



MVEDA

12.2.14

# NM Legislative Jobs Council Clarity and Consensus on Job Creation

Mark Lautman CEcD

Lautman Economic Architecture LLC

The Community Economics Lab



**What will it take**  
just to get back to where we were  
before the recession?

In Ten Years

LEDA CE&D Apprenticeship Programs County ICSC MOOC's Talent Development Office Parks ONET Small Business Hackerspace USDA

STEM Lead Generation Entrepreneurship Bandwidth Build Operate Transfer Planning and Zoning CORPORATE RELOCATION Merchant Economic Developers Film Design Build

Digital Media Closing Fund SWOT FOREIGN TRADE ZONES Quality of Life National Laboratories Solo-work Economic Development Leakage Long-term Strategic Advantage FDI Minority Owned

Cultural Presentation Airports Branding Boomers Jobs Angel Investors Housing 1099s Community Development Transit Driven Economic Development Seed Funding Corporate Tax Rates Master Planned Communities Virtual Building

Local Growers Main Street Brain Drain Greenfield Development Universities Business Accelerators SBDC's Community Quality Index Design Thinking Rail Tax Incentives Free Agents WorkKeys

Intermodals Emerging Technology Federal Government Jobs Innovation Spec Building Energy Production Logisties HUB Zone Tax Incentives Crowdfunding Free Agents WorkKeys

Economic Base Jobs Empowerment Zones Social Media Renewable Energy Drop out Rate TOURISM Workforce Investment Boards E>P Technical Talent Gaming Sustainable Development Talent Attraction MINIMUM WAGE Retail Recruiting Time to Graduation

Neighborhoods Public Private Partnerships Oil & Gas Convention Visitor's Bureau International Cities Start-up Gazelles Compensating Industry NAICS Retirement Communities SBA Tax Revenue/Service Burden

Wealth Creation Marketing Exported Services Historical Preservation Chambers of Commerce Roads C<sub>TaxRev</sub> > R<sub>TaxRev</sub> Micro Lending Viticulture COUNCILS OF GOVERNMENTS BRAC

MEP Brownfield Development Clean Tech Nations Underemployment Workforce Gap Model Rural Development SBIC's Leadership Programs Live Work Play Implan 501(c)(6) Happiness

Custom Job Training EDC's EDO's Incubators Cluster Development Data Storage Intellectual Property Protection Industrial Building Gen 4 Co-working Spaces Tech Stars Natural Gas Crowdsourcing KEYTRAIN

Military Bases Ports Spec Workforce Tower Talent Retention Unemployment GDP Venture Capital Personal Income Economic Gardening Pit Rules GIS BioTech IEDC Waterfront Development Commute Shed

Lone Eagles Claw Backs Workforce Development Unemployment GDP Venture Capital Personal Income Economic Gardening Pit Rules GIS BioTech IEDC Waterfront Development Commute Shed

