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## **Jumpstart New Mexico: 10 Ways to Create Jobs Now and for the Future**

As Governor, my number one priority will be to create new jobs – and better-paying jobs – for more New Mexicans. According to the U.S. Bureau of Economic Analysis, New Mexico's real GDP growth for the third quarter of last year was negative – ranking 50<sup>th</sup> in the US and our state ranks 48<sup>th</sup> in per-capita personal income. We can do better.

Together, we can create opportunities for our families. I will work with communities across the state to create jobs right away by growing the industries we need to create a sustainable economy that our people can depend on.

Jumpstart New Mexico will:

1. Jumpstart the economy by creating jobs immediately.
2. Drive short-term innovations to build New Mexico's 21st century economy during the next few years, putting more people to work in better paying jobs.
3. Create a sustainable economy to ensure our kids and grandkids have opportunities here at home.

In the first months of my administration here are the ten ways we are going to jumpstart the economy and create jobs:

1. **Make New Mexico the clean energy state. A clean energy economy will create thousands of jobs and cheap energy in New Mexico can attract manufacturing and energy intensive industries. We can make New Mexico a national leader in clean energy and do it fast.** We can develop our wind power industry to become major exporter to the California and other states' renewable energy markets and create thousands of jobs in the process. At the same time, we must continue to build our solar industry to provide affordable energy in state, creating both jobs and cleaner air here at home.
  - a. *Get new transmission infrastructure online by 2020 to ensure that New Mexico's wind can be used to generate power and jobs.* Additional high voltage

direct transmission lines are needed to deliver wind power from eastern New Mexico to in-state and regional markets. Development of such lines has begun, but with the federal Production Tax Credit (PTC) set to expire at the end of 2020, I will move immediately to ensure that these projects are online as quickly as possible to qualify for these credits. As governor, I will revive the New Mexico Renewable Energy Transmission Authority (RETA) to expedite and facilitate energy development and job creation. We must end the bureaucratic delays and make these projects happen fast.

- b. *Increase New Mexico's Renewable Portfolio Standard (RPS) to 50% by 2030, expand it to include small-scale, customer-owned solar and wind systems, and include incentives for production in rural areas.* In the last five years, the cost of wind has declined over 60 percent, and solar costs have declined by more than 50 percent. But the state has not updated its RPS in 15 years. To remain competitive and build a national market, we need to accelerate New Mexico's transition to clean power. An aggressive RPS can help create the necessary market demand. In my first legislative session, I would support legislation to increase New Mexico's RPS to 50% by 2030, and would consider a requirement or goal of 80% by 2040 so long as studies indicate that customer bill impacts are zero or minimal and reliability can be maintained.
- c. *Accelerate development of a green energy workforce.* As we work to get more clean energy on line by 2020, we will need a larger and well-trained workforce. New Mexico's population provides an ideal mix of workers to fill jobs in the green energy economy. As the renewable energy and energy efficient technologies grow, New Mexico needs to work with the private sector to identify the necessary skills and education needed to support this industry. We need to expand existing training programs, like the one at Mesalands Community College in Tucumcari, for students and energy sector workers prepare for careers in wind energy.
- d. *Make state buildings energy efficient.* New Mexico can save millions in energy costs and help drive our local economy by making our more than 700 state-owned buildings more energy efficient. In 2017, Gov. Martinez vetoed legislation that would have installed solar panels on state buildings through public-private partnerships at no cost to New Mexico taxpayers. I will sign such legislation and order the general services department to immediately begin making our state buildings more sustainable through use of solar panels and other renewable energy sources.

