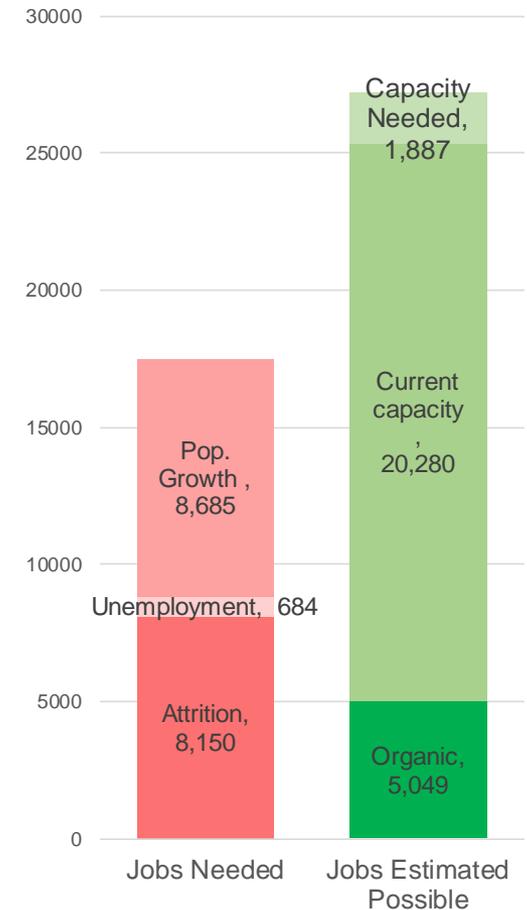
Southeast Council of Governments - District Profile

Counties: Lincoln, Otero, Chaves, Eddy, Lea

Theater	Jobs	% Program Reliant	Organic	Program Reliant
E&E	16,050	85%	2,408	13,643
Employer	6,940	85%	1,041	5,899
Fed Gov	1,710	75%	428	1,283
Visitor	1,680	50%	840	840
Startup	425	70%	128	298
Ag	275	50%	138	138
Solo	90	25%	68	23
Film/DM	45	100%	-	45
Total	27,215		5,049	22,167
			Current Capacity	20,280
			Capacity Needed	1,887

Factor of Production Gaps:

1. Housing: 6,650 Jobs
2. Bandwidth: 1,860 Jobs
3. Leadership: 1,435 Jobs

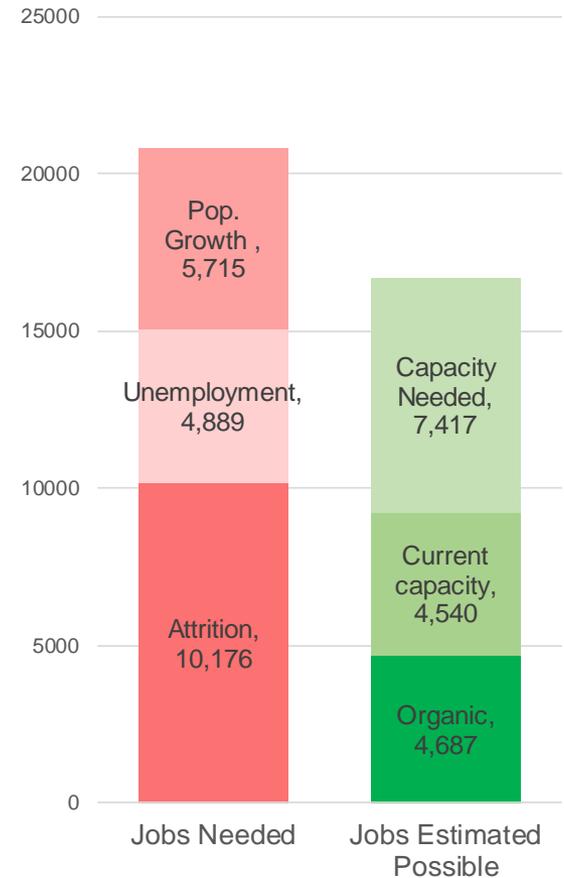


South Central Council of Governments - District Profile

Counties: Socorro, Sierra, Dona Ana

Unemployment	4,889
Growth	5,715
Attrition	10,176
Total New E-Base Jobs over 10 Years	20,779
Estimated Potential	16,644
Surplus (Shortage)	(4,135)

Theater	Jobs	% Program Reliant	Organic	Program Reliant
Fed Gov	5,385	75%	1,346	4,039
Employer	4,885	85%	733	4,152
Visitor	3,002	50%	1,501	1,501
Startup	1,735	70%	521	1,215
E&E	512	85%	77	435
Solo	440	25%	330	110
Ag	360	50%	180	180
Film/DM	325	100%	-	325
Total	16,644		4,687	11,957
			Current Capacity	4,540
			Capacity Needed	7,417