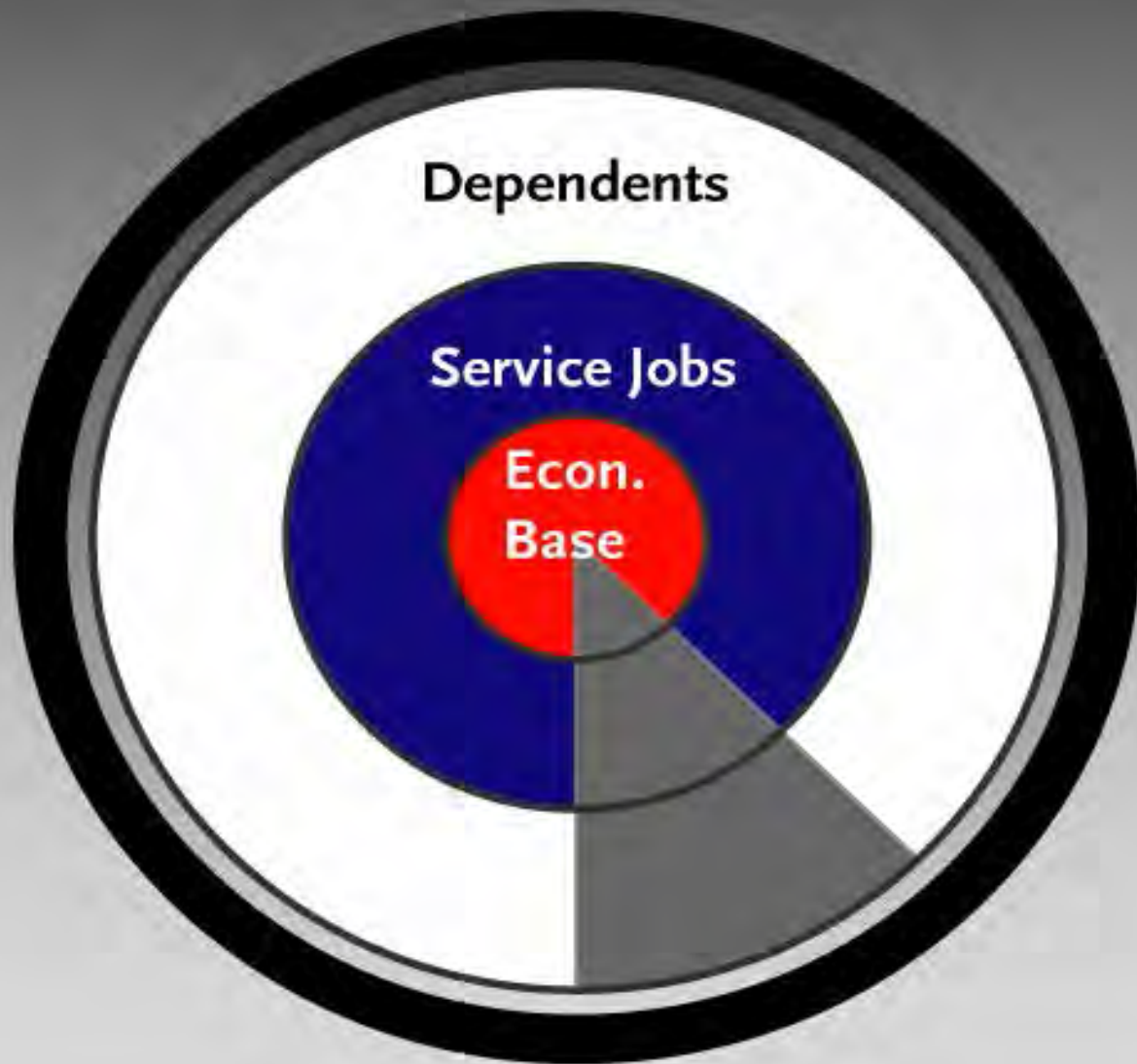
Target Industry Analysis FACTORS OF PRODUCTION Poverty EDA Drainage Early Childhood Education TAX CLIMATE ECONOMIC DEVELOPMENT TRANSACTIONS Veteran MSA's EB-5 Regional Center IEDC Millennials Livable Wage Foreign Trade Office

Phase 1 Environmental Archeology ROI Infrastructure Native (Tribal) Communities Tech Transfer ECONOMIC DEVELOPMENT TRANSACTIONS Veteran MSA's EB-5 Regional Center IEDC Millennials Livable Wage Foreign Trade Office

Gross Receipt Taxes Expansion of Existing Employers 501(c)(3) GHF X Workman's Compensation Industrial Park Development Permissive Zoning SBA 504 Retention of Existing Employers Green Tech No Growth

