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Build New Mexico

Four steps to direct and support short-term innovations to build New Mexico's 21st century economy over the next few years

1. **Bring People Together.** Provide leadership from day one of my administration to bring New Mexicans together to tackle our economic challenges.

We are divided as a nation and a state. We need to bridge our divisions and come together to build our economy and help all New Mexico families. Starting on day one, I am going to bring together business, labor, education, community and government leaders from around the state to facilitate and foster the development of a positive environment that is supportive of innovation, entrepreneurship, and growth. New Mexico's business sector is driven by small and medium sized businesses, who are well positioned to be an anchor in the changing economy. According to the U.S. Small Business Administration, small businesses create two-thirds of all new jobs each year. More people will undertake solo businesses, remote work, and start-ups. This means we have a tremendous opportunity to attract people to New Mexico because of our quality of life and low cost of living. To do this, I am going to:

- **Create a Governor's Commerce Cabinet comprised of business leaders to advise me on proposals to enhance the state's business climate.** The cabinet will gather information to promote its goal of positive business growth; collaborate to facilitate and expedite critical economic development projects in the state; and provide other assistance that may be required to create jobs and enhance New Mexico's business climate.
- **Create a Governor's Council of Entrepreneurial Development** to drive focused strategies to develop small and medium sized businesses, particularly in emerging industries. We will develop specific strategies to create a culture of entrepreneurship where entrepreneurial ventures can grow and thrive. New Mexico has a growing start-up culture that needs to be supported. As a state we can do more to support these entrepreneurs, foster innovation, and grow our pool of talent to help good ideas become reality.

- **Create a Sector Strategy Council to bring together universities, businesses, unions, labs and community leaders to coordinate industry-driven development in industries with real potential for growth.** This council will also spearhead a commercialization of technology strategy that leverages the talent at our labs and universities.

2. Develop four Centers of Excellence at our universities. Make our universities true economic engines of the state that will build industries and create jobs for our families.

To support growing economic sectors, I will also seek to create four Centers of Excellence designed to focus attention and resources on these industries, foster collaboration, improve the quality of the outcomes and serve as a single voice for the industry. Centers of Excellence have proven successful in driving innovation and building closer links between research and industry, and can be supported by a combination of university endowments, state and federal funding, and financial support from the private sector. Centers of Excellence also attract talented researchers and students and will help put New Mexico on the map of global innovation networks.

The four Centers of Excellence will be:

1) University of New Mexico: Bioscience

- We will grow the University of New Mexico's Health Sciences Center and establish it as a center of excellence for bioscience research and innovation both in the state and nationally, and
- Create a stronger focus on the university's Health Sciences Center regarding the strategy of the newly created public-private Bioscience Authority.

2) New Mexico Tech: Cybersecurity

- New Mexico Tech ranked second in the nation for its cybersecurity program in 2015, and was first certified as a Center for Academic Excellence for Information Assurance Education in 2003 by the Department of Homeland Security and the NSA.
- The Center is funded by CyberCorp, a scholarship for service initiative by the National Science Foundation, and partners with the Los Alamos and Sandia National Laboratories.
- We will prioritize the longevity of the school's CyberCorp program and explore ways to mirror this partnership with the federal government on a

private level in the state, and expand other public-private partnerships like Computational Analysis and Network Enterprise Solutions (CAaNES), a company co-owned by the university, which not only benefits New Mexico Tech through its ownership stake in the firm, but also provides employment opportunities for its faculty and students.

3) New Mexico State University: Agriculture

- We will leverage the university's Agricultural Experiment Station – a system of research facilities and faculty located throughout the state that operates with input from stakeholders on the state level, as well as local farmers and ranchers – and foster partnerships with private innovators in the sustainable agriculture industry.

4) San Juan College: Sustainable and Renewable Energy

- We will reboot the Renewable Energy Program at San Juan College, which was ranked #20 on *Successful Student's* list of the best sustainable and renewable energy programs in the nation while it was open to students. The program had been one of the earliest renewable energy programs in the U.S. and is situated in an area that is prime for solar energy research and development.

These centers will work within a Center of Excellence funding system, in which they will be awarded funds through a competitive grant process in addition to support from their respective college or university's endowment. We will also explore public-private partnerships as opportunities to leverage support for the centers. Canada, for example, has a Networks of Centres of Excellence Program that is funded in part by private groups. In 2007, the Business-Led COEs program was introduced and made permanent in the federal budget in 2012. This financing program is led by a non-profit consortium of industrial and academic partners to fund large-scale research networks. Canada has also utilized large-scale partnerships like this on the international level, launching the Canada-India Research Centre of Excellence initiative to provide competitive grants to research networks with Canadian and Indian stakeholders.

