

**MINUTES  
of the  
FOURTH MEETING  
of the  
JOBS COUNCIL**

**September 11, 2013  
Daniels Leadership Center  
New Mexico Military Institute  
Roswell**

The fourth meeting of the Jobs Council (council) was called to order by Representative W. Ken Martinez, co-chair, on September 11, 2013 at 9:37 a.m. at the Daniels Leadership Center of the New Mexico Military Institute (NMMI) in Roswell.

**Present**

Rep. W. Ken Martinez, Co-Chair  
Sen. Mary Kay Papen, Co-Chair  
Ray M. Baca  
Rep. Donald E. Bratton  
Terry Brunner  
Sen. Stuart Ingle  
Beverlee McClure  
Rep. Rick Miera  
Rep. Debbie A. Rodella

**Absent**

Sen. Phil A. Griego  
Sen. Michael S. Sanchez

**Advisory Members**

Rep. Mary Helen Garcia

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

**Guest Legislator**

Rep. Larry A. Larrañaga

**Staff**

Tessa Ryan, Staff Attorney, Legislative Council Service (LCS)  
Raúl E. Burciaga, Director, LCS  
Monica Ewing, Staff Attorney, LCS  
Claudia Armijo, Staff Attorney, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other written material are in the meeting file.

**Wednesday, September 11****Welcoming Remarks**

Major General Jerry W. Grizzle, superintendent/president of NMMI, welcomed the council and guests. He stated that NMMI is a significant employer in the state, has a \$34 million annual budget and generates \$50 million per year in business for Chaves County. NMMI has created 641 jobs. The Daniels Leadership Center was designed to be a backup emergency operation center for the county.

Representative Martinez recognized former Senator Timothy Z. Jennings, who addressed the group. Mr. Jennings thanked the council for visiting the southeastern part of the state. He noted that while other areas of the state are struggling, Eddy and Lea counties have so many jobs that housing is a concern. San Juan County has recorded unemployment as high as 25%.

**Review of Process and Past Meeting Results**

Mark Lautman, lead program consultant to the council, reviewed the day's agenda and the progress made at the council's previous meetings. He indicated that the council intends to test the figures at which it arrives by using the knowledge of statistical economic development experts, and he noted that Elizabeth Davis, research director, Economic Development Department (EDD), and labor economist Charles Lehman were in attendance to assist the council.

Mr. Lautman reviewed the five-step process that the council is following to assess job creation and economic development in the state. He noted that many groups creating economic development plans and strategies fail to address "economic predicament", which can help to identify the number and types of jobs needed. At the previous meeting in Taos, the council focused on economic sector selection. From a list of 14 economic sectors, the council worked to determine the number of jobs that could possibly be created in each sector over the next 10 years. Mr. Lautman informed the group that he has consulted with industry experts about the figures that the council arrived at in its first three meetings and that those experts have not identified any concerns with the council's numbers.

**Geographic Distribution**

Participants divided into groups representing council of government (COG) districts. Mr. Lautman said that the meeting would focus on geographic distribution and resource gaps. The focus would help to identify the number of jobs that could be created in each of the COG districts and the gaps in resources that might have to be bridged to allow for job creation. Mr. Lautman

emphasized that the groups should be concerned with economic development in the state, not just in individual districts. He added that the focus was at the COG level because, there, development issues could be best identified and addressed. Mr. Lautman also noted that it could be helpful for planning efforts if the legislature defined the state's COGs, economic development districts and work force districts in a uniform way.

Mr. Lautman stated that the council's next meeting, its fifth, would be an opportunity to make consensus decisions on how to scale the state's job-creation efforts. Mr. Lautman noted that the council does not have an aspirational agenda but, rather, is taking a strategic approach to identify job-creation efforts that can make a significant impact in the next three to five years. He added that the COGs and the EDD have been involved in the council's work to ensure that the process is as comprehensive and inclusive as possible.