CE Lab

# ECONOMIC CONTRACTION SCENARIO



$$E > P$$

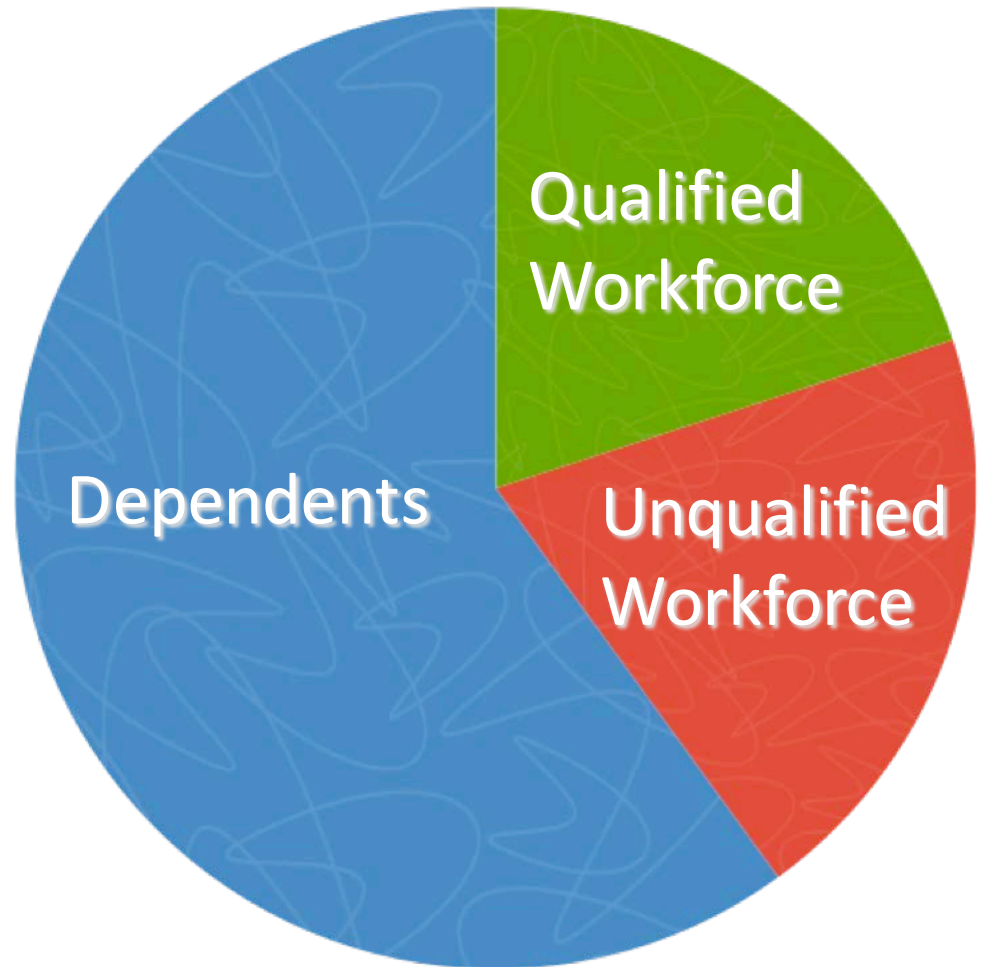
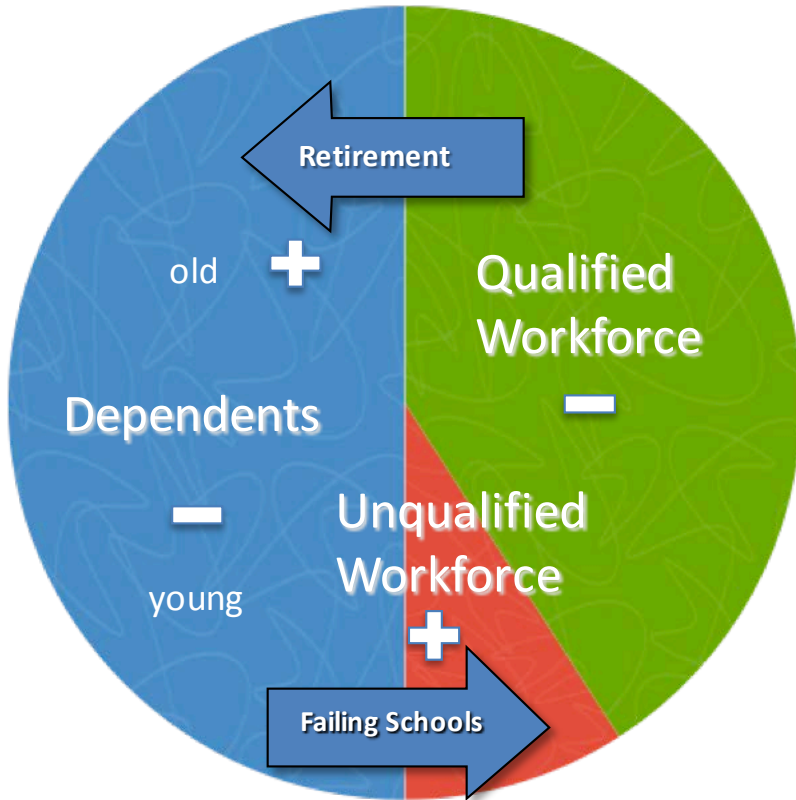


