

Background

The purpose of the Accountability in Government Act (AGA) is to provide for more cost-effective and responsive government services by using the state budget process and defined outputs, outcomes and performance measures to annually evaluate the performance of state government programs. The AGA traded budget flexibility for information about how state agencies economically, efficiently, and effectively carry out their responsibilities and provide services. Prior to the AGA, agency appropriations were tightly controlled by the Legislature with attention paid to individual budget line items and incremental spending of salaries, office supplies, travel, etc. After the AGA, the focus switched to results as measured by performance (inputs, outputs, outcomes, etc). To facilitate reviews of agency performance, the Legislative Finance Committee (LFC) staff developed a dashboard report, a report card, to add emphasis and clarity to the reporting process and focus budget discussions on evidence-based initiatives and programming. Report cards and associated analysis of performance has continued to serve policymakers and the public well on how New Mexico state government delivers services. Performance reports serve as a key linchpin in the Legislative Finance Committee's overall "Legislating for Results" policy and budgeting framework. However, agencies have not widely adopted practices for "Managing for Results" and thus sometimes struggle to effectively implement evidence-based programs funded by the Legislature or operate services effectively and efficiently.

The LFC has long held hearings on performance reports, inviting agencies to present on their performance results and action plans for improvement, or staff led presentations on the state's performance overall. While informative, the meetings are often driven by an agency narrative that may not effectively answer legislative priorities. A meeting on state performance overall provides a significant amount of information that helps inform future decision making but the hearing is not set up to directly influence agency management practices.

LegisSTAT

LFC staff are proposing to build on the existing Legislating for Results framework through a first of its kind legislatively driven performance improvement hearing process called LegisSTAT. PerformanceSTAT meetings are a longstanding tool used by leadership to drive performance improvements at the federal, state, and local levels. Often, the STAT meetings are driven by executive leadership and focus on high priority performance challenges. The meetings take a subset of specific performance metrics and focus on specific actions managers can, and do, take to make improvement until performance improves to a satisfactory level.

A couple of key differences exist between LFC's performance hearings and STAT meetings – a STAT meeting is more collaborative and less "agency-driven", there is a greater emphasis on action plans and reporting actions taken from the last meeting, and there is a regular schedule of meetings. Typically, in an executive setting, STAT meetings occur frequently, either weekly or monthly, neither of which is realistic, nor desirable, for a legislative hearing schedule. The legislature cannot, nor should it, attempt to manage agency day to day operations. But, the legislature and its committees can and should exercise its oversight responsibilities in a manner that produces better results.

The proposed LegisSTAT process seeks to have regularly scheduled time to focus on a key set of LFC priority performance issues, starting with economic recovery coming out of the COVID-19 public health emergency, and collaborate with agencies in a way to drive performance improvements for New Mexicans. The LegisSTAT process would focus on a core set of performance metrics, hold regular time slots for performance discussion with agency leadership (at least quarterly), follow up on action items from the last meeting, and review results for improvement. The discussions could lead to policy or budget recommendations to aid in improvement.

Key hearing questions for each LegisSTAT meeting could include:

- What do we know about the trends?
- What is the agency doing to proactively tackle this issue or challenge?
- What could we expect by the next meeting?

Economic Recovery

Staff propose the first set of LegisSTAT hearings focus on economic recovery efforts as the state recovers from the COVID-19 recession and public health emergency. Key agencies involved in economic development include the Economic Development Department, Workforce Solutions Department and the Tourism Department (given it is such a large segment of the state's economy and hardest hit during the public health emergency). The following pages include dashboards of key performance indicators for the state and for each agency, along with analysis and possible questions for legislators during the hearing. Future dashboards would include specific actions taken by the agencies to improve the performance metrics as well as geographically mapping progress across the state. Agencies would report back to LFC in future LegisSTAT hearings as part of their budget requests before LFC, possibly during the legislative session and during next year's LFC hearings and into the future.

Best Practices for Results Focused Government:

Results-Focused Leadership:

- Articulating a results focused strategy,
- Asking for evidence, and
- Acting on evidence.

Evidence-Related Strategies:

- Developing learning agendas,
- Creating an evaluation policy,
- Using rapid experimentation, and
- Making Contracts and Grants results focused.

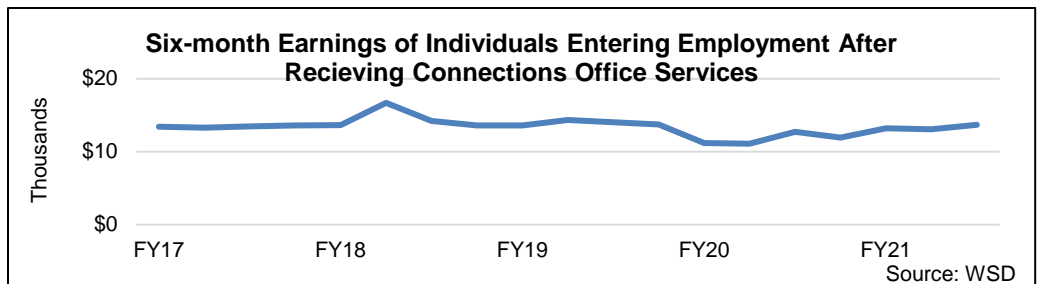
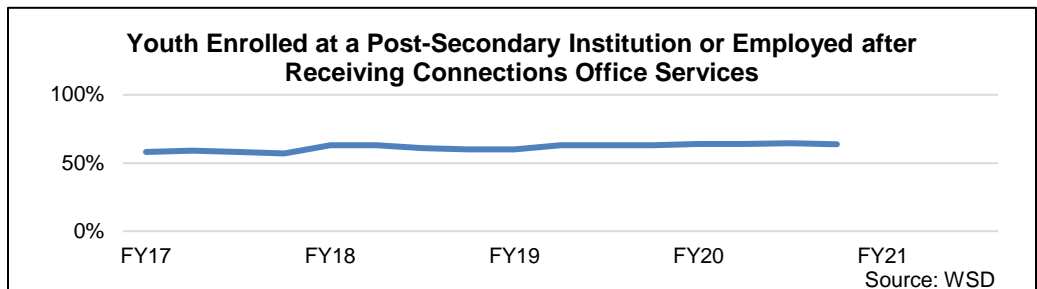
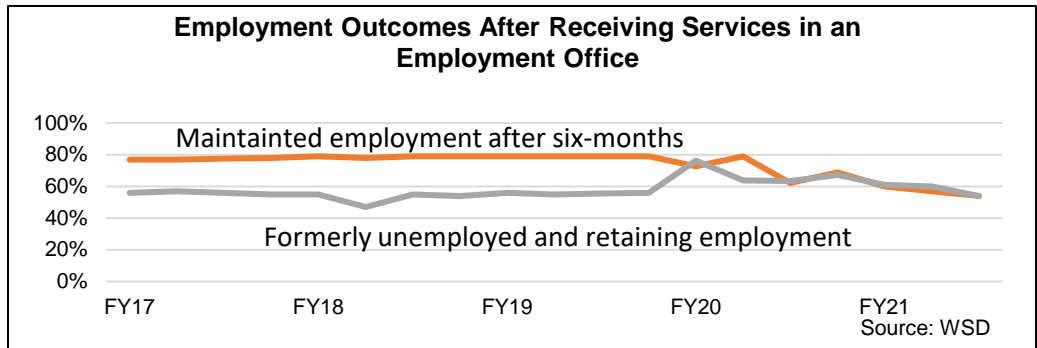
Performance Management:

- Using performance information,
- Implementing strategic planning,
- Weaving a performance focus into budgeting, and
- Collaboration.

Using Data:

- Data sharing

LFC Staff will be working with agencies to rate their use of these best practices to implement results focused government.