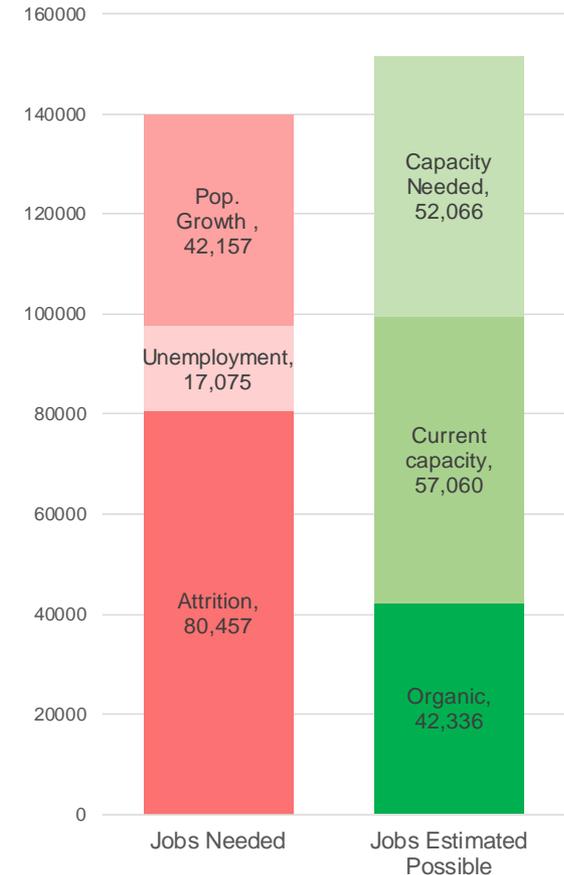
Factor of Production Gaps:

1. Qualified Labor: 6,800 Jobs
2. Leadership: 5,222 Jobs
3. Capital: 1,735

Statewide Profile

Unemployment	17,075
Growth	42,157
Attrition	80,457
Total New E-Base Jobs over 10 Years	139,690
Estimated Potential	151,461
Surplus (Shortage)	11,771

Theater	Jobs	% Program Reliant	Organic	Program Reliant
Employer	43,944	85%	6,592	37,352
Fed Gov	38,035	75%	9,509	28,526
Visitor	21,082	50%	10,541	10,541
Solo	11,920	25%	8,940	2,980
E&E	11,689	85%	1,753	9,936
Film/DM	11,281	100%	-	11,281
Startup	8,771	70%	2,631	6,140
Ag	4,739	50%	2,370	2,370
Total	151,461		42,336	109,126
		Current Capacity		57,060
		Capacity Needed		52,066



Factor of Production Gaps:

1. Qualified Labor: 60,326 Jobs
2. Capital: 21,224 Jobs
3. Building Inventory: 21,043



State Assessment Summary

- Economic base job needs 140,000 over next ten years.
- 14,000 per year average – implies higher capacity in years 6-10.
- Over 10,000 per year may be are program reliant.
- Urban region's estimate more potential economic base jobs than needed.
- Rural region's estimate fewer economic base jobs than they will need.
- Every region except SE is dramatically short of program capacity.
- Universal lack of local job creation planning frustrates.



Theaters



Employer Recruitment, Retention & Expansion

- 1. Jobs Potential:** 49,744 - 29% of total economic base jobs estimated statewide. Program Reliant: 37,000.
- 2. Major Economic Sectors:** Back Office, Exported Services, Integrated IT/Cyber, Manufacturing.
- 3. Program status:** Underfunded and understaffed.
- 4. Major FOP Gaps:** Workforce, Marketing/Sales, Real Estate.
- 5. Procuring Agents:** EDOs, Local Government, NM Partnership, NMEDD.
- 6. Legislative Action:** Staff Augmentation, Coop Marketing, Incentives Support.
- 7. Definition:** Procuring economic base jobs by attracting new companies and helping existing companies survive and grow. Jobs in this theater take place in commercial office and industrial facilities, and the employees are hired as W2 employees.



Federal Government

1. **Jobs Potential:** 38,035 – 23% of state-wide economic base job estimate.
2. **Major Economic Sectors:** Most federal departments, healthcare, and university research.
3. **Program status:** Limited activity, unorganized, uncoordinated. Develop an opportunity set for each economic district and formally organize theater operations state-wide.
4. **Procuring Agents:** Congressional delegation, NMEDD, EDOs, Local BRAC groups.
5. **Major FOP Gaps:** Marketing and sales apparatus, tax and regulatory climate, real estate
6. **Legislative Action:** none at this time.
7. **Definition:** This sector is focused on federal government jobs where the state or jurisdiction has more than its pro rata share of the nation's spending or employment for that department or program. In such cases, the jobs being created are being funded by taxpayers in other states.



Extractives and Energy

- 1. Jobs Potential:** 21,089 – 13% of statewide economic base job estimate.
- 2. Major Economic Sectors:** Oil & Gas, mining, power generation & transmission.
- 3. Program status:** Active but lacks organization as a state-wide job creation theater. Local program efforts include recruiting of suppliers to extractive industries and recruiting and retention of major energy production projects.
- 4. Procuring Agents:** EDOs, industry associations, local government.
- 5. Major FOP Gaps:** Workforce, workforce housing, transportation and transmission.
- 6. Legislative Action:** None at this time.
- 7. Definition:** Creating jobs in the extraction and processing of raw materials from the land for export and the production and transmission of energy for export out of state.



Visitor

1. **Jobs Potential:** 21,082 – 13% of state-wide economic base job estimate.
2. **Major Economic Sectors:** Hospitality, Travel, Tourism, Arts and Culture, Sports and recreation.
3. **Program status:** Well organized, strong metrics.
4. **Procuring Agents:** Hospitality Association, CVBs, Chambers of Commerce.
5. **Major FOP Gaps:** Net new economic base job growth requires incremental increases to state tourism budget and scale increases in local capacity.
6. **Legislative Action:** Increase in state Tourism Marketing Budget.
7. **Definition:** Jobs with salaries paid from the local sale of goods and services to visitors from out of state. Excludes travel by New Mexico residents.