# Recalibrate Expectations

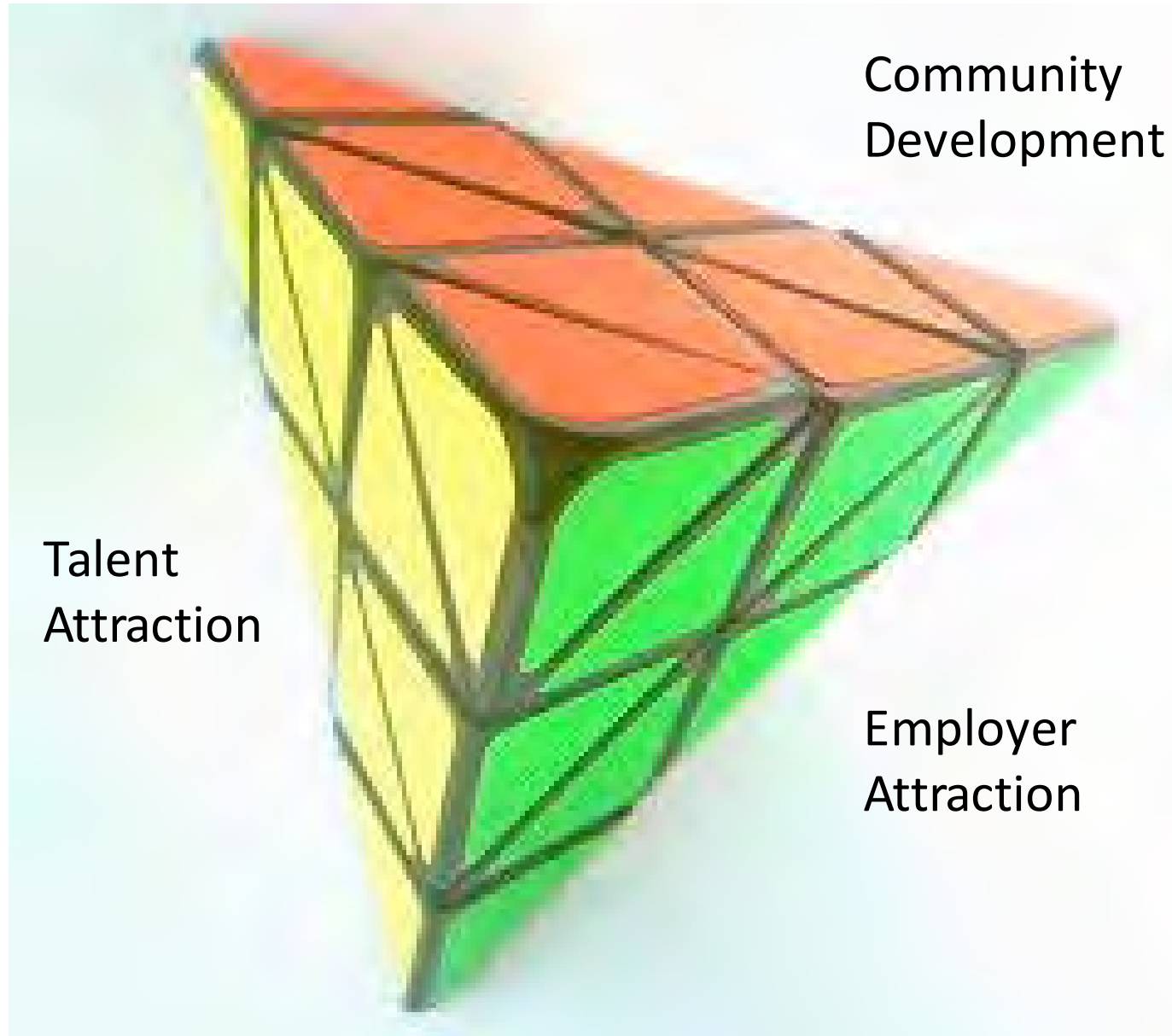




# Labor Starvation Scenario



# The New Economic Development Paradigm



# Jobs Council Members

## Members

Rep. W. Ken Martinez, Co-Chair  
Sen. Mary Kay Papen, Co-Chair  
Rep. Donald E. Bratton  
Rep. Stephanie Garcia Richard  
Sen. Phil A. Griego  
Sen. Stuart Ingle  
Rep. Rick Miera  
Rep. Debbie A. Rodella  
Sen. Michael S. Sanchez  
Sen. Pat Woods