3. Diversify our economy. Implement a robust sector-based strategy to drive investment, growth, and jobs.

We must diversify our economy to grow new industries and to create new jobs. To do this, we will create a robust sector strategy to drive investment, growth, and jobs. A sector strategy focuses on key industries and economies where New Mexico can lead the nation

by using our state's unique assets to attract new investment and support existing businesses in specific economic sectors. This is different from conventional economic development in its emphasis on building on existing community strengths and building in industries where there is already momentum here in our state.

A robust sector strategy will help leverage New Mexico's assets to attract new investment and support existing businesses by focusing our resources to:

1. Coordinate state policies to promote regional partnerships of business, educators, workforce and economic developers, and other leaders that address the skills needed in critical industries that can create jobs here at home.
2. Address key industry needs, supply chain issues, financing, and workforce development so these industries grow and prosper.
3. Target our resources and invest for growth. Growth and jobs mean opportunity.

We have identified eight sectors where New Mexico can lead the nation, these include:

1. **Cybersecurity** – One of the fastest growing industries in the world, New Mexico has all of the pieces in place to be a hub for cybersecurity: national labs, world class research universities, the FBI center in Albuquerque, existing degree and training programs, and large regions of our state that fall into the extreme “safety zone” in terms of threats to operational disruption. The opportunities to broaden the base of this industry in New Mexico are endless and we can attract companies interested in everything from email security to anti-virus software to cloud security.
2. **Intelligent manufacturing** – New Mexico has real potential to harness additive manufacturing (also known as 3D printing) and manufacturing of advanced material and technologies. We have the infrastructure and talent at not only our labs but also with UNM's Center for High Technology Materials to attract assembly plants for intelligent manufacturing, medical device manufacturing, and supportive services like maintenance and technology improvements.
3. **Sustainable and green industries** – Renewables could be New Mexico's cash crop – our state has been identified as a future leading provider of renewable energy. With leadership and the right policies in place, we will let industry leaders know that New Mexico is open for business and is ready to grow the production and demand for sustainable and green energy and products in wind and solar industries.
4. **Bioscience and health** – New Mexico's bioscience industry is growing and we need to capitalize on the momentum and opportunities in the industry. New Mexico's

bioscience industry garnered about \$1.2 billion in revenue in 2015. There are 700 biotech companies now working in human health, agricultural and environmental issues around the state. These businesses directly employ about 9,300 people, and up to 41,000 if related support jobs are included. Alongside a Center of Excellence @ UNM we will be able to grow this industry.

5. **Tourism and outdoor industries** – We need to turbocharge our tourism and outdoor industries. New Mexico boasts some of the country’s most beautiful lands, numerous historic and archaeological destinations, arts and film, and a unique culture. While we’ve seen growth in recent years, more can be done to boost this industry including training new generations of tourism and hospitality leaders not only locally but globally and utilizing technology to incentivize tourists to visit locations that may be off the beaten path or more suited to their preferences. Utah and Colorado have both invested resources into expanding their outdoor industries. Denver recently won the bid for the Outdoor Retailers annual conference, which is the biggest industry event in the country. We need to brand New Mexico as outdoor recreation-friendly, the way Colorado has for so long.
6. **Digital media and film** – Motion picture and television companies spent over \$500 million last year in New Mexico – and still there is opportunity for major growth in this sector. My goal is to double the amount of production in New Mexico within my first two years in office.
7. **Sustainable agriculture and value-added agriculture** – Already important parts of New Mexico’s economy, it is time to get innovative with our agriculture practices, empower small farmers, and invest in new programs to train workers to meet the growing demands of this changing field to boost businesses like greenhouse operations, wineries, cold storage, and algae production technology. The Santa Teresa Border Complex has helped draw millions of dollars of investment in cold storage and value-added agriculture businesses. By focusing our state’s investments and economic development efforts on this sector, we will build on these existing resources and strengthen New Mexico’s agricultural economy by extracting more value right here in New Mexico.
8. **Aerospace** - Space start-ups have attracted more than \$13.3 billion of investment. New Mexico has an amazing amount of potential in the growing aerospace sectors of commercial space, with the recent announcement that Spaceport America has been approved for commercial traffic and in UAV/UAS testing and development. As home to the nation’s first inland Spaceport and most experienced FAA approved UAS test center and two Air Force Research Labs, including the Space Vehicles Directorate and the Air

Force Operational Test and Evaluation Center (AFOTEC) and our federal laboratories and research facilities in the state, New Mexico can make great strides to grow businesses and jobs.