Solowork

1. **Jobs Potential:** 11,920 – 7% of state-wide economic base job estimate.
2. **Major Economic Sectors:** Includes virtually all economic sectors.
3. **Program status:** No Program effort currently, pilot programs ready in several communities.
4. **Procuring Agents:** Potential program agents include SBDCs, incubators, accelerators, community colleges.
5. **Major FOP Gaps:** Marketing, sales and concierge support platforms are required, tax and regulatory, and bandwidth.
6. **Legislative Action:** Develop a state-wide pilot program, special tax class for qualified solo economic base workers, broadband planning.
7. **Definition:** Solo economic base workers perform full time work from a home office, workshop, studio, or mobile platform. While they may work for a corporation, they do not work in a centralized workplace. They must also be a resident taxpayer of the state earning twice the poverty rate with half of their revenue derived from out of state work.



Film and Digital Media

1. **Jobs Potential:** 11,281 – 7% of the state-wide economic base job estimate.
2. **Major Economic Sectors:** Film and digital media.
3. **Program status:** Well organized.
4. **Procuring Agents:** New Mexico Film Office, local film offices, studios.
5. **Major FOP Gaps:** Incremental increases needed in the state rebate program to create any additional jobs.
6. **Legislative Action:** Gradually raise the cap.
7. **Definition:** Recruiting and developing the production of feature films, independent films, television, regional and national commercials, documentaries, animation, video games, webisodes, mobile applications, and post production work indented for commercial exploitation and exhibitions out of state.



Startup

1. Jobs Potential: 8,771 – 5% of the state-wide economic base jobs estimated.
2. Major Economic Sectors: All sectors.
3. Program status: Active, growing but unorganized as a job creation theater, lacks metrics.
4. Procuring Agents: Incubators, accelerators, SBDCs, enterprise funds.
5. Major FOP Gaps: Capital, tax and regulatory.
6. Legislative Action: Remove out of state restriction on venture capital tax deduction, eliminate capital gains on rollover VC investment, matching funding for skilled program staff.
7. Definition: The focus of this theater is on entrepreneurs that intend to become economic base employers. Program efforts in this theater are focused on raising the metabolic rate of innovation and entrepreneurial activity and the conversion of that activity into an increasing number of new economic base employers.



Agriculture

1. Jobs Potential: 4,739 – 3% of state-wide economic base job estimate.
2. Major Economic Sectors: Food and fiber production, processing and marketing.
3. Program status: Active but unorganized, lacks a job creation focus and metrics.
4. Procuring Agents: NMSU, Extension Service, EDOs, production associations.
5. Major FOP Gaps: Tax and regulatory, marketing and sale apparatus, theater requires more definition and organization.
6. Legislative Action: TBD
7. Definition: Procuring economic base jobs by attracting, expanding and creating enterprises that grow, process and distribute food and fiber for out of state consumers.



Retirement

1. **Jobs Potential:** 21,000 - 13% of state-wide economic base job estimate. This number was estimated by the Mid Region District and does not include the balance of state.
2. **Major Economic Sectors:** N/A
3. **Program status:** Program is being developed.
4. **Procuring Agents:** Real Estate developers, homebuilders.
5. **Major FOP Gaps:** Tax and regulatory, marketing and sales apparatus.
6. **Legislative Action:** none at this time.
7. **Definition:** The recruiting of economic base retirees who move to the state bringing a combination of net worth and retirement income in excess of 200% of the federal poverty guidelines.



Import Substitution (leakage prevention)

1. **Jobs Potential:** Unexplored – potentially significant.
2. **Major Economic Sectors:** All sectors.
3. **Program status:** Unexplored.
4. **Procuring Agents:** Chambers of commerce, EDOs, Mainstreet.
5. **Major FOP Gaps:** TBD
6. **Legislative Action:** TBD
7. **Definition:** Leakage prevention. New induced non-economic base jobs can be added to a regional economy by expanding or developing new local product and service providers that allow local non-economic base businesses and residents to spend their money locally instead of outside the region. New induced jobs are additive to the economy as long as the economic base is growing and the new induced jobs being created do not result in destruction of existing jobs or enterprises.