In addition to identifying the number of jobs that might be created in the identified sectors in each of the COGs in the next 10 years, the groups' goal was to produce a list of factors of production that will have to be addressed to ensure those jobs' creation. Mr. Lautman explained the worksheets provided at each group's table, saying that each worksheet showed the proportion of the state's population within each COG. One approach to estimating the number of jobs that could be created in each COG was simply to attribute a pro rata share of the total estimated number of jobs to each COG; however, he said, it was preferable that attendees consider what is actually possible in each COG, given the district's existing or new infrastructure.

Mr. Lautman directed the groups to perform deliberations and complete worksheets to show the number of jobs that each COG might create in each employment sector. With respect to identifying factors of production that would influence a COG's ability to create jobs, Mr. Lautman asked the groups to be optimistic and to assume that there would be reasonable cooperation at the state and local levels to overcome or address factors of production. The numbers at which each COG arrived would be uploaded to a worksheet to be used to track the council's work.

### **Plenary Session**

After deliberations, Mr. Lautman led a group discussion. He began by announcing that at the prior council meeting, the group estimated that approximately 162,000 jobs could be created in the state in the identified sectors. After that morning's COG-level deliberations, the groups estimated that the state could create 174,276 jobs in the next 10 years. Tim Karpoff, facilitator for the council, reviewed the COG's job-creation estimates and compared them with the estimates arrived at by council members and subject matter experts at the August meeting. Mr. Karpoff asked each COG group to report on its deliberations and estimates.

A representative from the northeastern/eastern plains COG district group reported that the group anticipated growth in manufacturing in Curry and Roosevelt counties. The group factored in an expansion to the area's cheese plant that could result in 300 new jobs. The group also estimated that 600 government jobs could result from an expansion of Cannon Air Force Base.

Further, 200 jobs in health clinics and hospitals, approximately 100 jobs in educational services and some construction jobs could result from the expansion. The total area estimate was 2,010 jobs.

A representative from the north central COG district group reported that the group's estimates closely approximated the actual pro rata share of jobs that might be expected from the COG. He reported that the group was confident that its estimate of 22,000 total jobs was reasonable.

A representative from the southeastern COG district group reported that an estimated 2,000 jobs could be created in the nuclear industry, with 450 jobs related to interim storage of waste, 50 jobs related to the expansion of URENCO and 1,000 construction jobs related to the URENCO expansion. A conservative estimate of 200 jobs could come from the oil and gas industry and 145 jobs from the new wing of Holloman Air Force Base. The total estimate was 13,931 jobs.

A representative from the mid-region COG district group stated that the region is the economic fuel for the state. The group noted that in some economic sectors, such as digital media, visitor-driven industries and government and universities, the region contributes more than 60% of the state's jobs, despite having only 43% of the state's population. The group attributed the fact to infrastructure and the high number of facilities in the region. The group anticipated that film and digital media would be strong job-creation sectors, while extractive and renewable energy would be weaker. The total estimate was 82,570 jobs.

The southwest and south central COG district groups worked together, combining the two regions, which, together, consist of seven counties. The group considered job creation by county and agreed that digital media, the universities and White Sands Missile Range would be key economic stimuli. The group anticipated that most job growth would occur in Dona Ana County and Santa Teresa. The total job estimate for the southwest COG district region was 3,495, and the total for the south central COG district region was 23,620 jobs.

A representative from the northwest COG district group noted that, like the southeast COG district, the northwest is an energy generator for the state. The group included representatives from the uranium industry, and group members identified growth potential from uranium mining. The northwest region has some of the highest poverty rates in the state, which translates to potential for growth. They anticipated growth in the areas of extractive, manufacturing, visitor-driven industries and agriculture. They noted that Durango, Colorado, is one of the top 10 locations for independent workers and that Farmington might benefit from its proximity to Durango. The group's total estimate was 26,650 jobs.