- e. *Expand access to new markets hungry for clean energy.* By joining regional transmission organizations (RTOs), we can deliver our clean energy to neighboring states, such as California, that have more demand for renewable power than they can produce. As demand for clean energy continues to grow, in New Mexico and throughout the region, we can achieve the economies of scale that will drive down energy prices for all of us.
2. **Immediately raise the minimum wage to \$10.00 and then bring it up to \$12 in four years, indexed for inflation.** By adopting a \$10 minimum wage 112,000 New Mexicans will get an immediate raise, which will be an instant boost to hard working families who will spend that money on food, clothing, school supplies and other necessities. That spending will boost our small businesses and economy. By raising it to \$12 and indexing the minimum wage to inflation, we will lift thousands out of poverty and ensure that they have a living wage in the future.
3. **Lift the “cap” on the film tax credits and increase production capability.** My goal is to double the amount of film production in New Mexico within my first two years in office. We will do this by:
  - Increasing or eliminating the “cap” and streamlining the program so credits are available.
  - Expanding soundstage and other physical production capacity.
  - Supporting and expanding the resident crew base to handle increased production.
4. **Invest in New Mexico Businesses by increasing** Severance Tax Permanent Fund investments in New Mexico’s businesses.
  - The State Investment Council is only investing 5.8% of the 9% currently allowed for these investments. Investing the full 9% would mean a direct investment of nearly **\$200 million** more to help NM businesses grow. More investments will attract more money from other sources. We can then leverage six times this investment and bring an additional \$2.4 billion into our state’s economy. We also need to add flexibility to make investments into strong “non-tech” businesses in industries like food, agriculture, and services. And not just early stage venture capital, but also “growth equity” and debt financing.

- Double the NM Small Business Investment Corporation (“SBIC”) program to a 2.0% allocation of the Severance Tax Permanent Fund, making almost \$50 million more available to strong, growing New Mexico small businesses that banks are not serving. There is a gap in the market for small business lending that was made much worse since banks pulled back from lending in the wake of the financial crisis. The SBIC will help fill the void. I will work with the Legislature to pass legislation to make it happen.

These two steps are a responsible approach to build on what’s already working with our Permanent Funds. Any politician can propose to use these Funds to score political points. However, it is important to recognize that the Permanent Funds are already investing hundreds of millions annually in our schools and infrastructure. We can do more, but these funds are a legacy to our children and grandchildren and it takes a leader to bring people together and strike the right balance between financial returns and economic development for our near term investments.

5. **Use the Permanent School Fund to invest in Pre-K education.** We can prepare our young people for long term economic success while immediately investing millions in our economy by taking a small percentage of the Permanent School Fund and investing in our kids and our future. This will require a Constitutional Amendment. I am not proposing a specific percentage but will work closely with the Legislature to design a fiscally responsible proposal we can offer to New Mexico voters. To provide New Mexico Pre-K for 80 percent of three and four-year olds we will need to invest \$285.5 million over five years, with a cost of \$57.1 million in the first year. This number reflects the reality that some parents will choose other options like private programs or for their kids to stay at home. My proposal creates immediate opportunities for employment because implementation will require 1,729 new Pre-K classrooms and at least as many new lead teachers and educational assistants. Research shows that for every \$1 spent in Pre-K costs, there are \$4.60 in returned benefits. We can prudently invest now to help our economy now and ensure every kid has the best opportunity in life.
6. **Invest now in a modern, efficient, and effective infrastructure system.** New Mexico’s aging infrastructure needs immediate repair and updating. We must put people to work building and repairing New Mexico’s dilapidated infrastructure by investing in roads, bridges, water systems and broadband internet lines. I will work with the legislature to fast track these investments. Working with the private sector,

Government must fund these critical infrastructure needs-to create jobs now and build a strong economy for the future.

7. **Appoint a Small Business and Entrepreneur Advocate within the Office of the Governor to cut red tape and get projects moving immediately.** Businesspeople tell me every day that they struggle with state government regulations, dealing with multiple agencies that can make growing (or even establishing) a business very difficult. My Small Business Advocate will work on the ground level with New Mexico's business and startup communities to direct policy and more effectively align resources within the business community, bringing jobs to and spurring innovation in our state. These positions have been especially successful in major cities around the country including Boston and Sacramento. In Boston, the city hired a "startup manager" to create partnerships between universities, incubators, community development organizations, and startups. In Sacramento, the city's small business liaison has brought jobs to the area in multiple sectors including healthcare and manufacturing by building partnerships between the city and existing firms and employers. I want to cut the bureaucracy and streamline ways to help our business get what they need from government and get to work creating jobs.
8. **Fix our state procurement system to buy from New Mexico businesses.** Our state government procures hundreds of millions of dollars of goods and services from out-of-state vendors. I will overhaul state sourcing to prioritize New Mexico jobs. We must ensure that if a New Mexico company is competitive on price and can deliver, then the New Mexico company gets the contract, not an out-of-state competitor.
9. **Increase education and workforce training immediately to boost our competitive advantage, increase wages, and grow or attract businesses in New Mexico.** New Mexico invests approximately half the national average in adult education. Increasing the knowledge and skills of our workforce will directly impact our ability to grow existing businesses and attract new businesses to New Mexico. Not everyone needs to be a software engineer or scientist. We don't have enough *middle skill* workers. We need to help people navigate a career pathway to fill the jobs that can sustain a family, in fields like healthcare. We need more apprenticeships, more internships, and more on-line learning opportunities.