Program Theater Assessment Summary

Theater	Potential Impact		Potential Program Impact		Theater Status				Action Indicated		
	10 Year Potential	% share of state 10 yr goal	Program Reliance potential	% Share of state program reliant	Organization	E-Base Focus	Local Planning	E-Base Metrics	Major FOP Gaps	Procuring Agents	Action Required
1. Employer	49,744	30%	42,282	35%	Underfunded and Understaffed	Strong	Weak	Moderate	Workforce, Marketing/Sales, RE	EDOs, Local Government, NM Partnership, NMEDD	Staff Augmentation, Co-op Marketing, Incentive Support
2. Federal Government	38,035	23%	28,526	23%	Limited activity, Unorganized	Assumed	Weak	TBD	Marketing/Sales, Tax and Reg. Climate, Real Estate	EDCs, Local Government, Federal Delegation	Matching funds for EPSCoR
3. Extractives & Energy	21,089	13%	17,926	15%	Active but unorganized	Strong	Moderate	Assumed	Housing, Workforce, Transportation, Transmission	EDCs, Industry Associations, Local Government	None at this time
4. Visitor	21,082	13%	10,541	9%	Well organized	Strong	Moderate	Strong	Marketing/Sales, Tax and Reg. Climate	Tourism, Hospitality	Increase tourism marketing budget
5. Solowork	11,920	7%	2,980	2%	No Program	TBD	TBD	TBD	Program Development, Tax & Regulatory, Broadband	No Program	Solo Pilot, Broadband
6. Film/ Digital Media	11,281	7%	11,281	9%	Well organized	Strong	Strong	Moderate	Capital, (Real Estate)	NM Film Office	Incremental increase in State Rebate program
7. Startup	8,771	5%	6,140	5%	Active, Growing but unorganized	Weak	Weak	Weak	Capital, Tax and Regulatory	Incubators, Accelerators, SBDCs, Enterprise Funds	Capital Gains reduction, Rollover investment tax break, Reduce tax on Out of State Investment
8. Agriculture	4,739	3%	2,370	2%	Active but unorganized	Assumed	Weak	TBD	Natural Resources, Workforce, Tax & Regulatory	EDCs, Agricultural estate service	Right to Farm
9. (Retirement)	~21,000				Unorganized but programmable	TBD	Weak	TBD	Program Development, Tax & Regulatory, Marketing/Sales	No Program	Broadband
10. (Import Substitution)					Unorganized but programmable	TBD	Weak	TBD	TBD	TBD	

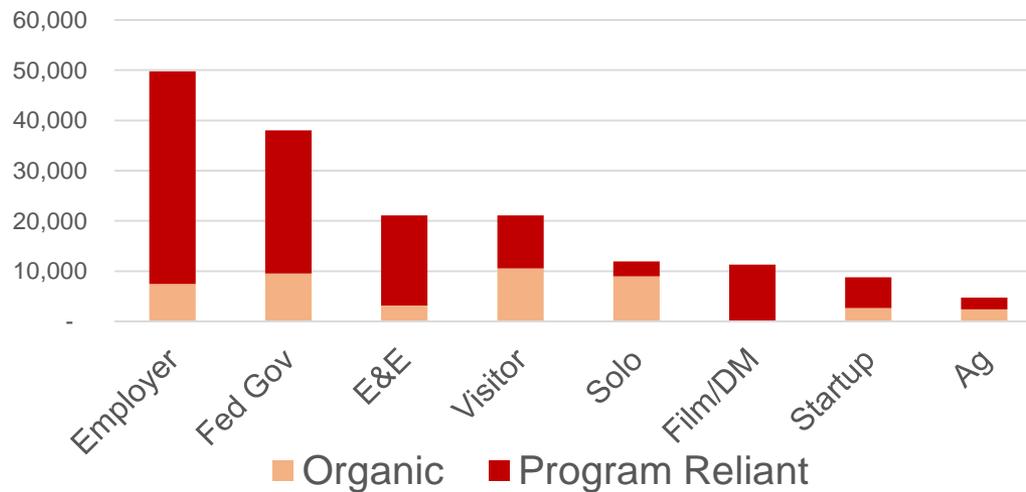
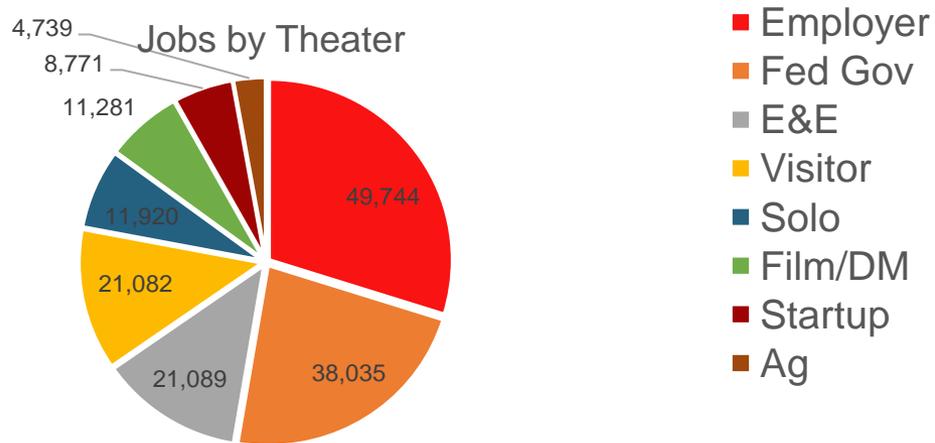
Economic Base Program Theaters

Theater	Job Estimates	Activities
1. Employer	49,744	Major employer Recruiting, retention & expansion
2. Federal	38,035	Federal agencies, healthcare, higher education
3. Extractives & Energy	21,089	Mining, oil & gas, power plants, wind, solar, bio
4. Visitor Driven	21,082	Tourism, hospitality, transit services
5. Solos;	11,920	Freelancers, 1099 contractors, independents
6. Film & Digital Media	11,281	Film, TV, games
7. Start Up	8,771	Innovation to Enterprise, start ups, tech transfer
8. Agriculture	4,739	New crop development, food processing, forestry
9. Retirement	21,000	Affluent retirement strategies
10. <u>Export Substitution</u>	?	Produce locally instead of importing
Total Jobs Estimated	166,661	Including Retirement
Total Jobs Needed	139,690	
Difference	+ 26,971	