Mr. Karpoff asked Mr. Lehman how the council's intuitively derived data compared with statistical analysis. Mr. Lehman stated that he has performed economic consulting work for the University of New Mexico's Bureau of Business and Economic Research and for the Workforce

Solutions Department. He had conferred with both entities about the data and estimates emerging from the council's sessions, and thus far, the numbers were tracking closely with statistics. Three major areas in which the numbers differ are the extractives industry, health care and call centers. However, he said, the official data show that, overall, the council's numbers are reasonable.

Some participants commented in response to the reports from each COG district group. One participant noted that creating a single job is not easy, and in order to achieve this kind of job growth, the public and private sectors would have to focus and invest resources in programmatic efforts. Another participant stated that the group needs to consider that the national laboratories in the state will be losing jobs because the federal government is looking to streamline work in the laboratories. That could mean a loss of many jobs with average salaries of \$80,000 per year.

A participant expressed concern for rural areas, pointing out that the eastern plains COG district group estimated that only 1% of necessary jobs would be created there, despite the area having 4% of the state's population. He added that industries such as the extractive industries are subject to volatility from world events and could easily lose jobs quickly. The availability of affordable housing and child care were cited as other concerns.

Ms. Davis added that the EDD has been working on its five-year economic development plan for the state. She has been researching other states' job-creation strategies. States experiencing sustainable job creation are making investments, and the EDD's plan is focused on investment, particularly in the area of technology transfer. Secretary of Economic Development Jon Barela is also interested in making New Mexico the premier state for water research.

### **Resource Gaps**

Mr. Lautman asked the groups to identify the major factors of production — the three most significant barriers to job creation — for each industry sector listed on their worksheets, starting with the two or three most important sectors in the region. He reviewed the various factors of production for the groups' consideration, which include capital, water and sewer infrastructure, bandwidth and data storage infrastructure, transmission infrastructure, roads and drainage infrastructure, power and gas infrastructure, public safety infrastructure, transportation, facilities, qualified work force, tax and regulatory issues, land inventory, building inventory, marketing and lead generation, sales and deal structuring, leadership and housing.

The groups broke up into deliberative sessions to consider factors of production.

Mr. Karpoff reconvened the groups and asked for reports from each on the factors of production identified in the region's most important sectors. The following was reported:

### **North central:**

- **health and human services** — 1) qualified work force; 2) facilities; 3) leadership;

- **exported information services** — 1) broadband; 2) capital; 3) a qualified work force;
- **solo-work** — 1) tax and regulation; 2) broadband; 3) facilities; and
- **visitor-driven** — 1) marketing; 2) transportation; 3) facilities.

#### **Southeast:**

- **extractives** — 1) housing; 2) a qualified work force; 3) roads infrastructure;
- **visitor-driven** — 1) housing; 2) a qualified work force; 3) transportation; 4) water; and
- **manufacturing** — 1) housing; 2) a qualified work force; 3) infrastructure.

#### **Mid-region:**

- **visitor-driven** — 1) facilities; 2) marketing; 3) a qualified work force;
- **health and human services** — 1) qualified work force; 2) building availability; 3) tax and regulatory issues;
- **back-office operations** — 1) sales; 2) deal structuring; and
- **manufacturing** — 1) qualified work force; 2) capital; 3) water and sewer infrastructure.

#### **South central:**

- **manufacturing** — 1) qualified work force; 2) transportation; 3) water;
- **government** — capital; and
- **health and human services** — 1) bandwidth infrastructure; 2) a qualified work force; 3) tax and regulatory issues.

#### **Northwest:**

- **extractives** — 1) tax and regulatory issues; 2) leadership; 3) capital;
- **manufacturing** — 1) transportation infrastructure; 2) broadband; 3) a qualified work force;
- **integrated information technology** — 1) broadband; 2) capital; and
- **health and human services** — federal government investment.

Mr. Karpoff noted that a qualified work force and broadband infrastructure appeared to be important factors of production in almost all sectors.

#### **Minutes**

The council, without objection, approved the minutes of the second and third council meetings.

