

Performance Report Card
Economic Development Department
Third Quarter, Fiscal Year 2013

Performance Overview: The Economic Development Department (EDD) announced just 389 new jobs in the third quarter of FY13, but the job creation numbers for the first three quarters overall exceed both the agency's annual performance measure target and the results for the prior two fiscal years. However, while the performance measures reference jobs *created*, the EDD counts jobs *announced* in many cases, and companies often take months or years to fill the positions for which the department claims credit, leading to a mismatch between jobs announced and jobs filled. New Mexico total nonfarm employment grew 0.5 percent from March 2012 to March 2013 -- a slight uptick from the second quarter but trailing all other states in the region except Wyoming for employment growth. New Mexico ranks 38th nationally in employment growth.

Economic Development Program		Budget: \$2,906,300	FTE: 26	FY11 Actual	FY12 Actual	FY13 Target	Q1	Q2	Q3	Rating
1	Total number of jobs created due to economic development department efforts *			1,922	2,684	2,500	1,089	1,215	389	G
2	Number of rural jobs created *			958	1,542	1,100	248	703	248	G
3	Number of jobs created through business relocations facilitated by the economic development partnership *			499	657	2,200	100	25	0	Y
4	Number of jobs created by the mainstreet program *			598	592	600	126	197	117	Y
5	Percent of employees whose wages were subsidized by the job training incentive program still employed by the company after one year *			47%	72%	60%	Reported Annually			-
6	Number of workers trained by the job training incentive program			553	1,015	1,000	450	66	256	G
7	Average wage of jobs funded through the job training incentive program			n/a	n/a	\$16.00	\$15.12	\$35.02	\$17.79	G
8	Number of international trade transactions			38	14	30	2	16	7	G
9	Number of business advocacy cases solved			n/a	n/a	30	10	11	14	G
10	Number of communities certified through the certified communities initiative (cumulative)			38	36	40	23	23	23	Y
11	Number of businesses provided technical assistance in creating a funding package request and referred to the appropriate funding agency			n/a	n/a	5	15	20	23	G
Program Rating				Y	Y					Y

Comments: LFC staff recommends changing "jobs created" to "jobs announced" and adding a performance measure in the future to report actual jobs created during the prior year to provide historical context for the job announcements. The EDD now has a form to present to client companies requesting permission to gather data on jobs created to provide this historical perspective. The Economic Development Partnership continues to struggle with reduced funding and staff levels and performance measure results, but the GAA appropriates an additional \$300 thousand for the Partnership for FY14. Additionally, the Partnership is attempting to raise \$200 thousand in cash and \$50 thousand of in-kind contributions. The MainStreet Program is almost on track to meet the annual jobs target; however, the EDD did not provide documentation of these jobs in the quarterly report because the information resides with local communities. LFC staff requested documentation of which companies created the jobs to provide transparency and accountability. The performance result for the number of certified communities should remain at 23 and miss the annual target due to no remaining funding for these certifications. The finance development team performance results show a very high number of businesses assisted with funding package requests -- more than eleven times the annual target after three quarters. However, the EDD reports few companies receive funding due to little remaining funding available for capital projects.

Film Program		Budget: \$874,800	FTE: 9	FY11 Actual	FY12 Actual	FY13 Target	Q1	Q2	Q3	Rating
12	Number of media industry worker days *			181,366	143,046	150,000	43,770	31,570	15,725	Y

**Performance Report Card
Economic Development Department
Third Quarter, Fiscal Year 2013**

13	Economic impact of media industry productions in New Mexico, in millions	\$696.6	\$673.8	\$300	\$142.2	\$93.9	\$66.9	G
14	Number of films and media projects principally photographed in New Mexico	96	57	85	13	14	9	R
Program Rating		G	G					Y
<p>Comments: Outcomes for the film measures indicate reduced performance compared to FY11 and FY12, with numbers down across all measures. The local industry maintains this is primarily due to the \$50 million cap instituted for the film production tax credit. However, there is now a longer time-frame from when a project is produced to when the pay-outs occur for the credit; therefore, it is difficult at this time to fully assess the changes. The Legislature addressed the cap issue during the 2013 session by allowing a rollover of any unused funds under the \$50 million annual limit, but not to exceed \$10 million, to the next fiscal year. These amounts will not count toward a subsequent year's annual limitation.</p>								
Suggested Performance Measure Improvements								
<p>The Economic Development Department (EDD) continues to update and enhance its quarterly report. LFC staff recommends changing performance measure references to "jobs created" to "jobs announced" and adding a performance measure to report actual jobs created during the prior year. This would retain the current job projections while also providing historical context for those projections.</p> <p>Additionally, LFC staff will work with the EDD and the DFA to revise measures and the performance monitoring plan to provide more accountability for reported job creation numbers. The primary issue is the need to track job numbers for the MainStreet Program so the EDD can at least provide a list of the companies creating the reported jobs.</p>								

* Denotes House Bill 2 measure