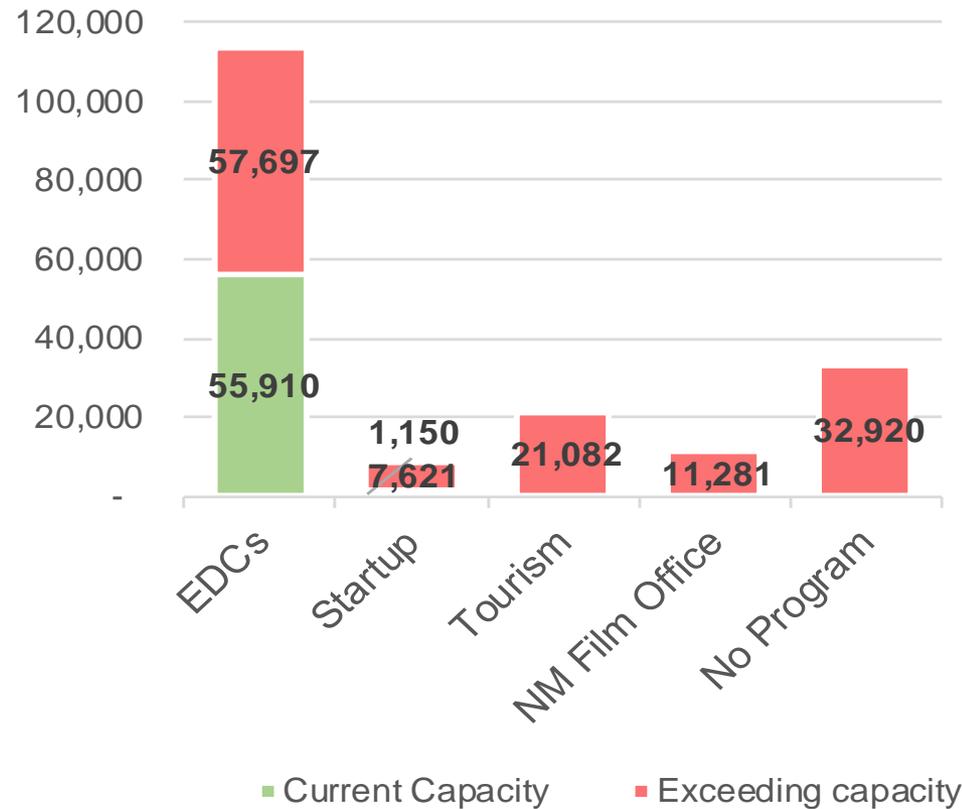
Program Theater Description Matrix

Job Creation Program Theater	Definition	Economic Sectors Included	E-Base Jobs to be Created	Jobs that are program reliant	Major Factor of production Gaps	Legislative Solutions
Solo	A solo economic base worker performs work full time from a home office, workshop, studio or mobile platform. While they may work for a corporation, they do not work in a centralized workplace. They must also be a resident of the state and a taxpayer. The qualifier for economic base is that a job brings in 51% or more revenue from out of state. The level of income generated by a solo economic base worker should exceed 200% of the federal poverty rate.	Solowork	11,920	2,980	<ul style="list-style-type: none"> - No Program - No state brand - Broadband - Business Services - GRT 	<ul style="list-style-type: none"> - Solo Pilot Program
Startup	The focus of this theater is entrepreneurs. The mission is helping community members turn their business ideas into enterprises with economic-base employees. Program activities: increasing rate and quality of ideas, innovation and IP that can be converted, conversion of ideas into viable enterprises, helping them grow.	Emerging Tech	8,771	6,140	<ul style="list-style-type: none"> - Lack of Venture Capital - Broadband - Qualified Labor - Too much focus on tech transfer - Low awareness of existing services - Lack of leadership/vision 	<ul style="list-style-type: none"> - Incubator Demand Gauge - Angel Investor Tax Credit - SIC Aid - Capital Gains Reduction - Tax and Revenue Data Sharing - Return to Sender Tax Credit - Tax Break on Rollover Investment
Visitor	Jobs with salaries paid from the local sale of goods and services to visitors from out-of-state. Although most job creation activities in this theater fall can be defined as tourism -- any journey for business or pleasure more than 50 miles outside your community in which you spend more than one night away from home -- the IJC process would exclude journeys for business or pleasure by New Mexico residents.	Visitor	21,082	10,541	<ul style="list-style-type: none"> - Limited Data - Low repeat visits - Low promotion of attractions - Poor local representation - No 5 star resorts - Nonstop flights - Highway access - Broadband - Cell service - Hospitality training - Insufficient product improvement 	<ul style="list-style-type: none"> - Tourism Incubator - Tourism Event Marketing - Private Match for Marketing - Charging Stations - Digital Presence - Trucker Advertising - Cell Service Improvement - Hospitality Training - Hospitality Education programs - Tourism and DoL Collaboration - Reclassify Insurance - Liquor License Stock Split - B&B Taxation - Industry Support
Employer	Focused on procuring economic base jobs by attracting new companies and helping existing companies survive and grow. Jobs in this theater take place in commercial office and industrial facilities, and the employees are hired as W2 employees.	Back Office Exported Services Integrated IT/Cyber Manufacturing	49,744	42,282	<ul style="list-style-type: none"> - Accountability System - Staff Shortage - Building shortage - Housing Shortage - Lack of Strategy 	<ul style="list-style-type: none"> - Accountability Act - EDO Staff Augmentation - EDO Marketing Funds - Property tax abatement - Deregulate local LEDA - Housing and finance solution - Texas Contractor licensing