My plan will encompass five basic steps to grow each industry sector while tailoring approaches based on specific needs. The overall approach will be to:

1. Build on our strengths. Leverage New Mexico's advantages to grow existing and attract new businesses to New Mexico. This means our ports of entry, foreign trade zones, rail and highway systems, and international airports. Businesses need these to create jobs and prosper.
2. Invest in high wage jobs and industries. Use monies from our state's Permanent Fund to invest in start-ups and leverage private funds to nurture and attract growing businesses.
3. Brand New Mexico as the "Land of Opportunity". Pursue a marketing campaign to let national and international companies know that we are committed to growing industry in our state.
4. Train our kids for 21st Century jobs. Create a career pathway in each area for K-20 to get more people ready for jobs in this industry. This will allow us to align curriculum and resources to have more people prepared to work in these fields.
5. Lead from the top. Create a Sector Strategy Council comprised of universities, businesses, unions, labs, and community leaders to create a roadmap for New Mexico.

Ultimately, a sector approach will help us create a high-wage economy, grow and attract new businesses and investment, and help our state turn the corner.

4. **Develop specific public-private partnership strategies to create jobs.** Business must be the ultimate driver of job creation and growth. However, working together we can create more opportunities more quickly. I will partner with businesses to:
 - a. **Drive technology transfer and research commercialization.** We must harness the potential of our labs, military bases, and universities to help grow New Mexico's economy and make the state a go-to for innovation in bioscience, energy, agriculture, cybersecurity and other technologies. There are tangible steps we can take to coordinate commercialization, to partner with investors, and create a tax and investment system that encourages commercialization in New Mexico. These include encouraging and incentivizing entrepreneurial

- activity within our research centers, ensuring that our Small Business Assistance program has long-term support and expansion, and utilizing different stakeholders to direct these strategies.
- b. **Foster public-private partnerships to help enterprising farmers enter new markets and explore ways to enhance their products (and value).** We must develop our research universities as industry institutions that work on the ground level with the small- and medium-sized enterprises within their industry. With business incubators and access to broadband Internet, our farmers can continue their professional development and reach new markets with their goods. Whether they want to learn about exporting their pecans, using new technologies to improve their yield or how to market value-added products, farmers can benefit from this lifelong learning network.
 - c. **Stop New Mexico's brain drain.** People are leaving the state and that means big trouble for many of the families left behind. I will take aggressive steps to retain and attract recent graduates and keep more working age adults (30-59) in state through targeted investments in people and education as well as businesses that commit to hiring New Mexicans. Through these investments – including incentives for workers staying in our state and the employers who hire them, coupled with bolstered education and training – we will develop a pipeline for New Mexico students, young professionals, and career changers to our local businesses to reduce brain drain and achieve targeted growth in our most promising industries.
 - d. **Attract millennials to our state.** To attract young, skilled people to our state, we need to show them all that New Mexico has to offer: history, culture, a beautiful state and national parks, as well as high-paying jobs, a low cost of living, and an economy that is looking to the future. I will bring young people to the table and start a statewide “cool cities initiative” to help local communities grow and market themselves to be more appealing to young professionals, while emphasizing New Mexico's cultural, historical, and natural assets and spearheading efforts to improve and spotlight the accessibility and natural beauty of our cities and towns.
 - e. **Innovate, modernize, and make state government customer friendly.** What if every agency has an equivalent of an Apple Store genius bar where someone could meet a state employee to resolve a problem? State government inefficiencies and bureaucracies have been a hurdle for far too long. We need to put customers' needs at the center of everything we do. Cities like Gainesville,

Florida have seen tremendous outcomes through innovation and by shifting the culture of city government.

- f. **Bolster our entrepreneurial ecosystem.** New Mexico is on the cusp of emerging as a contender for small businesses and startups. However, to ensure that New Mexico continues on this path, we need to establish our state as a place that is supportive of entrepreneurs, fosters innovation, and takes an active role in growing our businesses and talent. Along with ensuring that our Small Business Assistance and SIC Private Equity programs are accessible to and utilized by as many local New Mexican businesses as possible, we will create a Governor's Council of Entrepreneurial Development and other partnerships to strengthen the connections between our research centers and entrepreneurs.

With these four new approaches:

- 1. Collaborative leadership that brings New Mexicans together**
- 2. New Centers of Excellence at our universities**
- 3. Diversifying our economy with a targeted Sector Strategy**
- 4. Developing new, specific public-private partnerships**

We will build a New Mexico that offers every person a chance at a good paying job and brighter future. We will strengthen our families and communities by providing new paths to prosperity in new and exciting industries. Finally, the cornerstone of our plan to build New Mexico's economy in the short term will be clean, reliable energy. In the coming weeks, I will be releasing a detailed plan to move New Mexico to the forefront of the renewable energy industry - a plan that will be central to my determination to create jobs, protect our environment and help establish a state where our families can grow and prosper.