Performance Trends:

- With the exception of the pandemic, five-year outcomes for the above measures remained relatively stagnant.
- Individuals retaining employment after receiving services at an employment office remained between 55 and 60 percent since FY17.
- Of those, six-month employment retention remained just under 80 percent for the same period.
- Youth employment metrics were little changed also.
- Wallethub ranked New Mexico 48th in the nation for unemployment insurance claim reductions since the start of the pandemic.

Agency Actions from Last LegisSTAT Meeting:

- This category will be filled in with more information for the next LegisSTAT Meeting.

Suggested Questions:

- Why have employment outcomes for individuals served by the department remained stagnant for the last five-years?
- What actions can employment offices take immediately to improve outcomes?
- What can be done to increase employment retention among youth and adults?
- What can be done to increase wages when individuals leave an employment office?
- Should the state expand program funding using ARPA, to help the unemployed return to work as was included in House Bill 2.

ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Economic Development Department

In the beginning of the second quarter, the Economic Development Department continued to offer webinars for local businesses on topics including how to qualify for state and federal funding, Local Economic Development Act (LEDA), and Job Training Incentive Program (JTIP) resources, while also continuing to have multiple programs in place to assist businesses throughout the pandemic.

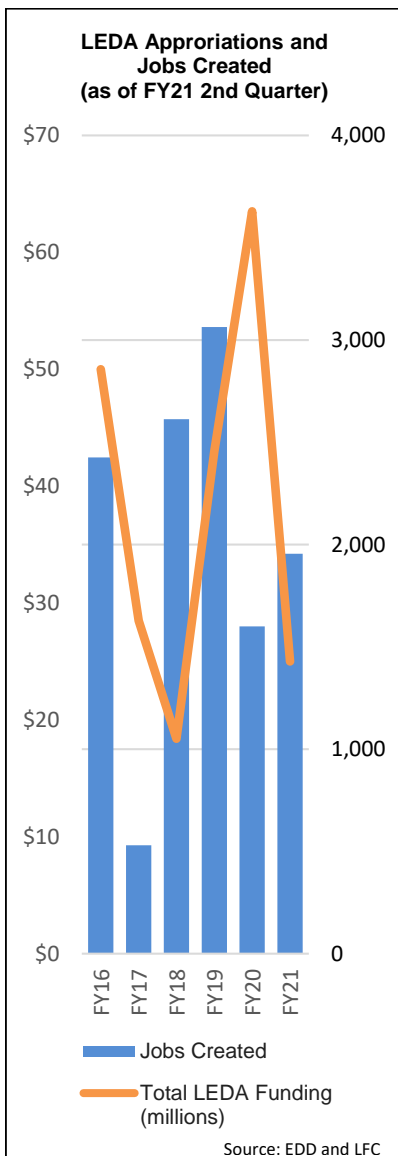
Economic Development

The Economic Development Division awarded six companies \$1.1 million in LEDA funds in the third quarter of FY21 and created 137 jobs, all in the Albuquerque metropolitan area. Bueno Foods, a New Mexican food company operating for over 70 years, received \$500 thousand for food processing expansion. Build with Robots, an Albuquerque company that designs sanitization robots, received \$360 thousand in LEDA funds to support 64 new jobs by the end of 2024. Los Poblanos Historic Inn received \$250 thousand to expand year-round manufacturing and acquire new land. The funds matched for these LEDA projects totaled \$15 million.

Overall, \$10 million in private sector reinvestment in MainStreet was reported for the third quarter, up from 6 million compared with quarter two. Artesia MainStreet saw \$173 thousand in investments for remodeling buildings, Belen constructed a new apartment complex valued at \$250 thousand that adds six new units to the MainStreet district, and Las Cruces building and business owners leveraged public-health closures to improve MainStreet buildings, investing over \$1 million in the district. Key buildings within the Nob Hill MainStreet district changed ownership, representing over \$4 million in investment to acquire three historic buildings, including the Monte Vista Fire Station, and the former Kelly's Brew Pub building.

Budget: \$10,277 **FTE:** 25

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Jobs created due to economic development department efforts	3,840	2,670	4,000	1,219	1,602	724	G
Rural jobs created	1,376	460	1,320	551	199	89	G
Jobs created through business relocations facilitated by the New Mexico partnership	617	812	2,250	0	95	42	R
Potential recruitment opportunities submitted by the New Mexico Partnership	53	33	60	10	9	17	Y
Private sector investment in mainstreet districts, in millions	\$30.7	\$24.57	\$30	\$30.95	\$6.1	\$10.8	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	32:1	27:1	20:1	10:1	21:3	16:1	Y
Number of company visits to New Mexico for projects	New	New	2	0	2	3	G



Best Practices for Results Focused Government:

Results-Focused Leadership:

- Articulating a results focused strategy,
- Asking for evidence, and
- Acting on evidence.

Evidence-Related Strategies:

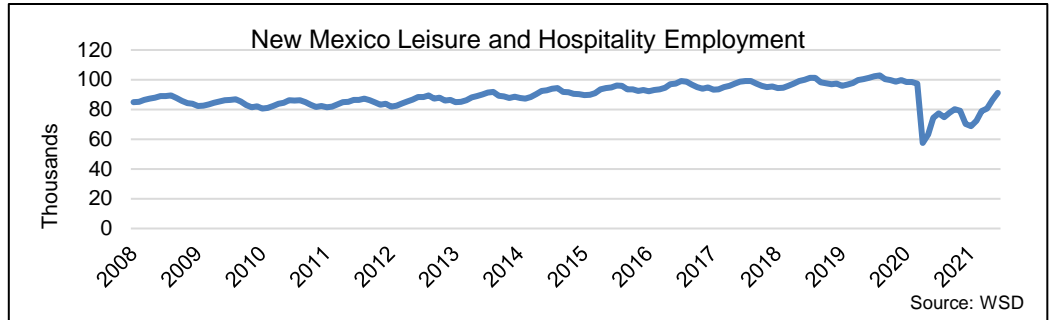
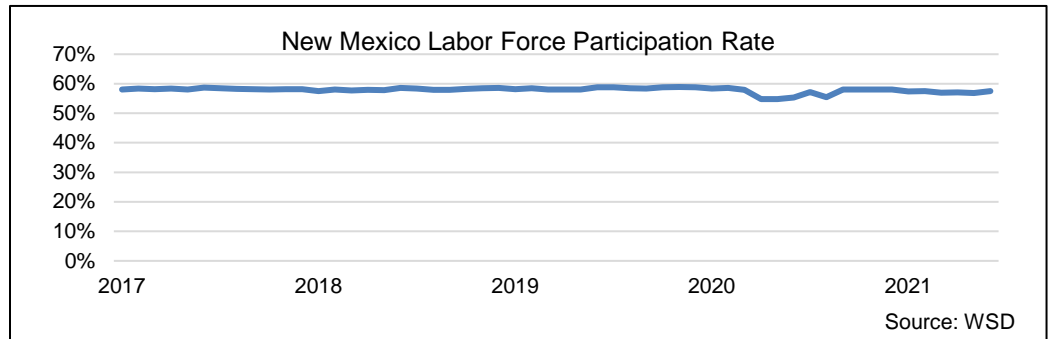
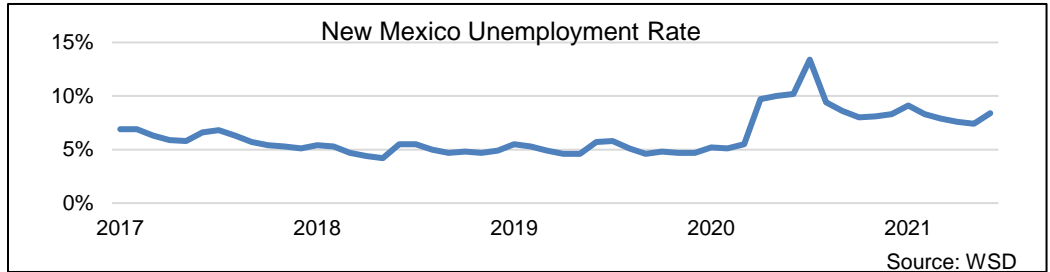
- Developing learning agendas,
- Creating an evaluation policy,
- Using rapid experimentation, and
- Making Contracts and Grants results focused.