Film/Digital Media	Recruiting and developing the production of feature films, independent films, television, regional and national commercials, documentaries, animation, video games, webisodes, mobile applications and post production work intended for commercial exploitation and exhibitions out of state.	Film/Digital Media	11,281	11,281	<ul style="list-style-type: none"> - Marketing Capacity - Incentive Capacity - Broadband - Qualified Labor - Lack of Planning 	<ul style="list-style-type: none"> - NMFO Staff Increase - Gaming Position - L.A. Project Recruiting - Game Incubator/Accelerator - Incentive Investment - Stand-Alone Finance Program - Raise Incentive Cap - Site Selection Guidelines
Federal Gov't	Increasing the number of jobs paid for by the federal government. This includes general schedule (GS jobs), private sector federal contractor 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.	Federal Gov't Health and Social Services Education	38,035	28,526	<ul style="list-style-type: none"> - No Program - No mapping - Transportation - Housing Shortage 	<ul style="list-style-type: none"> - Map Job Levels - Stand Alone Fund - Healthcare Construction - Student Debt Forgiveness - Office of Federal Entrepreneurship
Agriculture	Procuring economic base jobs by attracting, expanding and creating enterprises that grow, process and distribute food and fiber.	Agriculture	4,739	2,370	<ul style="list-style-type: none"> - Reaching international markets - Natural Resources - Low value crops - Encroaching urbanization 	<ul style="list-style-type: none"> - Right to Farm - Water Rights - Incentivize High Value Crop
Energy & Extractives	Creating jobs in two primary areas of the export economy; the extraction and processing of raw materials from the land for export and the production and transmission of energy for export out of the state.	Energy and Extractives	21,089	17,926	<ul style="list-style-type: none"> - Assistance from NMEDD - Rail access - Affordable housing - Qualified Labor - Conflicting political environment - Regulatory environment 	<ul style="list-style-type: none"> - Rail Subsidy - Local Funding for Housing - Lift Export Restrictions - Worker Relocation - Interdepartmental Cooperation
Retirement	Recruiting economic-base retirees who have a combination of net worth and retirement income in excess of 200% of the federal poverty guidelines. Because their investment and retirement income are from outside the state, they will have the same impact on the local and state economy as the creation of a new economic base job.	Retirement	21,000	10,500	<ul style="list-style-type: none"> - No Program - Broadband - Lack of suitable housing - Lack of rural Healthcare - No community rating 	<ul style="list-style-type: none"> - Retiree Income Tax Break - Healthcare Worker Rural Incentive - Retirement Community Rating

Economic Base Job Creation Theaters



Division of Responsibility for Job Creation





Theater Development Conclusions

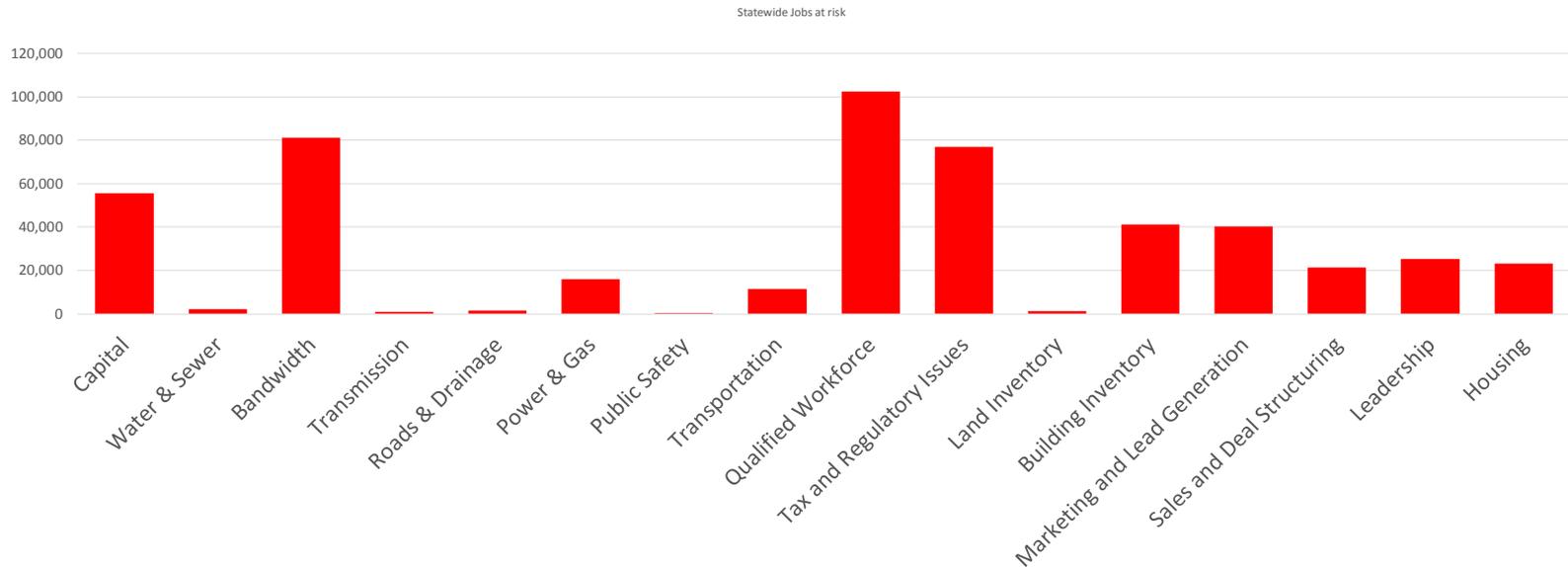
1. **Visitor & Film Theaters:**
Requires continued incremental increases in support.
2. **Employer Theater:**
Requires elevation of existing program efforts.
3. **Government & Start-Up Theaters:**
Requires organization and planning.
4. **Solo & Retirement Theaters:**
Need to innovate and test new program approaches.
5. **Agriculture & Extractives and Energy Theaters:**
Needs further evaluation.



