

Taking Stock of New Mexico's Sustainable Economy Advisory Council and Task Force (2021-2024)

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SUMMARY: Since its inception in 2021, the Sustainable Economy Advisory Council and Task Force and their leadership have recognized the importance of dedicated staff capacity to support both bodies within the New Mexico Economic Development Department. With the 2023 addition of staff focused exclusively on building a sustainable economy, the task force and advisory council have moved toward functioning more efficiently and more directly engaging with the EDD's statewide strategic plan. This year, the department will pursue its first in-house authorship of the statewide plan, encouraging broad engagement from stakeholders. Additional needs and challenges remain for the advisory council and task force to reach their full potential, specifically a need for added time and resources.

LEGISLATIVE BACKGROUND: The Sustainable Economy Advisory Council (SEAC) and Task Force (SET Force) were created in 2021 with the passage of Senate Bill 112 (SB112), which calls for “a strategic plan to transition the state economy away from reliance on natural resource extraction” and requires that “department secretaries of state agencies comply with the strategic plan.” SEAC's stated role is to “advise the sustainable economy task force on developing and achieving the goals of the strategic plan.” As delineated in SB112, the strategic plan should work in consultation with affected communities toward the creation of policies to promote:

- “diversifying the state's tax base to replace the revenue generated from the natural resource extraction sector” (with specific reference to economic development, state investments, infrastructure, and alternative funding for education and healthcare)
- “long-term economic growth”
- “the addition of new jobs statewide to replace jobs that rely on the extraction or development of natural resources”
- “recommendations provided in current and future economic studies and development efforts” including input from state agencies, universities, and research institutions
- Implementation of the 2020 New Mexico Clean Energy Workforce Development Study
- Expansion of “jobs with family-sustaining wages and benefits, opportunities for advancement and safe working conditions in industries engaged in sustainable economic development”

Per SB112, the Economic Development Department (EDD) administers the task force, with a designee of the EDD secretary serving as chair. EDD also administratively supports the advisory council. Broadly, SET Force is comprised of state agency representatives and SEAC is comprised of representatives of local governments, disproportionately impacted communities, Tribal governments or entities, industry, and other sustainable economic development professionals. As required by SB112, the task force developed its first iteration of the strategic plan in fiscal year 2022 and has continued to provide annual updates to the legislature no later than October 1 of each year.

RECENT DEVELOPMENTS: Before funding support for dedicated staff, the State, advisory council, and task force, utilized outside contract support from SRI International, Agenda, LLC, and Westwood Economics to develop its first iteration of the plan. The first version of the statewide strategic plan names nine target sectors: (1) film and television, (2) cybersecurity, (3) biosciences, (4) sustainable and value-added agriculture, (5) outdoor recreation, (6) aerospace, (7) global trade, (8) intelligent manufacturing, and (9) sustainable and green energy.

As of October 2023, EDD gained Just Transition Advisor Kayla Lucero-Matteucci. She is devoted to the state's sustainable economy work and adds capacity to administer SEAC and SET Force, meeting weekly with Advisory Council Chair James Povijua. In 2024, the Just Transition Advisor will undertake the EDD's first in-house authorship of the statewide strategic plan in 2024.

This document provides context on the status of SEAC and SET Force, laying out future goals, needs, challenges, and opportunities. For interested stakeholders—from members of the public to state legislators to fellow state agencies—this summary clarifies the processes and structures cemented by the Just Transition Advisor and SEAC Chair James Povijua. From October 2023 to June 2024, the Just Transition Advisor was supported by Center for Civic Policy contractors Michael Leon Guerrero, Nena Benavidez, and Samantha Salazar. In March of 2024 the Just Transition Advisor gained Cornell Policy Fellow Thomas Silva, who joins the program for the next year and brings critical research support and legal expertise. Finally, the Just Transition Advisor will soon be joined by additional fellows from Harvard University's Taubman Center for State and Local Governance and Harvard Growth Lab.

As part of EDD's annual updates to the New Mexico Legislature, the EDD Just Transition Advisor and Center for Civic Policy Contractor obtained updates in January 2024 from state agencies and economic development stakeholders about each of the plan's priorities and corresponding recommendations. In total, they spoke to 48 individuals representing 18 state agencies, several Councils of Governments, and numerous economic development partners from across New Mexico.

In doing so and by interviewing sustainable economy stakeholders during her first six months on the job, the Just Transition Advisor compiled the below feedback from government and nongovernmental stakeholders. These insights were also bolstered by reviewing recordings and agendas from all available SEAC and SET Force meetings, equaling over 60 hours of video materials from 2021 to 2023. Thus, the conclusions below are informed by a comprehensive understanding of the functioning of the advisory council and task force since their creation by SB112 in 2021.