We need to immediately invest in and improve existing programs with proven outcomes like apprenticeship programs and I-Best (Integrated Basic Education and Skills Training), which is available at six community colleges around the state and offers streamlined and integrated classes that accelerate skill building by combining

basic education and technical training. I will also work with programs like New Mexico's SoloWorks program, which is a consortium-sponsored workforce development program based on New Mexico State University's Grants campus that trains rural residents for out-of-state telemarketing jobs that the participants can work from their homes or the university.

10. **Invest in rural New Mexico.** All of my policies are designed to add both urban and rural areas. In addition, to implementing green economy policies and improving infrastructure statewide, I am going to take a five-pronged approach to improving the economies of rural New Mexico:

- a. *Improve sustainable agriculture and value-added agriculture practices, including state's wineries and craft breweries in New Mexico's northern and southwestern regions.* Improving sustainable irrigation techniques through technology and education will also benefit farm- and ranch-driven communities like Clovis in the eastern region of the state. Promoting sustainable practices and technologies among New Mexico State University's 33 Cooperative Extension Offices will ensure that the regions that could most benefit have access to and support in implementing our agricultural sector strategy. These extension offices can also be used to partner with small farms across different regions to participate in beta implementation programs for NMSU's drought-resistant crop research. This research can then be commercialized through the school's technology transfer model.
- b. *Invest in MainStreet:* MainStreet is one of the most important tools at our disposal to preserve and revitalize historic Main Streets in towns across New Mexico. The program gives communities the resources they need to plan, promote, renovate, and secure private investment in historic cultural districts. As Governor I will ensure that this program can expand to as many communities as possible, and pursue innovative strategies to further boost rural economies through strong town centers.
- c. *Increase Access to Broadband:* 24% of New Mexico's population is underserved by broadband, and average speeds are second-last in the country. This lack of infrastructure disproportionately impacts our rural and tribal communities. In our 21st century economy, dependable high-speed internet access is a necessary tool for nearly all workers and businesses. Rather than veto bills that make putting in new infrastructure easier, I will support legislative efforts to expand access, I will work with our underserved

communities to secure the necessary investment in broadband infrastructure that will boost productivity and incomes across our state.

- d. *Partner with New Mexico's tribes and pueblos.* New Mexico's tribes and pueblos should be an integral part of our economic development strategy. I will work with tribal leadership to promote tourism that benefits us all. Further, I am committed to ensuring that tribes receive the benefits of all our economic development efforts and infrastructure investment. Under my administration, the Film Office will partner with tribes, and we will analyze how to deploy tax and development incentives on tribal lands while ensuring all New Mexicans have the infrastructure they need. I will also support the convening of a Tribal Economic Development Task Force to update recommendations made by the 2009 task force.
  
- e. *Support business incubators in rural areas/small towns* to offer mentoring, support space, and financial advice for entrepreneurs in these areas. The National Business Incubation Association (NBIA), explains that rural incubators can indeed build strong companies and graduate clients. Ohio has seen success in many diverse rural communities.

I will pursue these ten goals starting on my first day in office. These will jumpstart our economy immediately, put people to work and lay the groundwork for our short-term efforts to develop new industries to put New Mexicans to work in good paying jobs and building our vision of a prosperous New Mexico for our kids and grandkids.