Performance Management:

- Using performance information,
- Implementing strategic planning,
- Weaving a performance focus into budgeting, and
- Collaboration.

Using Data:

- Data sharing



Performance Trends:

- While New Mexico’s unemployment rate decreased 64 percent since the start of the pandemic, the state is lagging other states with Wallethub ranking New Mexico 48th nationally in unemployment rate recovery.
- Prior to the pandemic, the state’s unemployment rate trailed the national average since 2014.
- New Mexico’s labor force participation rate has remained largely unchanged over the past five-years.
- Leisure and hospitality employment slowly increased over the years, but has not recovered to pre-pandemic levels and remains about 9 thousand jobs below the peak of September 2019.

Agency Actions from Last LegisSTAT Meeting:

- This category will be filled in with more information for the next LegisSTAT Meeting.

Suggested Questions:

- A paper published by the Bureau of Labor Statistics stated that less-generous maternity and child-care policies, higher incarceration rates, poorer health outcomes, and less spending on on-the-job retraining and job-search assistance programs is the culprit of lower labor force participation rates. How can we improve?
- Are generous unemployment benefits leading to low labor force participation post-pandemic?

Best Practices in Government

Results-Focused Leadership:

- Articulating a results-focused strategy
- Asking for Evidence
- Acting on evidence

Evidence Related Strategies

- Developing learning agendas
- Creating an evaluation policy
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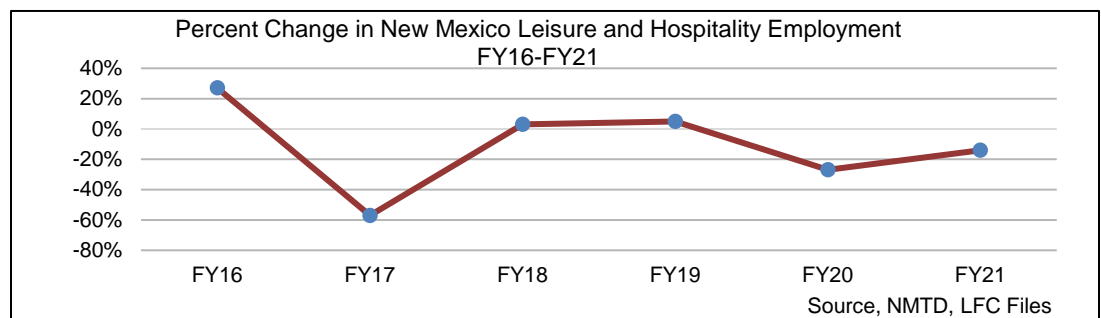
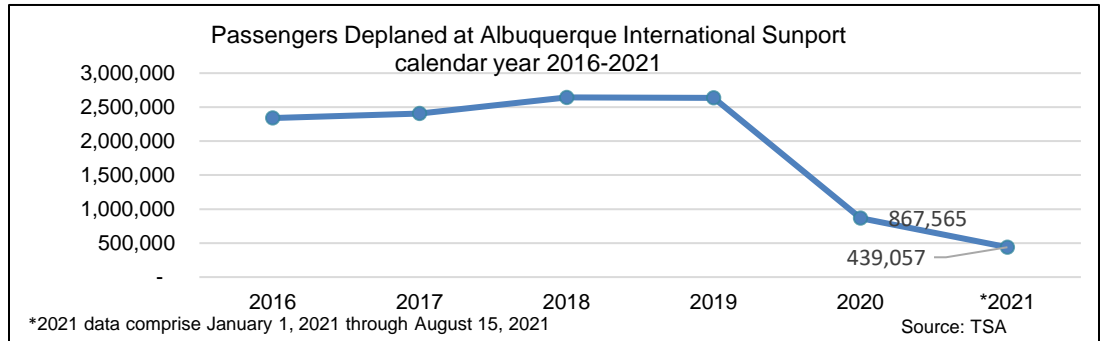
Performance Management

- Using performance information
- Implementing strategic planning
- Weaving a performance focus into budgeting
- Collaborating

Best Practices in Using Data

- Data sharing

Key Performance Measures:



Performance Trends:

- Visitors to New Mexico’s largest airport plummeted during the pandemic, and data does not show air visitation recovery.
- Though passenger data only comprises visitors from January 2021 to mid-August 2021, at only 439 thousand visitors and peak tourism season at a close, LFC staff does not project the annual total to surpass pandemic levels, despite the agency encumbering approximately \$7 million for tourism revitalization.
- Though leisure and hospitality employment levels have slightly increased over FY20, recovery is slow, and growth is still well below pre-pandemic levels.

Agency Actions from Last LegisSTAT Meeting:

- This category will be filled in with more information for the next LegisSTAT Meeting.

Suggested Questions:

- How is the department measuring Return on Investment (ROI) from various marketing initiatives?
- What additional data and metrics would provide more insight into ROI from agency spending?
- Will the Tourism Department commit to improve its quarterly reporting to LFC and DFA with relevant recovery-measures, such as hotel occupancy rates?

Best Practices for Results Focused Government:

Results-Focused Leadership:

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- Asking for Evidence
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Evidence Related Strategies

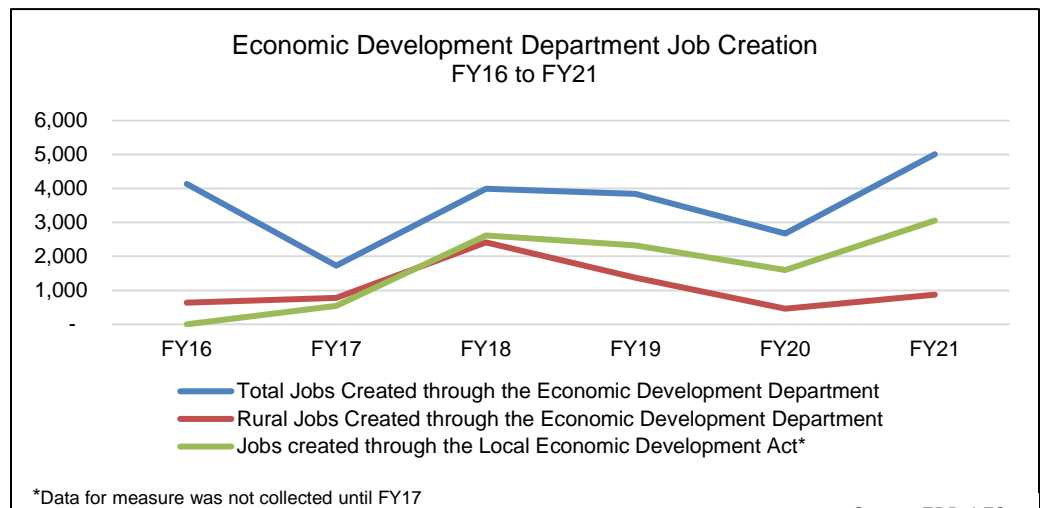
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Performance Management

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Using Data

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Performance Trends:

- Overall, jobs created through the Economic Development Department increased in FY21 after plummeting in FY20 during the Covid-19 public health emergency.
- Rural job recovery lags: Total jobs created through the department and Jobs created through LEDA surpassed pre-pandemic levels, while the department created only a third of the rural jobs it created in FY18.
- Cost-per-job for Local Economic Development Act (LEDA) grants varies greatly, ranging from 21 thousand per job to 8 thousand per job in FY21 alone.