## Executive Members

Secretary Jon Barela  
Secretary Monique Jacobson  
Secretary Tom Clifford  
Secretary Jose Z. Garcia  
Secretary Celina C. Bussey

## Advisory Members

Sen. William F. Burt  
Rep. Mary Helen Garcia  
Rep. Patricia A. Lundstrom  
Sen. Howie C. Morales  
Sen. George K. Munoz  
Sen. Steven P. Neville  
Sen. Michael Padilla  
Sen. John C. Ryan  
Rep. Thomas C. Taylor  
Rep. Don L. Tripp  
Rep. James P. White

## Public Members

Ray M. Baca, New Mexico Building and Construction  
Trades Council  
Terry Brunner, USDA  
Beverlee McClure, ACI  
Alex O. Romero, Albuquerque Hispano Chamber of  
Commerce and NMED Commission chair



# Clarity and Consensus

## On a State-wide Job Creation Agenda

1. Develop **a framework and criteria** for identifying job creation priorities.
2. Ascertain the **estimated number of economic base jobs**, the **economic base sectors** those jobs could come from and the **factor of production issues** impeding the creation of those jobs.
3. Begin building bipartisan **consensus on legislative measures that can “move the needle”** on job creation in the next five to seven years.

Think > Plan > Do

Assessment Strategy and Plan Execution

# Clinical Consensus

## Coherence:

Agree on the theoretical construct, nomenclature and process,

## Economic Predicament:

Agree on the number of new, economic-base jobs that must be created

## 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

**WAG but Verify**



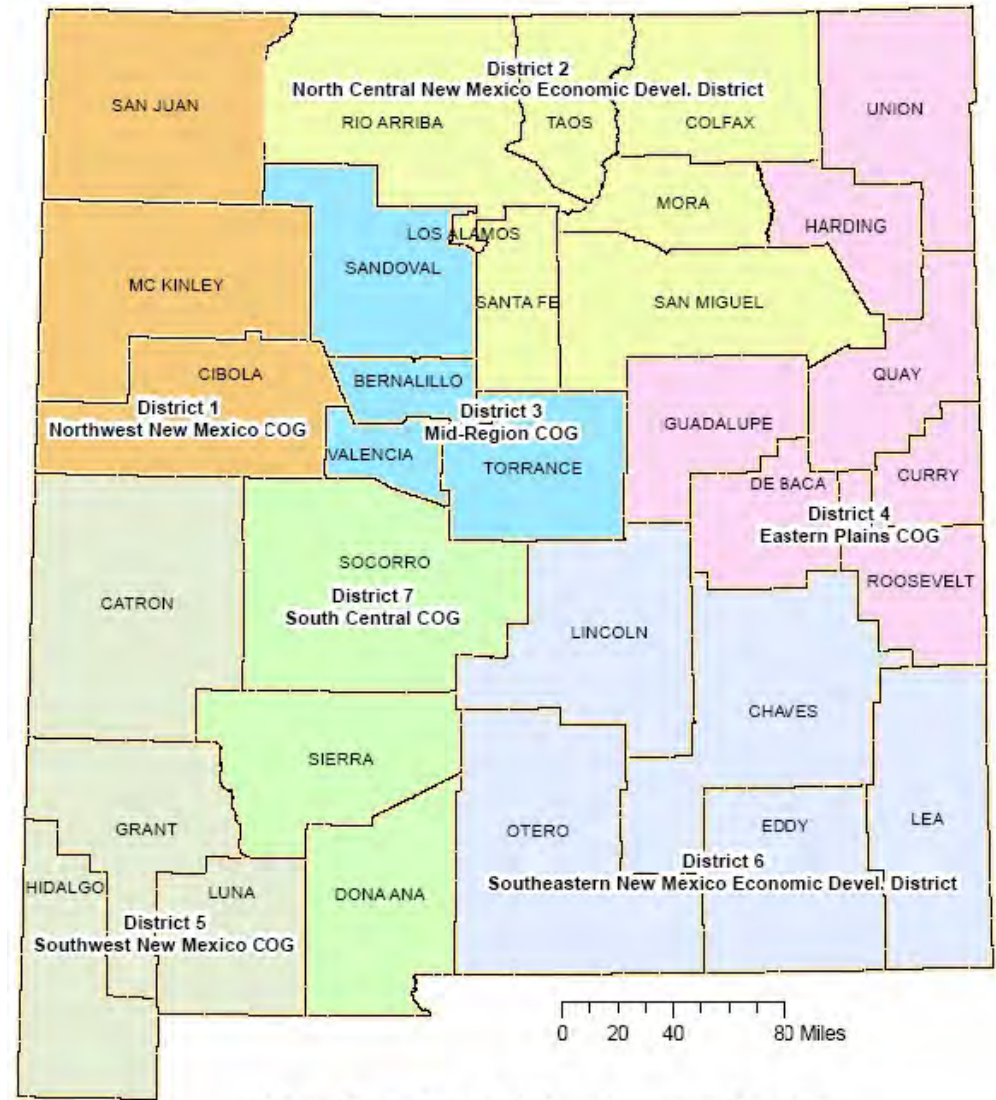
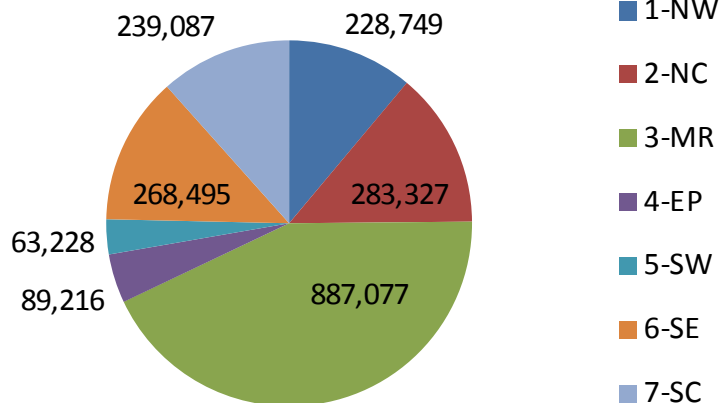
# Coherence Questions

