



**LEGISLATIVE FINANCE COMMITTEE**  
**Human Capital: Workforce Development**

**ROB BLACK**, Cabinet Secretary Designee

**MARK ROPER**, Division Director

New Mexico Economic Development Department (NMEDD)

*Albuquerque, NM*  
*September 17, 2024*

# NMEDD's LEADERSHIP



## **ROB BLACK**

- Appointed as Secretary by Gov. Lujan Grisham in Sept. 2024
- 25 years of professional experience in NM and CA
- Former NM Chamber of Commerce President and CEO
- Lovington native



## **MARK ROPER**

- Appointed as Acting Secretary by Gov. Lujan Grisham in Jan. 2024
- At NMEDD since 2011
- Division Director since 2019
- Raton native, seventh-generation New Mexican

# NMEDD's MISSION & VISION



## MISSION

The mission of the New Mexico Economic Development Department is to improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.

## VISION

New Mexico will have a diverse and robust economy that engages local talent, cultivates innovation, and delivers prosperity for all New Mexicans.



# NM ECONOMIC TRENDS



- **1.5%** average growth rate
- In last decade, NM's GSP has lagged behind the southwest regional average growth by **7%**
- One of greatest factors in NM's lagging economic growth is an *overreliance on industries with limited employment growth*
- **State economy driven by four major sectors:**
  1. Government and Government Enterprises
  2. Finance, Insurance, Real Estate, Rental and Leasing
  3. Professional and Business Services
  4. Mining, Quarrying, and Oil and Gas Extraction
- NM's public sector workforce accounts for **23.8%** of total workforce



# NM ECONOMIC TRENDS



- Unemployment rate is **4%**, with significant regional variation
- Labor force participation rate is **57.2%**, ranking **44<sup>th</sup>** nationally
- Per capita income is **\$54,428**, ranking **46<sup>th</sup>** nationally
- **Challenges:**
  - High poverty rates, **17.6%**
  - High crime rates, some of highest violent crime rates
  - High income inequality
  - Lack of economic diversification



# NMEDD's STATE PLAN 2024 UPDATE OVERVIEW



Per SB 112, New Mexico must “develop a strategic plan to transition the state economy away from reliance on natural resource extraction.”

- First in-house authorship of a state plan update
- Extensive research partnerships with thought leaders in economic development, fiscal policy, and more
- **Target Sectors:**
  - Aerospace, Biosciences, Cybersecurity, Film & Television, Global Trade, Intelligent Manufacturing, Outdoor Recreation, Sustainable & Green Energy, Sustainable & Value-added Agriculture
- Uranium Remediation (added through HB 164)
- Next steps for revenue diversification



# NMEDD's STATE PLAN

## FEATURES OF PLAN UPDATE



- **NEW DATA AND ANALYSIS**

- **COMMUNITY AND STAKEHOLDER ENGAGEMENT**

- EDD met with 140 individuals representing 70 organizations for initial assessment.
- Focus group with Councils of Governments.
- Focus groups with former workers from San Juan Generating Station and coal mine, as well as local dignitaries and leaders from northwest NM.



- **PURSUING PRIORITIZATION OF ECONOMIC DEVELOPMENT OBJECTIVES**

- A look beyond sectoral focus to identify common needs like infrastructure, which has now surpassed workforce as the top criterion in CNBC's annual rankings of state competitiveness.



- **STRATEGY TO CAPITALIZE ON FEDERAL INVESTMENT OPPORTUNITIES**

- Statewide cross-agency convening of over 70 individuals participating in roundtable discussions on federal funding opportunities.



- **BREAKDOWN OF PROGRESS ON EACH RECOMMENDATION**

- 37% of recommendations from 2021 plan have been completed.

# WHAT IS A GOOD INDUSTRY IN NM?





# SUSTAINABLE AND GREEN ENERGY

## EXAMPLE INDUSTRY GROWTH/EMPLOYMENT



Only target sector currently heavily subsidized by the federal government to attract private & public investment through tax incentives & financing.

- In net zero scenario, where NM takes advantage of all uncapped tax credits in IRA, the state could attract more than **\$8 billion**, nearly **\$3,800** per state resident.
- NM attracted **\$547 million** in federal clean energy investments in 2023, the 3<sup>rd</sup> largest relative to its GDP or population in the country.
- Clean energy workforce development initiatives with EDD, DWS, and EMNRD.
- In net zero scenario, NM sees significant growth in renewables, and resulting jobs and investments.



# OUTDOOR RECREATION

## EXAMPLE INDUSTRY GROWTH/EMPLOYMENT



Benefits communities through environmental protection and improved quality of life. Outdoor access and equity through programs for underserved youth.

- In 2022, NM's outdoor economy contributed **1.9%**, or **\$2.4 billion**, to the GSP.
  - 3.2% of total employment, with **\$1.1 billion** in income.
- Related to tourism with a total economic impact of **\$11.2 billion**.
  - 60% of visits to NM involve outdoor activity, **12%** higher than the national average.
- Emerging nationally as a positive potential source of revenue and jobs for rural communities, including those experiencing decline in extractive industries.
  - Sustainable economic development.



# COLLABORATION



## Supporting NM's Labor Force & Future Industry Needs



# JOB TRAINING INCENTIVE PROGRAM - JTIP ALIGNMENT WITH TARGET INDUSTRIES



Company eligibility aligns with target industries.

## **Economic-base Industry Eligibility:**

Manufacturing, Green Industries, Non-Retail Business Services with at least 50% of sales from out of state client base.

## **JTIP Strengths:**

- **JTIP wage reimbursement** provides the opportunity for companies to use their time and resources to train new hires from day one on the job through the approved training period, up to 6 months.
  - Wage reimbursement offsets the cost of training and lower productivity levels as new hires become proficient in their jobs. JTIP trainees gain the skills and knowledge to be successful in their positions as well as transferrable skills.
- **JTIP customized training reimbursement** allows companies to work with HEIs for customized training, designed specifically for company needs and standards, at little or no cost to the company, for new hires from day one of their employment.
  - HEIs receive up to \$6K/trainee. Training occurs concurrently with JTIP grant period.



# JTIP GAP/LIMITATION

JTIP is limited in its ability to provide pre-employment training.

Industry-specific pre-employment training programs provide talent pipeline.

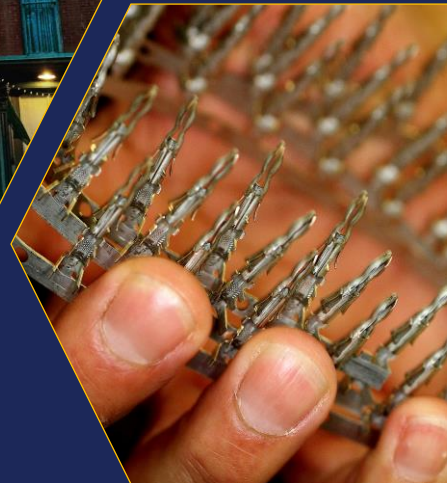
- A new DWS tool, in collaboration with HED, aims to provide quick-response, industry-specific, pre-employment training that would be extremely valuable to workforce development and companies.
  - Above and beyond WIOA
- When companies want to expand in or to NM, one of the biggest considerations is ***where they will find the talent.***
- Other states have pre-employment training programs through their Technical Education institutions that address this need, and it would increase NM's ability to attract companies in our target industries.





# EDD

ECONOMIC  
DEVELOPMENT  
DEPARTMENT



THANK YOU!

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