Agency Actions from Last LegisSTAT Meeting

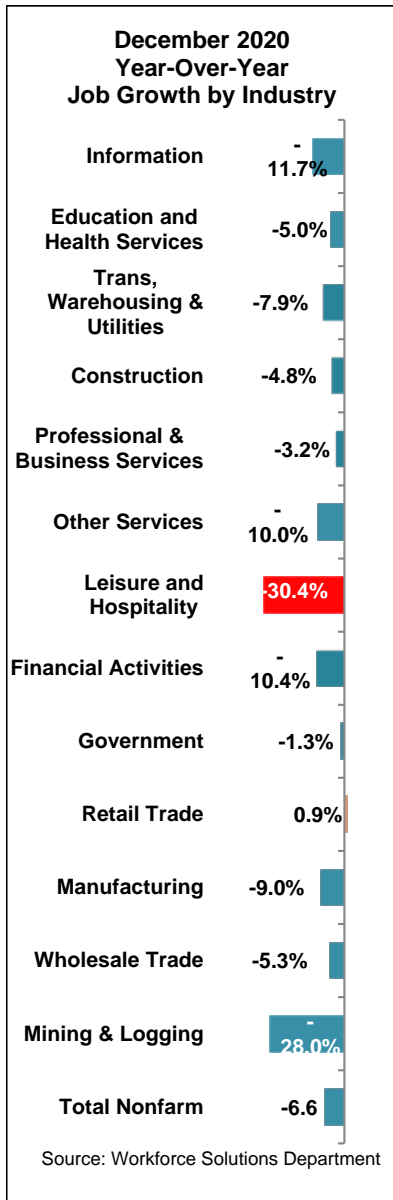
- This category will be filled in with more information for the next LegisSTAT Meeting.

Suggested Questions:

- Why is rural job creation recovering slower than other job creation from the agency?
- How will the department proactively attract businesses to rural New Mexico?
- How is the department monitoring the return on investment from LEDA grants?
- How are leads from the New Mexico Partnership contributing to job growth in the state?

ACTION PLAN

Tourism Department



Covid-19 has had a substantial negative impact on the tourism industry in New Mexico. Jobs in the leisure and hospitality sector continued to show year-over-year declines in the third quarter of FY21, with an overall average decline of 24 percent. This is an improvement over previous quarters and a slight improvement over the first and second quarter of FY21, but still represents substantial losses.

Marketing and Promotion

According to the Tourism Department, jobs in the leisure and hospitality sector continued to show year-over-year declines in the third quarter of FY21, with an overall average decline of 24.3 percent. While this is an improvement over the previous quarters of FY20 and a slight improvement over Q1, the decrease still represents substantial losses.

Digital engagement grew year-over-year during the third quarter of FY21, increasing by 25 percent. This growth is primarily due to Twitter engagement, which more than doubled, and Instagram engagement, which saw a 44 percent increase. As the Covid-19 pandemic has changed marketing priorities, the Tourism Department has worked to increase digital engagement through virtual experiences and motivational posting to encourage delayed visitation. The department focused on earned media in the first quarter of FY21, with the addition of a dedicated public relations firm to assist with developing and implementing an earned media strategy. This strategy continued to show positive results in the third quarter, resulting in over \$938.3 thousand in earned media value generated, which, if maintained, will result in the department exceeding the annual target of \$1 million.

Budget: \$14,795.1 **FTE:** 16

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Change in New Mexico leisure and hospitality employment	5%	-27.5%	3%	-26%	-24%	-24%	R
Change in total digital engagement	New	New	3%	24.7%	34%	25%	G
Amount of earned media value generated in millions	New	New	\$1	\$0.657	\$0.835	\$0.340	G

Program Rating

Y

New Mexico Magazine

New Mexico Magazine exceeded its target for advertising revenue per issue, reaching an average of \$132 thousand in the third quarter. Due to the Covid-19 pandemic, the department re-evaluated its sales strategy, which, combined with a fully staffed sales team, accounted for the increase in advertising revenue. *New Mexico Magazine* has a

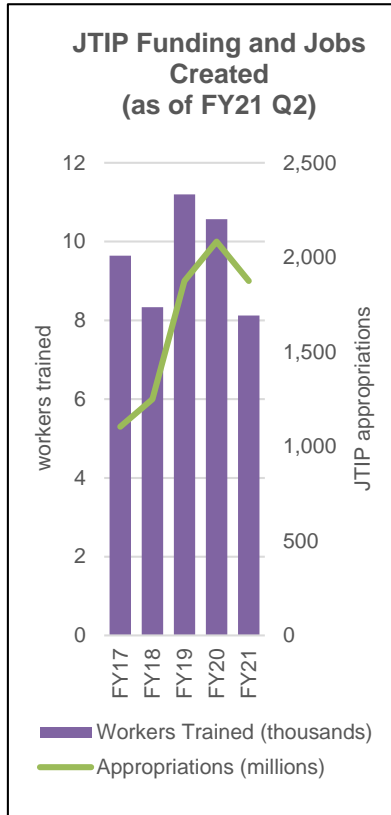
circulation of approximately 68 thousand customers. The magazine's digital engagement reaches more than 200 thousand visitors per month across various platforms.

Budget: \$3,231.9 FTE: 10		FY19	FY20	FY21	FY21	FY21	FY21	
Measure	Actual	Actual	Target	Q1	Q2	Q3	Rating	
Advertising revenue per issue, in thousands	\$67.8	\$75	\$80	\$123.5	\$131.5	132.0	G	
Program Rating							G	

Tourism Development Program

The Tourism Development Program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants. The tourism development division made collaboration with Native American partners a priority in recent years, hiring a full-time cultural heritage coordinator in late FY20. The New Mexico True Certified program continued to grow in the third quarter, and the agency anticipates further increases in participants though the remainder of FY21 as businesses realize the potential of branding for growing small businesses, especially during the pandemic.

Budget: \$2,305.8 FTE: 18		FY19	FY20	FY21	FY21	FY21	FY21	
Measure	Actual	Actual	Target	Q1	Q2	Q3	Rating	
Number of meetings or events conducted with Native American entities	NEW	NEW	16	31	44	52	G	
Number of participants in New Mexico True Certified Program	NEW	NEW	250	400	415	425	G	
Program Rating							G	



Outdoor Recreation

The Outdoor Recreation Division’s (ORD) goal is to ensure all New Mexicans share in the public health, environmental, and economic benefits of sustainable outdoor recreation. The two-person ORD team focuses on a few key impact areas: economic development, promotion of outdoor-recreation assets, conservation, and education and public health programs.

During the second quarter, the outdoor recreation incubator developed by Creative Startups and funded in part by ORD began its fall/winter online curriculum for outdoor recreation business entrepreneurs. The division worked with the nonprofit on new marketing materials and helped re-open this program to entrepreneurs in late October. In the third quarter, ORD solicited applications for an outdoor recreation business accelerator to build off the work of the 2020 incubator. ORD will start to record results from those awards beginning in FY22.

ORD successfully launched the pilot Special Projects and Outdoor Infrastructure grant in summer 2020, which will re-launch in July 2021 with \$500,000 in funding. In addition to the outdoor infrastructure grant, ORD will oversee \$297,000 in Rio Grande Trail infrastructure funding in FY22.