1. What are we trying to do?
2. Who is we? What is our Economic jurisdiction?
3. Why are we doing this?
4. Who needs to be at the table?
5. What process do we use?
6. How do we define economic development?
7. What are we measuring; Jobs or Money?
8. What are the primary modalities of action?
9. What is our impact Horizon?
10. What is our criteria for choosing priorities?

# New Mexico's 7 Economic Regions

- Council of Government
- Economic Development Districts
- Workforce Districts

## Population of Individual COG



State Planning and Development Districts  
in New Mexico

# Predicament Questions

**How many economic base jobs will we need to get to full employment in 10 years?**

- How many E-base jobs do we need to;
  - Support population growth?
  - Fill the current unemployment gap?
  - Replace attrition?



# 2013 Jobs Council

## State *Economic Base Jobs* Calculus

<u>Factors</u>	<u>NM</u>
1. E-base jobs for growth	34,763
2. E-base jobs to fill unemployment gap	15,991
3. <u>E-base jobs to replace attrition</u>	<u>110,129</u>
E-base jobs needed (State)	= 160,883
E-base jobs needed (State) per year	= 16,088

# 2014 North Central COG

## Ten Year *Economic Base Jobs* Needs

<u>Factors</u>	<u>NCCOG</u>
1. E-base jobs for growth	4,521
2. E-base jobs to fill unemployment gap	1,557
3. <u>E-base jobs to replace attrition</u>	<u>10,125</u>
<b>E-base jobs needed ten years</b>	<b>= 16,563</b>
<b>E-base jobs needed per year</b>	<b>= 1,656</b>

# 2014 South Central (partial) Ten Year *Economic Base Jobs* Needs

<u>Factors</u>	<u>Dona Ana Co.</u>
1. E-base jobs for growth	3,695
2. E-base jobs to fill unemployment gap	4,059
3. <u>E-base jobs to replace attrition</u>	<u>7,989</u>
<b>E-base jobs needed 10yrs</b>	<b>= 15,743</b>
<b>E-base jobs needed per year</b>	<b>= 1,574</b>



# 2014 ABQ Metro

## Ten Year *Economic Base Jobs* Needs

<u>Factors</u>	<u>Metro ABQ</u>
1. E-base jobs for growth	27,398
2. E-base jobs to fill unemployment gap	5,599
3. <u>E-base jobs to replace attrition</u>	<u>49,767</u>
<b>E-base jobs needed 10yrs</b>	<b>= 82,276</b>
<b>E-base jobs needed per year</b>	<b>= 8,227</b>

“We may be under-investing in economic development in this state by an order of magnitude.”