Factors of Production

Factor of Production Gaps Summary

Statewide Factor of Production Gap Assessment																
	Capital	Water & Sewer	Bandwidth	Transmission	Roads & Drainage	Power & Gas	Public Safety	Transportation	Qualified Workforce	Tax and Regulatory Issues	Land Inventory	Building Inventory	Marketing and Lead Generation	Sales and Deal Structuring	Leadership	Housing
Statewide Jobs at risk	55,736	2,295	81,227	867	1,725	16,050	150	11,570	102,296	76,891	1,235	41,208	40,386	21,360	25,297	23,336



Factor of Production Gap Solutions

Legislation for Factor of Production Gaps							
Marketing and Sales		Real Estate, Infrastructure and Capital		Workforce, Housing, Community Quality		Leadership, Organization, Business	
Initiative	Amount	Initiative	Amount	Initiative	Amount	Initiative	Amount
Staff Augmentation	\$4.5M	Broadband	\$950K	Workforce Gap model	\$125K	Forest Restoration	\$250K
Coop marketing	\$2M	Rollover tax break	-	Middle School Physics	\$250K	Right to Farm	-
NM Partnership Funding	\$2M	Eliminate restriction on Out of State Angel Investment	-	JTIP Funding	\$10M	Solo Pilot	\$500K
Tourism Funding	TBD	SIC Support	-	Workkeys Assessment	\$35K		
				Rapid Workforce Deployment	\$1.25M		



EDOs Players Matrix



Overview

- First time this has been done.
- Shows the cooperation of ED Professionals statewide.
- Predicate to an accountability metrics evaluation of state and local program efforts.
- Initial reporting shows wide disparities between rural and urban programs.
- Initial reporting methodology needs refinement and validation by ED Professionals.

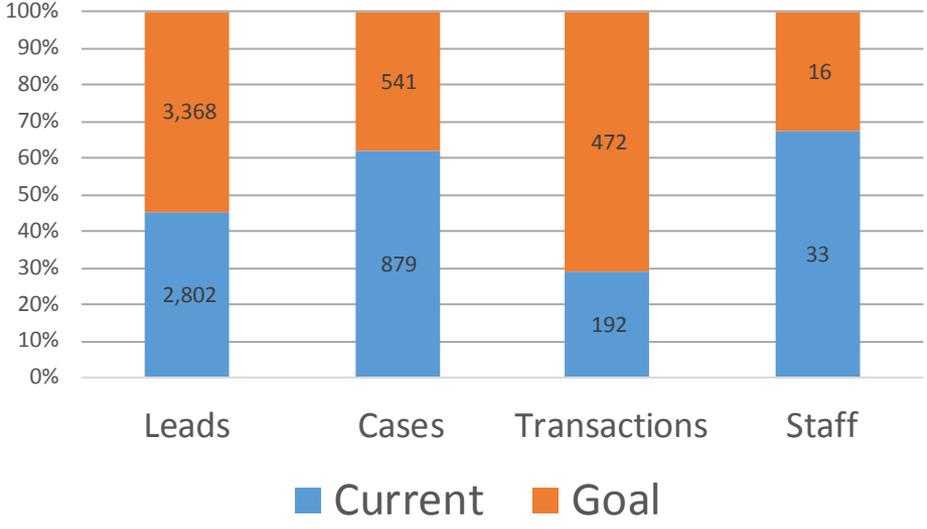
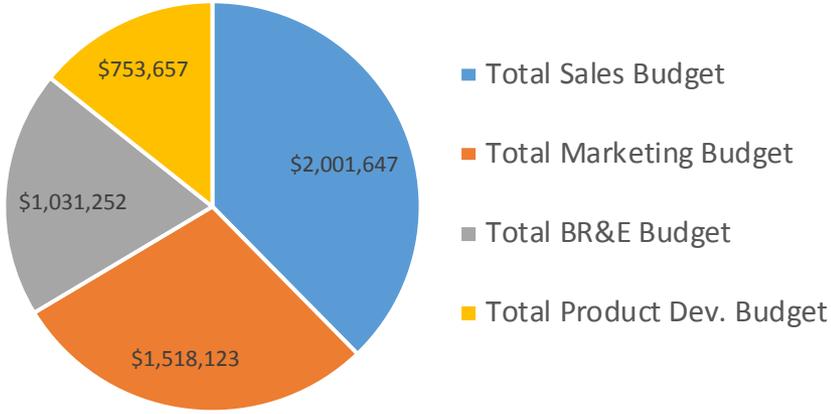


What We Asked For:

1. Quantity and application of budget.
2. Inputs and outputs of job creation activity.
3. Current capacity and ambition for growth.
4. FOP Gaps and respective solutions preventing each from reaching their goals.