#### **Adjournment**

There being no further business before the council, and due to weather concerns, the fourth meeting of the Jobs Council for the 2013 interim adjourned at 3:27 p.m.

**Interim Jobs Council - September 11th - Roswell,  
NM Factors of Production Review**

<b>COG</b>	<b>Sectors Chosen</b>	<b>FoP Gaps and Barriers</b>
Northwest COG	Integrated IT & Cyber Manufacturing Extractives	Broadband Broadband, Roads, Qualified Workforce Tax and Regulatory, Qualified Workforce,
North Central COG	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 COG	Integrated IT & 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 COG	Solo-Independent Work Emerging Technologies Manufacturing	Broadband, Qualified Workforce, Housing Broadband, Qualified Workforce, Sales Sales, Qualified Workforce, Water
Southwest COG		
Southeastern COG	Visitor Driven Manufacturing Extractives	Qualified Workforce, Facilities, Leadership Transportation, Qualified Workforce, Housing, Qualified Workforce, Roads and
South Central COG	Manufacturing Government  Health and Social Services	Water, Tax and Regulatory, Land and Building Inventory, Marketing and Sales Qualified Workforce Facilities, Qualified Workforce, Tax and Regulatory, Land and Building Inventory, Marketing and Sales

**Potential Economic Base Sectors for the State - Jobs By Region**  
Legislative Jobs Council Session 4 | Roswell, NM | Sept. 11th, 2013 | 9:30am