Budget: \$451.4 **FTE:** 2

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Number of new outdoor recreation jobs created by the outdoor recreation division*	New	40	Explanatory	0	9	0	
Number of outdoor recreation projects funded or lead by the outdoor recreation division*	New	11	Explanatory	0	6	0	

*Measures are explanatory and do not have targets

ACTION PLAN

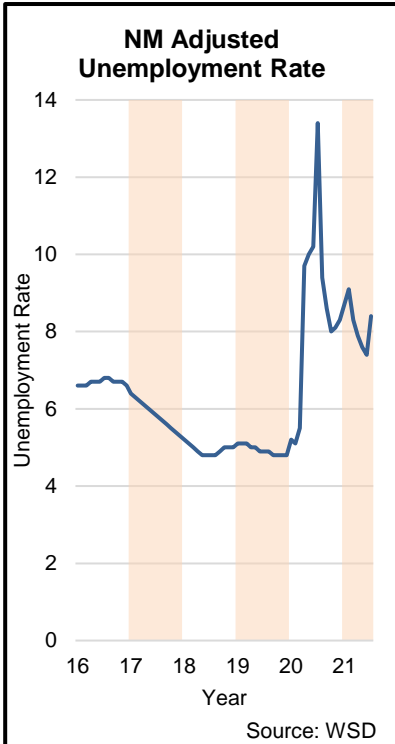
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Workforce Solutions

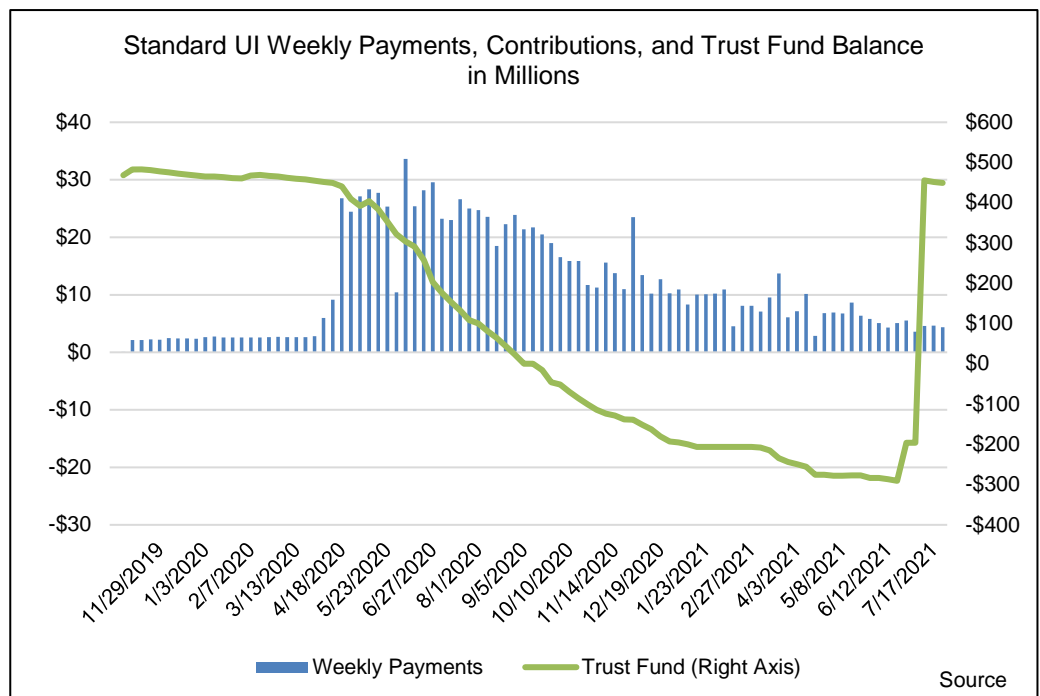
While slightly lower than the second quarter, Workforce Solutions Department (WSD) continued processing unemployment claims at the historically high rate of about 127 thousand per week in the third quarter of FY21. Unemployment claims included about 34 thousand standard claims and 94 thousand pandemic related claims. Unemployment in March 2021 was 7.9 percent, down from a high of 13.4 percent in July of 2020, the highest rate since measurement began in 1976.

Since March 2020, WSD paid out more than \$3.5 billion in unemployment benefits and will continue to implement and process claims across various state and federal unemployment programs through September 2021. The federal Coronavirus Aid, Relief and Economic Security (CARES) Act created three major unemployment insurance programs, Pandemic Emergency Unemployment Compensation, Pandemic Unemployment Assistance, and Federal Pandemic Unemployment Compensation under the Consolidated Appropriation Act of 2021, which also created a fourth program, Mixed Earner Unemployment Compensation. On March 11, 2021, the American Rescue Plan Act (ARPA) of 2021 was signed into law making changes to each of the programs and continuing benefits through September 5, 2021, including the additional \$300 per week on top of standard benefit levels initially provided under the FPUC program.

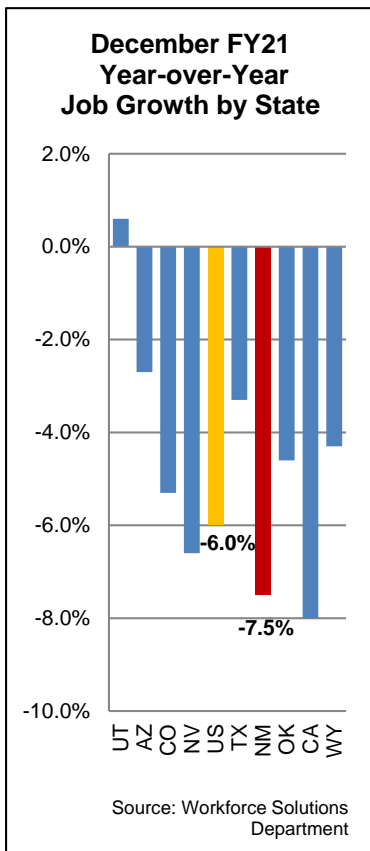
In March 2020, the state’s unemployment trust fund had a healthy balance of \$458 million, but with record unemployment claims, the fund was depleted and reached insolvency on September 8, 2020. New Mexico, like many other states, borrowed from the federal government to maintain balances and continue processing claims. With state assistance from ARPA, the department paid off the loans and replenished the balance of the fund to close to pre pandemic levels.



During the 2021 Legislative Session, the Legislature set aside \$600 million of funding through the American Rescue Plan Act (ARP) to pay off federal loans and replenish the unemployment trust fund. The governor vetoed this funding but then allocated a similar amount to the trust fund to restore balances.



Cost Per Job		
	JTIP	LEDA
FY15	\$ 5,300	\$ 5,000
FY16	\$ 6,000	\$ 10,400
FY17	\$ 12,563	\$ 29,200
FY18	\$ 8,839	\$ 4,025
FY19	\$ 8,144	\$ 13,272
FY20	\$ 4,541	\$ 39,688
FY21*	\$ 8,743	\$ 19,384



managed by the New Mexico Partnership

Jobs created through the use of Local Economic Development Act funds

3,586	1,600	3,000	1,181	1,338	724	G
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Workers trained by Job Training Incentive Program

2,333	2,202	1,900	1,260	432	825	G
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Program Rating

Y

The Legislature increased recurring appropriations for the Job Training Incentive Program (JTIP) for FY21 by \$1 million for a total recurring operating budget of \$5 million.

The JTIP board approved 31 businesses in the third quarter, seven of which were new to the program. JTIP awards reached a total of \$6.6 million. During the third quarter, 811 new jobs were approved, with an average wage of \$20.14 per hour. The average annual wage associated with the jobs approved is \$60 thousand. The cost per job was \$8.7 thousand. Of the approved jobs, 265 were in rural communities such as Las Vegas, Deming, Prewitt, Mesilla Park, Moriarty, Truth or Consequences, Sunland Park and Roswell. The average hourly wage for jobs approved in rural areas was \$15.66.

New Mexico Film Office

The COVID-19 pandemic brought film and television production to a standstill in March 2020, and production re-started in September 2020. Productions have since resumed at a steady pace, resulting in an increase in worker days throughout FY21, surpassing the annual target. Direct spending by the film industry reached \$311.6 million in the third quarter, a 15 percent increase over the second quarter, however, the agency reports that none of the high-budget productions contributing to the increase are working in the rural uplift zone.