Employer RR&E Player Matrix Summary		
Budget		
Combined Budget		\$ 13,214,962
Total Public Contribution		\$ 3,998,759
	Urban	\$ 891,600
	Rural	\$ 3,107,159
Total Sales Budget		\$ 2,001,647
Total Marketing Budget		\$ 1,518,123
Total BR&E Budget		\$ 1,031,252
Total Product Dev. Budget		\$ 753,657
Job Creation		
Average % of work going to E-Base		64%
Total Jobs Announced		13,348
Total E-Base jobs		5,591
Number of E-Base Employers		2,868
Number Interviewed for R&E		1,607
Sales		
Leads	Current	2,802
	Goal	6,170
	% reached	45%
Cases	Current	879
	Goal	1,420
	% reached	62%
Transactions	Current	192
	Goal	664
	% reached	29%
Staff	Current	33
	Goal	49
	% reached	67%

Statewide Budget Use





Initial Observations

- 100% EDCs report a critical shortage of marketing funding, staff, or both as a major FOP Gap.
- 80% of the state's rural EDCs report the majority of funding from their public sector sponsors.
- The state's EDCs report an immediate need for a 50% increase in full time staff.
- 75% of EDCs report a lack of qualified workforce as a major FOP Gap.
- 60% of EDCs report a shortage of affordable housing as a major FOP Gap.
- 50% EDCs report the lack of an existing building as a major FOP Gap.
- 30% of the combined funding for the state's EDCs comes from the public sector – 70% from the private sector.

** 19 of the state's 25 EDCs reporting*



Workforce





Metrics, Accountability and Planning

“What gets measured gets planned, funded and done.”



Benefits of a more rigorous, comprehensive and transparent accountability and planning.

1. Compliance for GASB Rule 77.
2. Bring clarity and order to economic development deliberations.
3. Justify the required scale increases in investment and policy support.
4. Serves as a commitment device to compel and reward planning efforts.
5. Serves as a commitment device for execution of plans and policies.
6. Allow stakeholders to gauge incremental progress against program goals.
7. Improve public perception of investments in economic development.



Rationale for a more rigorous planning and accountability system:

1. Needed now for local government audit compliance - GASB 77.
2. Required to attract the scale increases of investment needed.
3. Will compel critical assessment and planning work.
4. Improve allocation of resources to higher value programs and projects.
5. Will improve execution of programs.
6. Increase citizen support and confidence.
7. Improve our ability to brand and market the state.
8. Makes incentives easier to negotiate and administrate.



Constraints and Concerns

- Additional reporting costs and inconvenience on already over regulated employers.
- Additional reporting costs to state and local governments.
- Additional reporting costs to economic development organizations.
- Confidentiality of employers.
- Degrading of the ability of state and local job creation agencies to negotiate and manage the client relationship.
- Further politicization of economic development and workforce issues.



Framework

Uniform legal and administrative framework

- Comprehensive: all theaters
- Conceptual clarity: economic base
- Definitions
- Methodologies
- Jurisdictions
- Negotiating principles
- Standards



Classes of Metrics

- Economic base source data and analytics
- Incentives compliance and ROI analytics; by incentive, by theater
- Job creation program performance state and local; calibrated to plans



Building Commitment

- Set measurable program recruitment and expansion goals for each theater.
- Identify major factor of production gaps.
- Define, fund and implement strategies and reporting.
- Develop a state-wide education and planning program.



NM Jobs Council Value

1. A unique framework and process has been developed and tested that frames and orders state and local deliberations so they produce clarity, consensus and concerted action.
2. It is the only civic platform that brings the legislature, executive and constituent stakeholders together on even playing field.
3. Application of a “unanimous” standard for the Council’s recommendations keeps deliberations focused on the achievable.
4. For the first time, the state and each region has an estimate calculation of the dimensions of their job creation predicament and a menu of potential solutions.
5. An online data platform has been established that allows participating counties and regions to display and refine the key data points framing their job creation agenda.
6. Jobs Council recommendations are influence in legislative sessions.



Key Insights and Assertions

- Growing the economic base is the only action that will generate the additional resources need to make other civic improvements.
- The focus of economic development efforts should be on economic base job creation until the state economy is back to pre-recession levels of employment.
- Of the estimated 140,000 new economic base jobs, 80,000 of attrition will need to be replaced before the unemployment gap can be closed or any jobs to support additional population can be created.
- Job creation prospects are severely limited for many rural regions of the state. Job creation prospects for the state's urban regions is better but critical factor of production gaps must be cured quickly for them to materialize.
- A more rigorous and comprehensive accounting system is required to compel additional planning, investment, and execution needed.
- Integrating education and workforce development efforts into the state's job creation strategy looms as the next major undertaking.