Rep Tom Taylor

# Regional Dashboard Example-update August 2014

Statewide Job Creation Potential – Legislative Interim Jobs Council

Area: County, Region, State

Time Period: 2014-2024

Predicament	
Population Change	25,000
Population in Workforce	15,000
Unemployment Reduction	3,000
Total Jobs	18,000
Economic Base Jobs	6,000
E-Base Attrition	2,000
<b>Total Economic Base</b>	<b>8,000</b>
Annual Economic Base	800

## Background

**Explanatory** – Scan Over

**Current** – Up to Date by Regions

**Sustainable** – NewMARC website

Economic Sector Selection					
Sector	Jobs	Transactions	Factors of Production	Procured	Total
Back Office	300	3	Facilities	100	100
Health and Social Services	2,500		Workforce	500	1200
Visitor Driven	700			0	0
Intergrated 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	200

# Sector Estimate Questions

1. What should we define or group the economic base sectors?
2. How many E-base jobs can we create in each sector?
3. How many transactions will it take: start ups, expansions and recruits?
4. How many E-base job transactions will need to be procured?
5. How many E-base jobs transactions will occur organically?
6. Which sectors have procuring agents or programs managing job creation transactions? Which don't?
7. How many E-base jobs are being created per year by existing procuring agents?
8. How many E-base jobs could be created if the existing procuring agents or programs received more resources?
9. How many more E-base jobs transactions could be created if new programs were developed?