Budget: \$747.1 **FTE:** 8

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Direct spending by film industry productions, in millions	\$525.5	\$257.3	\$530	\$151.6	\$129.7	\$311.6	G
Film and media worker days	319,814	266,604	300,000	126,922	180,953	208,345	G
Direct spending by film industry productions eligible for the additional 5 percent credit in rural areas in millions	New	New	\$20	\$0.2	\$4.5	\$0.1	R

Program Rating

Y

Unemployment Insurance

In May 2021, LFC published an unemployment insurance spotlight evaluation and estimated the state had paid about \$250 million in benefit overpayments since the start of the pandemic. Prior to the pandemic, fraud rates were already increasing and are now at the highest level in recent years. Insufficient staff and training made it challenging for WSD to process claims effectively while also following new federal requirements. Inadequate interpretation of state law and federal guidance led to incorrect calculation of employer taxes and benefits. Additional federal stimulus funds and the state's decision to continue to waive the work search requirement contributed to a disincentive to seek reemployment for those on unemployment insurance.

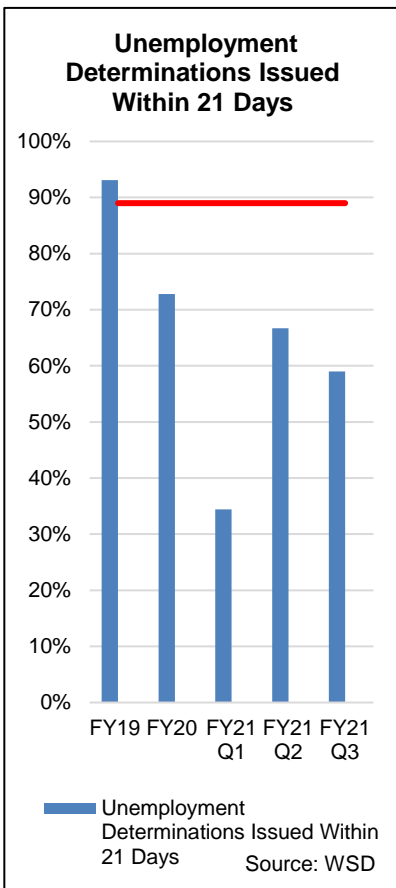
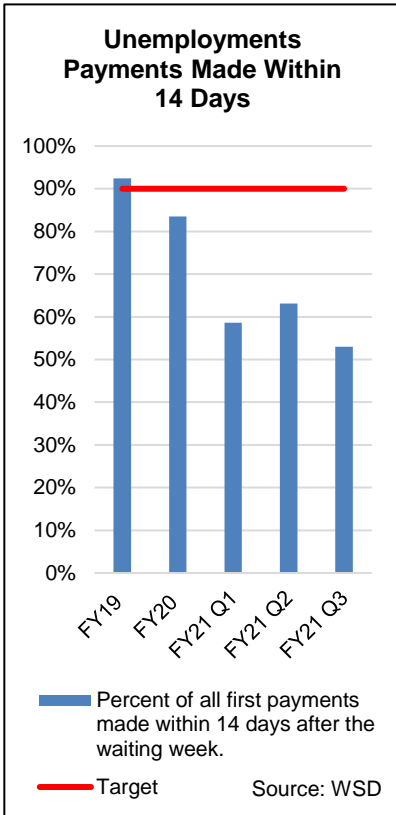
In an effort to address overpayment issues and reduce call center wait times, the department hired more than 100 call center staff. Some of the staff were repurposed contact tracers from the Department of Health (DOH) and others were brought on as exempt staff through the governor's office. The new hires are allowing the department to answer nearly all call center calls on a daily basis and the department typically clears the backlog of calls by 3:00 PM. CNM was used to train the new call center staff over the course of five days. All of the call center staff telecommute and most of the new staff brought their equipment from DOH. However, the staff onboarding occurred after quarter three and the numbers below do not reflect the change.

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Budget: \$10,367.1 FTE: 164							
Eligible unemployment claims issued a determination within 21 days from the date of claim.	93.1%	72.8%	89%	34.4%	66.7%	59.4%	R
Percent of all first payments made within 14 days after the waiting week.	92.4%	83.5%	90%	58.6%	63.1%	53.3%	R
Accuracy rate of claimant separation determinations.	70.4%	N/A*	91%	43.3%	No Report		R
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a new unemployment insurance claim, in minutes.	17:05	24:48	18:00	9:54	13:51	21:57	R
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes.	15:00	18.48	15:00	11:57	14:32	17:25	Y
Program Rating							Y

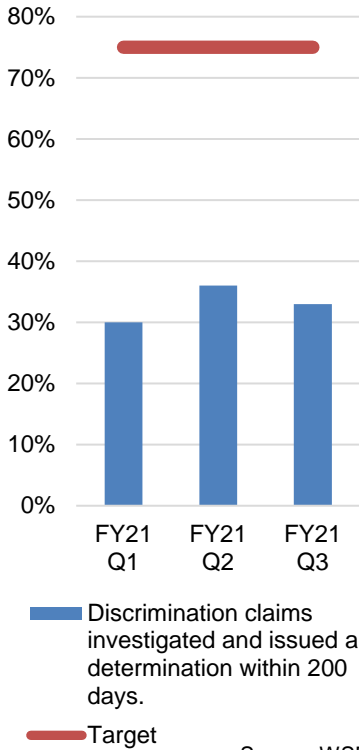
*Measure is explanatory and has no performance target.

Labor Relations

In 2021, the Legislature passed the Healthy Workplaces Act requiring employers within the state to provide sick leave of one-hour per 30-hours worked with earned sick leave carrying over from year-to-year with the maximum total carryover not to be less than 64-hours. Unlike wage and hour statutes, the department is required to investigate complaints related to the act, which may significantly increase investigations. The task of implementing the act fell upon the Labor Relations Division and the department is



Discrimination Claims Issued a determination within 200 days.



hoping to finalize rules related to the act by September 2021, well ahead of July 1, 2022, the effective date of the act. The department on boarded a program administrator and is requesting about \$950 thousand for an administrative assistant, an attorney, a paralegal, tech support staff, and five investigators.

The Labor Relations Division reported 98 wage claims received with 169 cases closed through administrative determination for an 85 percent closure rate for the quarter. Current in-person public works inspection projects are on hold due to the public health pandemic. The division is below targets on the resolution of legacy and discrimination claims.

	Budget: \$4,993.7	FTE: 41	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Investigated claims that are issued an administrative determination within 90 days.			43.8%	17%	85%	No Report	6%	85%	G
Total public works projects inspected.			NEW	NEW	80%	12%	0%	0%	Y
Legacy claims that are issued an administrative determination.			NEW	NEW	90%	38%	38%	72%	Y
Discrimination claims investigated and issued a determination within two-hundred days.			NEW	NEW	75%	30%	36%	33%	Y
Program Rating									R

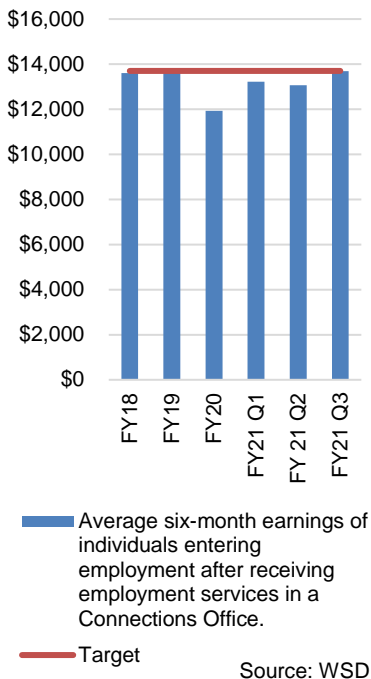
Employment Services

Recently the state Workforce Solutions Department and the State Workforce Development Board published a report titled “Making the Case for the Transformation and Redesign of the New Mexico Workforce Development System” and recommended consolidating the state’s four workforce development boards into two. The paper relies on information from the August 2020 LFC spotlight, “Workforce Development, Post Covid-19 Pandemic”, citing the state’s poor U.S. ranking for employment and earnings outcomes.