List of General Industry Sectors:	Sub-Sectors:	Northwest	North Central	Mid-Region	Eastern	Southwest	Southeastern	South	Individual	Statewide	Statewide
		New Mexico COG	New Mexico EDD	COG	Plains COG	New Mexico COG	New Mexico EDD	Central COG	COG Estimated Total		
	<b>Total District Population:</b>	228,749	283,327	887,077	89,216	63,228	268,495	239,087	2,059,179		
	<b>Percent of New Mexico Population:</b>	11%	14%	43%	4%	3%	13%	12%	100%		
	<b>Estimated Workforce Population:</b>	108,656	134,580	421,362	42,978	30,033	127,535	119,566	976,110		
	<b>Estimated Economic Base Jobs:</b>	17,872	22,136	69,307	6,970	4,940	20,977	18,680	160,883		
<b>Back Office Services (Call Centers)</b>	<i>(Call Centers, Sales, Accounting, Procurement, and Payroll Services)</i>	0	700	12,000	100	100	390	500	13,790	25,000	70
<b>Exported Services</b>	<b>Financial Services</b>	300	2,050	7,200	200	450	550	2,000	12,750	15,000	1,500
	<b>Research, Writing, Editing, and Publishing</b>										
	<b>Exported Information Services</b> <i>(Broadcasters, Webmasters, Public Relations, Marketing, Social Media, Tele-Services, Online)</i>										
	<b>Environmental Services</b>										
	<b>Construction Management Services</b>										
	<b>Philanthropic Services</b>										
<b>Solo - Independent Work</b>	<i>(Consultants, Writers, Artists, Digital Animators, Financial Advisors, Accounting, Design Services, Medical Transcription, IT Services, etc.)</i>	1,600	1,750	5,160	70	500	160	2,000	11,240	12,000	12,000
<b>Integrated IT &amp; Cyber (Non-Government)</b>	<i>(Commercial Transaction Security, Software Engineering, Server Farms, Data Storage, etc)</i>	4,900	800	8,800	0	100	0	1,500	16,100	16,000	1,600
<b>Digital Media</b>	<i>(Film, TV, Video Gaming &amp; Testing, Modeling &amp; Simulation)</i>	0	1,500	5,400	0	50	30	300	7,280	9,100	160
<b>Visitor Driven</b>	<i>(Cultural, Business – Conferences and Meetings, Space, Destination Entertainment, Ecotourism, Retirement Living, Transportation, Hospitality, Gaming, Exported Art and Craft)</i>	1,500	7,000	13,200	70	300	1,050	3,000	26,120	22,400	228
<b>Emerging Technologies (Non-Government)</b>	<i>(Optics/Photonics, Sensors, Biomedical, Water and Environmental Technologies, Bio-tech, Nano-Tech, Energy, Cyber-security)</i>	300	600	800	100	30	145	120	2,095	1,000	200
<b>Manufacturing</b>	<i>(Construction materials, Equipment, Aircraft Manufacturing and Repair, Electronics, Micro Electronics, Energy, Optics)</i>	5,500	200	8,250	200	300	545	6,000	20,995	15,000	506
	<b>Transport, Warehouse, and Logistics (Export)</b>										
<b>Extractives</b>	<b>Energy and Extraction</b> <i>(Energy Production Facilities, Natural Gas, Coal, Wind, Solar, Geothermal, Biomass, Nuclear, Other)</i>	6,100	400	1,000	20	100	9,686	500	17,806	10,000	257
	<b>Oil and Gas</b> <i>(Production, Transport, and</i>										
	<b>Mining</b>										
	<b>Uranium Processing</b>										
<b>Agriculture, Food, and Forestry</b>	<i>(Farming and Ranching, Vineyards &amp; Productions, Production Greenhousing, FS, Processing and Packaging, Value-added Exported Services, Water, Arid Agriculture, Genetics, Food Security)</i>	2,700	1,000	600	350	90	600	400	5,740	3,000	186
<b>Government</b>	<b>Federal Government</b> <i>(USFS, Defense, Health and Social Services, Energy, Homeland Security, Education, Interior, Transportation, Commerce, Agriculture, HUD, Treasury, Environment, Justice)</i>	300	1,800	4,860	600	400	465	2,000	10,425	8,100	?
	<b>Aerospace and Defense</b> <i>(Unmanned Aerial Vehicles, Commercial Space Flight, Aircraft Modification, Aviation)</i>										
	<b>Emerging Technologies (Public)</b> <i>(Federal Labs-related, Research and Development)</i>										
	<b>State Government</b>										
	<b>Federal Government Contract Services</b> <i>(Staff Augmentation, System</i>										
<b>Health and Social Services</b>	<i>(Federal Winfall, Hospitals, Home Health Care, Assisted Living, Dentistry)</i>	3,150	4,000	13,800	200	1,000	225	5,000	27,375	23,000	15,000
<b>Education Services</b>	<b>Higher Education</b>	300	200	1,500	100	75	85	300	2,560	2,500	25
<b>Total</b>		<b>26,650</b>	<b>22,000</b>	<b>82,570</b>	<b>2,010</b>	<b>3,495</b>	<b>13,931</b>	<b>23,620</b>	<b>174,276</b>	<b>162,100</b>	<b>31,732</b>
<b>Percent of Total Jobs</b>		<b>15%</b>	<b>13%</b>	<b>47%</b>	<b>1%</b>	<b>2%</b>	<b>8%</b>	<b>14%</b>			
<b>Percent of Total NM Population</b>		<b>11%</b>	<b>14%</b>	<b>43%</b>	<b>4%</b>	<b>3%</b>	<b>13%</b>	<b>12%</b>			

How many Economic Base jobs can your region create in the next ten years in each of the 14 economic base industry sectors?

**Instructions:** (1) The economic base job number should reflect economic base to the state, not to your region. (2) It is important to note that these numbers are gross, they already account for attrition. (3) Consider all of the sectors where you will get jobs, understand that some sectors in your region may be blank. (4) These numbers are guesstimates, we can always adjust them later. (5) At the top of the spreadsheet, you will see the percent of the total New Mexico workforce located in your region. This is to help give you an idea of the share of the job creation pie that lies in your region. (6) Definition of an Economic Base Job: Jobs where the products and services being produced are sold out of state or the revenue used to pay the employee comes from out of state.