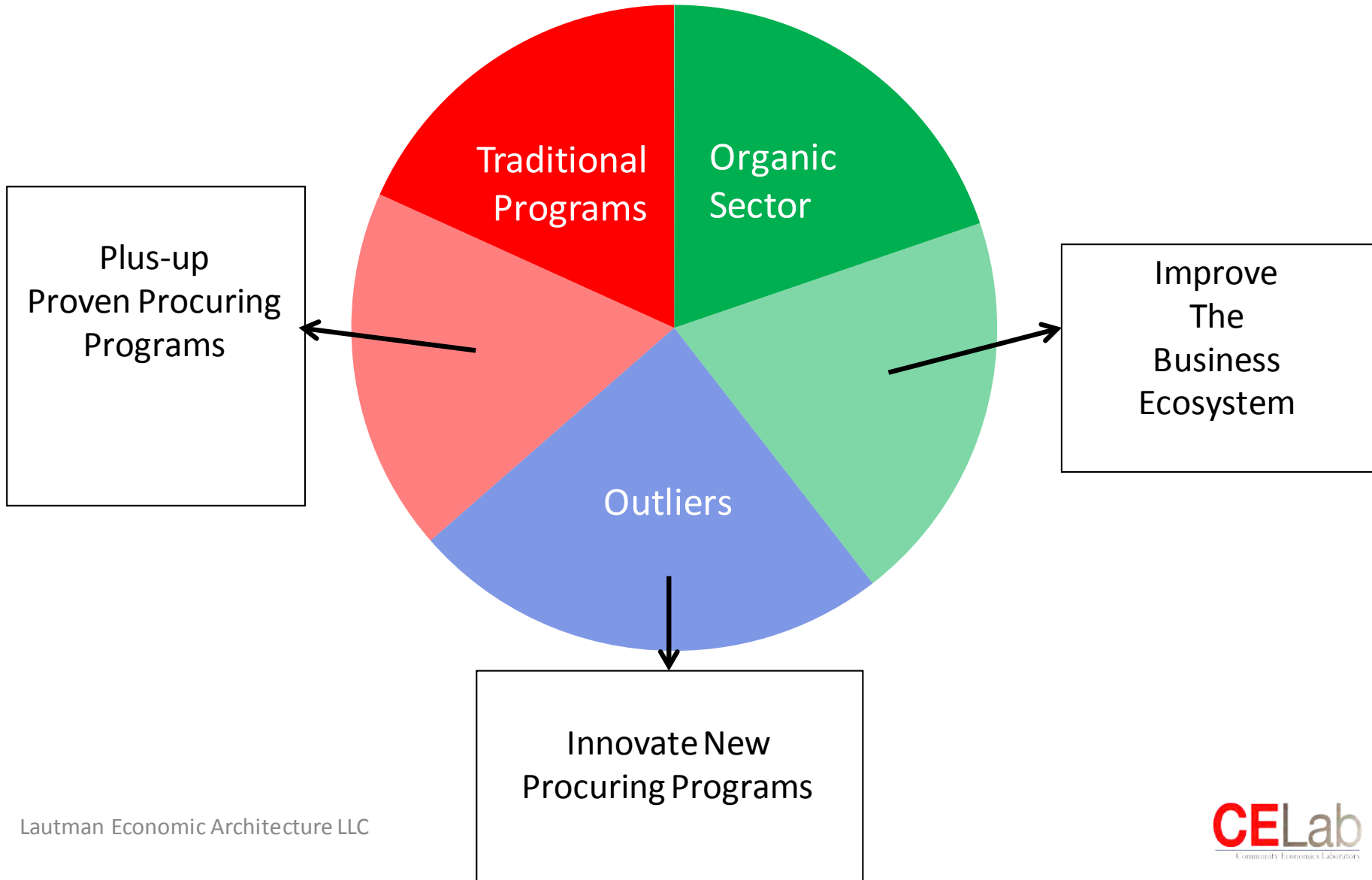
# Dona Ana County

## Economic Sector Estimates

Back Office Services		700
Exported Services		200
Solo-Independent Work		400
Integrated IT & Cyber (Non-Gov't)		50
Digital Media		300
Visitor Driven		1,600
Manufacturing		3,500
Extractives		10
Agriculture, Food, & Forestry		250
Government		1,500
Health & Social Services		3,000
Education Services		200
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Total Over Ten years		14,310
Annual		1,431
Ten year MVEDA?	4,450 / 2	2,225
Ten year MVEDA?		223



# Strategy Options



# Factors of Production

- Capital
- Infrastructure:
  - Water & Sewer
  - Bandwidth
  - Transmission
  - Roads & Drainage
  - Power and Gas
  - Public Safety
- Transportation
- Land and Building Inventory
- Qualified Workforce
- Housing
- Tax and Regulatory climate
- Marketing - Lead Generation
- Sales - Deal Structuring
- Leadership

# Top Factor of Production Gaps

<u>Factor</u>	<u>Jobs at Risk</u>	<u>Score</u>
Infrastructure – bandwidth	12,555	17
Qualified Workers	9,280	10
Marketing and Lead Generation	6,175	11
Tax and Regulatory environment	5,970	10
Leadership	5,525	11
Building Inventory	4,510	7
Capital	2,560	6

# Recommendations

## Programs, Policies, Projects

- Product Development
- Marketing and lead generation
- Sales
- Closing completion resources

# Jobs Council Legislative Criteria

1. Unanimous Jobs Council Recommendation

2. Legislative sponsors

- Both parties, both houses,
- LFC

3. Executive support

- Departmental support
- DFA support

4. Constituent sponsors



# Jobs Council Recommendations

July 17, 2014

NM Partnership	\$500,000
LEDA	\$50,000,000
JTIP	\$12,000,000
Co-op Advertising	\$2,000,000
Local Staff Augmentation	\$4,500,000
Solo-Work Pilot	\$500,000
Forest Restoration Pilot	\$250,000
Middle School Physics Pilot	\$250,000
Broadband needs assessment	\$300,000
<u>Work Force Gap Forecast Model</u>	<u>\$125,000</u>
FYI 2016	<b>\$70,425,000</b>

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LEDA	\$50,000,000
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Local Staff Augmentation	\$4,500,000
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Middle School Physics Pilot	\$250,000
Broadband needs assessment	\$300,000
Work Force Gap Forecast Model	\$125,000
<i>Tourism Department Marketing</i>	<i>\$3,500,000*</i>
<i>NMSU STEM Education Program</i>	<i>\$475,000*</i>
<i>WorkKeys Program</i>	<i>\$35,000*</i>
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FY 2016	<b>\$74,435,000</b>

*\* Added at November 12, 2014 meeting*

# Middle School Physics