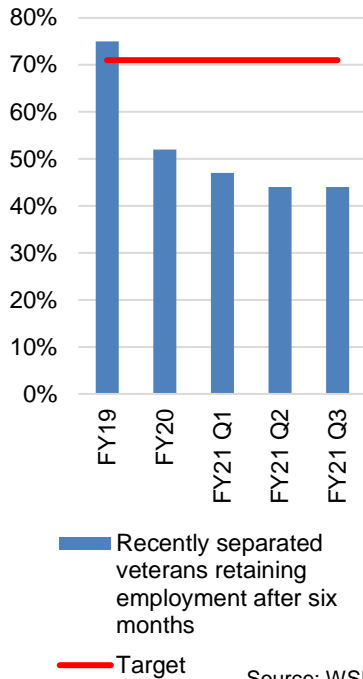
Recommendations from the publication would create a metro board and a rural area board. The metro board would serve Sandoval, Santa Fe, Bernalillo, and Dona Ana Counties while the rural area board would serve the remaining New Mexico counties. Poor performance was cited as the primary reason for consolidating workforce boards. However, the report cited several opportunities including reduced administrative costs leading to increased funding for job seekers, improvements in labor market alignment allows for services to be tailored to the needs of similarly situated communities in rural or urban areas, improved monitoring and use of state resources in the oversight of two boards rather than four, and a simplified two board system would improve strategic planning, coordination, and communication.

Recently separated veterans continue to struggle with the transition from active duty service to civilian life. WSD is developing a military transition workshop in collaboration with active duty installations, National Guard, and Armed Forces Reserve sites and has achieved near full staffing of veteran’s employment representatives in all workforce centers. For disabled veterans, WSD is expanding its Disabled Veterans’

Earnings After Receiving Employment Services



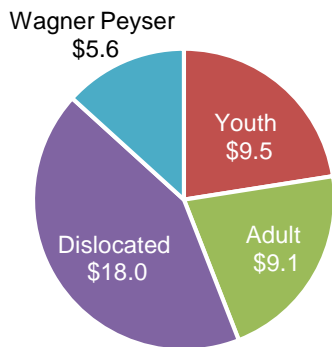
Recently Separated Veterans Retaining Employment



Outreach Program to improve case management, conduct routine follow-up and increase the use of online outreach tools.

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Budget: \$17,471.3 FTE: 145							
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office.	\$13,740	\$11,936	\$13,700	\$13,223	\$13,065	\$13,685	G
Recently separated veterans entering employment.	50%	49%	50%	46%	46%	46%	Y
Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office.	45%	44%	50%	47%	48%	46%	Y
Individuals receiving employment services in a Connections Office.	113,347	91,743	100,000/ 25,000 (Annual/ Qtr.)	28,710	26,167	21,008	G
Unemployed individuals employed after receiving employment services in a Connections Office.	56%	67%	55%	61%	60%	54%	G
Individuals that have received employment services in a Connection Office, retaining employment services after six months.	79%	68%	79%	60%	57%	54%	R
Recently separated veterans retaining employment after six months	75%	52%	71%	47%	44%	44%	R
Average six-month earnings of unemployed veterans entering employment after receiving veterans' services in a Connections Office.	\$16,886	\$9,478	\$17,000	\$13,030	\$15,202	\$12,898	R
Average change in six-month earnings of working individuals after receiving employment services in a Connections Office.	NEW	NEW	\$1,000	\$980	\$1,026	\$157	Y
Audited apprenticeship programs deemed compliant.	NEW	NEW	35%	0%	100%	83%	G
Total number of individuals accessing the agency's online Job Seeker portal.	NEW	NEW	125,000	88,452	51,688	55,252	Y
Apprenticeships registered and in training	NEW	NEW	1,500	1,839	1,818	1,500	G
Program Rating							Y

Workforce Innovation and Opportunity Act Allotments FY20 (in millions)



NM LegisSTAT Best Practices Scoring Criteria							
Agency			Quarter				
Criteria	Beginning Agency		Strong		Exemplary		Total Score
Score	0	1	2	3	4	5	
Results-Focused Leadership							
<i>*These are important but non-scored criteria, due to the challenge of measurement.</i>							
Articulating a results-focused strategy	Agency leadership is unable to identify or articulate evidence-based approach		The agency's leadership values evidence, but does not have clear direction to staff about what performance data is important.		The agency's leadership can clearly and compellingly articulate their organization's approach to using evidence, performance data and innovation, sending an important signal to the staff about what is important.		
Asking for evidence					The agency's leadership regularly asks for credible evidence and data to back up staff recommendations, demonstrating and modeling the importance of evidence-based decision-making for the rest of the organization.		
Acting on evidence					The agency's leadership regularly acts on credible evidence and data in making decisions, helping ensure that the agency does what works and that spending produces the highest return on investment possible.		
Best Practices in Evidence-Related Strategies							
Developing learning agendas			The agency has a basic learning agenda with at least five questions identified.		The agency has a detailed learning agenda that presents its high-priority research questions, helping focus internal and external analytical / evaluation resources on those question spanning multiple sub-agencies.		
Creating an evaluation policy			The agency has created and posted an evaluation policy.		The agency has created and publicly posted online an evaluation policy that describes the values it will uphold in using program evaluation, including rigor, relevance, transparency, independence, and ethics.		
Using rapid experimentation a low-cost way to drive operational improvements, including testing of approaches to see which one produces the best results			The agency has at completed one A/B test in the last six months.		The agency has at completed at least one A/B test in the last six months.		
Making contracts and grants results focused: The agency has a commitment to weaving evidence and performance best practices into its contracts and grants.			The agency has strengthened results-driven contracting practices in at least one contract or procurement in the last six months		The agency has added new evidence incentives to at least one competitive grant program in the last six months.[1]		
Best Practices in Performance Management							

<p>Using performance information: The agency's leadership has structures in place to regularly review and use performance information for decision making and continual improvement.</p>		<p>The agency submits its report cards to LFC on time and includes analysis and discussion, demonstrating its knowledge of performance trends and challenges.</p>	<p>The agency does the above, plus runs its own PerformanceStat process, meaning ongoing, leadership-driven, data intensive reviews of agency performance by division or priority goal.</p>	
<p>Implementing strategic planning: The agency has a well-written strategic plan, updated regularly and based on broad stakeholder input.</p>		<p>The agency has this type of strategic plan.</p>	<p>The agency does the above, plus has at least quarterly feedback loops with leadership to provide updates on progress and adjustments to the strategy.</p>	
<p>Weaving a performance focus into budgeting</p>		<p>The agency submits its financial statements on time and submits regular budget projections.</p>	<p>[Suggestions from Charles?]</p>	
<p>Collaborating</p>		<p>The agency has at least one collaboration with another state agency in place.</p>	<p>The agency has more than one collaboration with another state agency in place and at least one collaboration with a different level of government.</p>	
<p>Best practices in using data</p>				
<p>Data sharing</p>		<p>The agency does the above, plus has at least one ongoing initiative to ensure agency program managers have the data access they need to monitor and improve programs, while protecting privacy.</p>	<p>The agency has at least one ongoing initiative to expand data access to external, qualified researchers, while protecting privacy.</p>	

Best Practices in Government

Results-Focused Leadership:

- Articulating a results-focused strategy
- Asking for Evidence
- Acting on evidence

Evidence Related Strategies

- Developing learning agendas
- Creating an evaluation policy
- Using rapid experimentation
- Making contracts and grants results focused