STREAMLINING THE ADVISORY COUNCIL AND TASK FORCE:

- **Shortening and Prioritizing the State Plan** – Containing hundreds of recommendations and ranging from 384 to 408 pages, the first versions of EDD’s strategic plan are too lengthy and dense, making them inaccessible to sister agencies which seek to implement the recommendations and community partners who wish to support the initiatives.
 - When the Just Transition Advisor and Cornell Policy Fellow surveyed best practices for strategic economic planning across the United States, they found that most other state plans were no longer than 100 pages, with most being 50 to 70 pages long.
 - To achieve maximum engagement, future versions of the plan must be shorter, and should include a greater prioritization of recommendations and target sectors.
- **Embedded and Extended Stakeholder Engagement** – To ensure the incorporation of community input and smooth implementation, the plan must ideally be written and implemented by the same embedded stakeholder, rather than an outside contractor whose engagement will end upon completion of the contract. Given the cultural and environmental nuances of New Mexico, it is especially important for future researchers and authors of the plan to respect the diverse communities throughout New Mexico.
- **Community and Tribal Engagement** – Future versions of the plan would benefit from more robust community and Tribal engagement, the latter of which can complement official Tribal consultation and allow for ongoing dialogue with Tribes, Pueblos, and nations throughout each plan update.
- **Capacity** – The initial momentum and excitement experienced in SEAC and SET Force were quickly replaced by a sense of being overwhelmed with tasks. The arrival of EDD’s Just Transition Advisor and further support from contractors and fellows substantially eased this capacity burden; dedicated staffing within EDD is vital for the basic functioning of SEAC and SET Force.
 - The volunteer members of the advisory council experience financial and logistical burdens to their participation. SEAC members say that they would be able to contribute more if they could be compensated for their expertise, time, travel, and lodging.
 - Per SB112, SEAC and SET Force will cease meeting in fiscal year 2027. However, the legislature might consider extending the lifetime of both bodies and cementing their programmatic and staff support within EDD through permanent full-time employees. Given that SB112 did not provide funding for programming on New Mexico’s Just Transition, added funding in this domain would help to enshrine this important work toward a more diversified and sustainable New Mexico economy.

THEMES FROM THE SUSTAINABLE ECONOMY ADVISORY COUNCIL: From 2021 to 2024, several themes emerged from advisory council meetings. Those themes are listed below, also accounting for a legislative statement approved by SEAC in January of 2024. (Please note that the themes below are based on the assessment of the Just Transition Advisor and SEAC chair and have not been formally voted on by SEAC.)

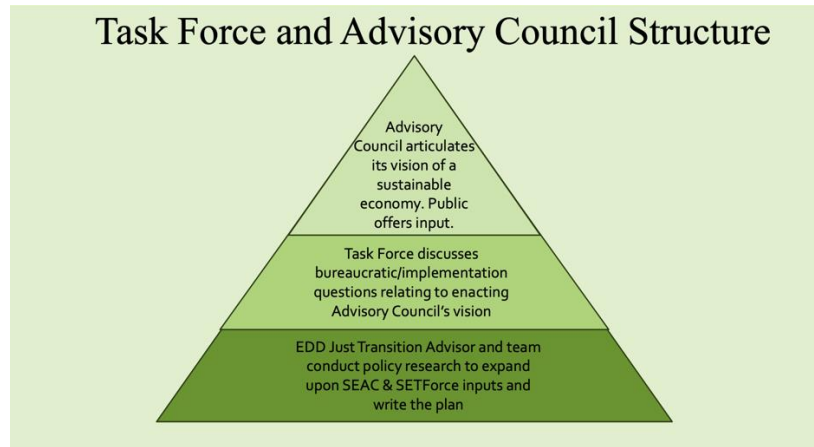
- **A Moment of Federal Opportunities** – The Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law (BIL) offer new and unprecedented revenue opportunities to the State of New Mexico. The state must work to meet this moment of opportunity by strategically pursuing federal funding in a range of areas from renewable energy to infrastructure.
 - **Renewable Energy** – Given the influx of federal funds through IRA and BIL, the renewable energy industry presents a compelling opportunity for workforce development, economic development from the local to statewide level, and diversification of state revenue. From competitive grant funding to tax incentives, New Mexico can harness sizable funds to support a sustainable economy. SEAC members have stressed the imperative of ensuring that federal funding is strategically pursued and directed toward tangible outcomes such as reducing energy burden in low-income and climate-vulnerable households.
- **Economic Diversification** – SEAC and SET Force ostensibly concur that more targeted strategies for economic diversification, especially pertaining to state revenue, are necessary. This requires a continued elaboration and prioritization of themes and concepts from EDD’s statewide strategic plan.
- **Communities in Transition** – Many of New Mexico’s communities are reliant on a single source of revenue, especially true for communities near fossil fuel extraction, energy generation, or current and former mining communities. Fossil fuel-dependent communities, especially coal communities, are feeling the impacts of energy and economic transition. In 2020, during the height of the COVID 19 pandemic and a downturn of the oil and gas industry, the University of New Mexico conducted the “New Mexico Clean Energy Workforce Development Study.” The study provided a snapshot of the challenges New Mexico communities face when a key part of the state’s economy, like the extractive industries, fails. Grassroots and community-led projects can be an antidote to the downturn experienced in local economies and by fossil fuel workers.
 - Survey data presented to SEAC by the University of New Mexico suggests that many fossil fuel workers are interested in remaining in their communities, even when a decline in fossil fuel jobs could lead to their unemployment. They are interested in jobs that provide stable benefits to their own health and safety and to the wellbeing of their families.
- **Social Inequities and Economic Transition** – SEAC members, many of whom are from Tribal communities, note that social inequities govern energy and infrastructure access, as well as climate vulnerability—both of which are key concerns for New Mexico’s most vulnerable community members. These realities are in keeping with SB112’s definition of disproportionately impacted communities, which considers factors such as “environmental and socioeconomic stressors, inequity, poverty, high unemployment, pollution, or discrimination.”
 - For instance, whereas relatively wealthier areas of the state may be focused on reducing the carbon footprint of transportation, some Tribal community members lack access to transportation. Or whereas state government may be familiar with grid interconnection and permitting for renewable energy projects outside of Tribal lands, state agencies frequently lack conversancy in how those issues affect Tribal nations.
 - In crafting sustainable economic development strategies, the state plan should also consider potential co-benefits of projects.

- **Workforce Development** – Many New Mexico’s workers are unemployed, underemployed, and difficult to reach. As workers pursue new career fields, they are in need of training, apprenticeship, and pre-apprenticeship opportunities, and the impact of such programs is increased when wraparound services such as childcare or living stipends are made available. Affordable and accessible housing is a consistent barrier to workforce development.
 - SEAC is particularly interested in supporting workforce opportunities in the trades, manufacturing, infrastructure, renewable energy, healthcare, construction, and childcare. In light of the emerging opportunities created by BIL and IRA, the state should ramp up training in emerging career fields, such as energy assessment or sustainable building design.
 - Based on compelling presentations from Tribal colleges and universities, SEAC suggests increasing support for job-rich programs in renewable energy and manufacturing.
- **Community-led Economic Development** – SEAC members support an increase in community-led economic development and renewable energy projects utilizing both state and federal funding. They also support tangible commitments to equity and justice principles by state entities administering funds. SEAC’s membership possesses vital expertise that could inform a further strengthening of guidelines for federal Justice40 funds.

FUTURE WORK: Given that the Just Transition Advisor will write an in-house update to the statewide strategic plan, it is helpful to clarify processes for SEAC, SET Force, and public input into the plan, which will ultimately inform its content. Interested stakeholders should note that the Just Transition Advisor and SEAC chair have published prompt questions to guide SEAC, as well as members of the public, as they provide their feedback into the state plan. These [guiding questions](#) are available on EDD’s website, along with an [online form](#) where stakeholders can submit their feedback on the next update to the state plan.

As of April 2024, the SEAC chair has commenced meetings aimed at obtaining the advisory council’s feedback into the state plan. In May, the SET Force finalized its agenda for the remainder of 2024, with topics including infrastructure access, revenue diversification, and the impact of economic transition on communities. The Just Transition Advisor will also hold a series of public meetings to inform the content of the state plan.

The graphic below shows how (1) SEAC offers its vision for a sustainable economy, with the wider public providing feedback as well, (2) SET Force offers guidance on realizing SEAC’s vision, contributing expertise on possible policies and initiatives that would support that vision, and (3) the Just Transition Advisor and team conduct policy research to expand upon inputs from SEAC and SET Force, using their feedback to draft the plan.



Parallel to SEAC and SET Force meetings, the Just Transition Advisor will work with counterparts in New Mexico's Indian Affairs and EDD to conduct Tribal consultation. To complement and bolster consultation, the advisory council has also operationalized its Tribal Engagement Working Group, which was originally proposed during SEAC's first year and operationalized with the arrival of the Just Transition Advisor and other added capacity.

More broadly, a second working group on community engagement will support the formulation of methodologies for public outreach, with approval from SEAC and assistance from subject matter experts and state university researchers specializing in participatory public policy.

SEAC members are currently engaged in planning additional working groups on education and training, sustainable economic development, and the Permian Basin.

We invite SEAC members and the broader public to send their feedback for the next iteration of the state plan to the Just Transition Advisor. Use our [online public form](#) or contact Kayla directly at Kayla.Lucero-Matteucci@edd.nm.gov or 505-487-6642.

We look forward to your participation!