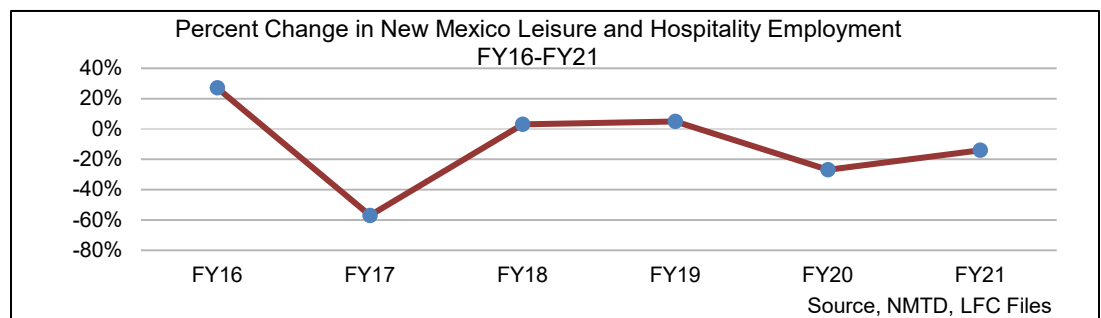
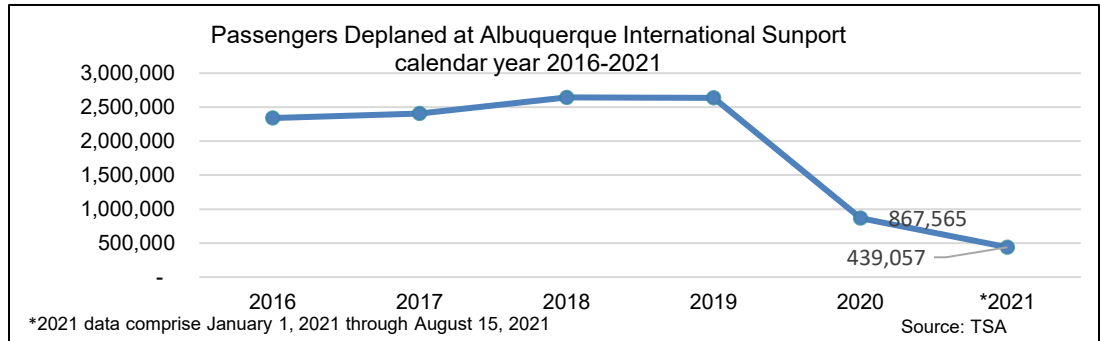
Performance Management

- Using performance information
- Implementing strategic planning
- Weaving a performance focus into budgeting
- Collaborating

Best Practices in Using Data

- Data sharing

Key Performance Measures:



Performance Trends:

- Visitors to New Mexico’s largest airport plummeted during the pandemic, and data does not show air visitation recovery.
- Though passenger data only comprises visitors from January 2021 to mid-August 2021, at only 439 thousand visitors and peak tourism season at a close, LFC staff does not project the annual total to surpass pandemic levels, despite the agency encumbering approximately \$7 million for tourism revitalization.
- Though leisure and hospitality employment levels have slightly increased over FY20, recovery is slow, and growth is still well below pre-pandemic levels.

Agency Actions from Last LegisSTAT Meeting:

- This category will be filled in with more information for the next LegisSTAT Meeting.

Suggested Questions:

- How is the department measuring Return on Investment (ROI) from various marketing initiatives?
- What additional data and metrics would provide more insight into ROI from agency spending?
- Will the Tourism Department commit to improve its quarterly reporting to LFC and DFA with relevant recovery-measures, such as hotel occupancy rates?

ACTION PLAN

Submitted by agency? Yes
Timeline assigned? Yes
Responsibility assigned? Yes

Economic Development Department

In the beginning of the second quarter, the Economic Development Department continued to offer webinars for local businesses on topics including how to qualify for state and federal funding, Local Economic Development Act (LEDA), and Job Training Incentive Program (JTIP) resources, while also continuing to have multiple programs in place to assist businesses throughout the pandemic.

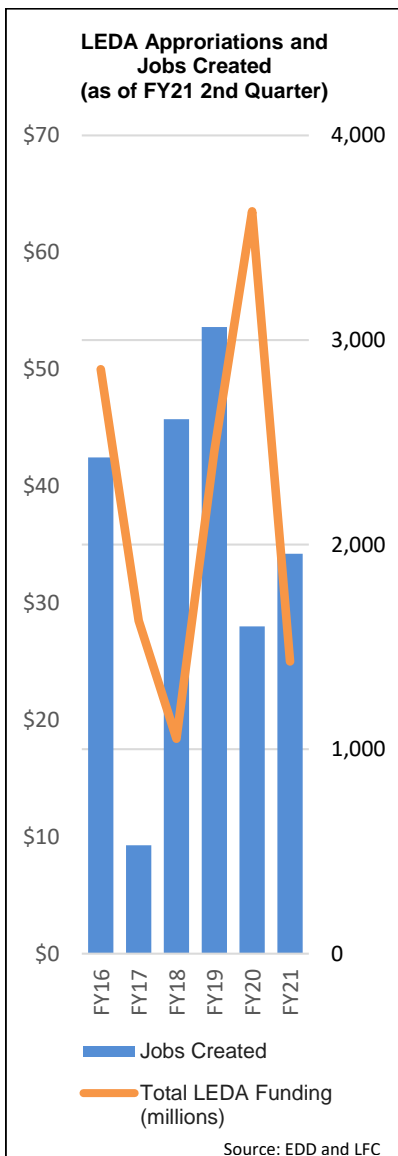
Economic Development

The Economic Development Division awarded six companies \$1.1 million in LEDA funds in the third quarter of FY21 and created 137 jobs, all in the Albuquerque metropolitan area. Bueno Foods, a New Mexican food company operating for over 70 years, received \$500 thousand for food processing expansion. Build with Robots, an Albuquerque company that designs sanitization robots, received \$360 thousand in LEDA funds to support 64 new jobs by the end of 2024. Los Poblanos Historic Inn received \$250 thousand to expand year-round manufacturing and acquire new land. The funds matched for these LEDA projects totaled \$15 million.

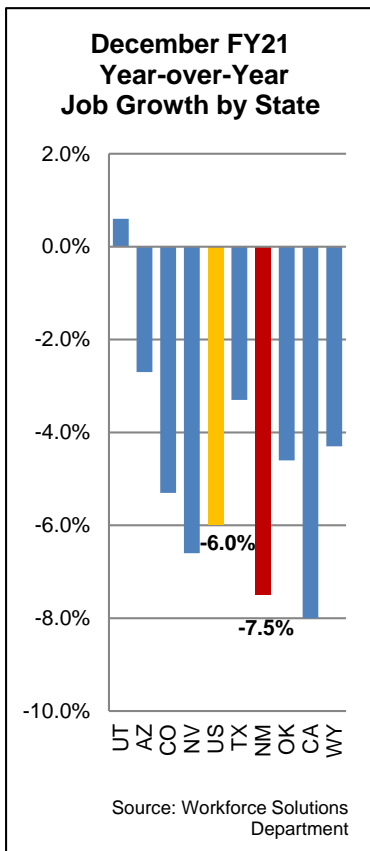
Overall, \$10 million in private sector reinvestment in MainStreet was reported for the third quarter, up from 6 million compared with quarter two. Artesia MainStreet saw \$173 thousand in investments for remodeling buildings, Belen constructed a new apartment complex valued at \$250 thousand that adds six new units to the MainStreet district, and Las Cruces building and business owners leveraged public-health closures to improve MainStreet buildings, investing over \$1 million in the district. Key buildings within the Nob Hill MainStreet district changed ownership, representing over \$4 million in investment to acquire three historic buildings, including the Monte Vista Fire Station, and the former Kelly's Brew Pub building.

Budget: \$10,277 **FTE:** 25

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Jobs created due to economic development department efforts	3,840	2,670	4,000	1,219	1,602	724	G
Rural jobs created	1,376	460	1,320	551	199	89	G
Jobs created through business relocations facilitated by the New Mexico partnership	617	812	2,250	0	95	42	R
Potential recruitment opportunities submitted by the New Mexico Partnership	53	33	60	10	9	17	Y
Private sector investment in mainstreet districts, in millions	\$30.7	\$24.57	\$30	\$30.95	\$6.1	\$10.8	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	32:1	27:1	20:1	10:1	21:3	16:1	Y
Number of company visits to New Mexico for projects	New	New	2	0	2	3	G



Cost Per Job		
	JTIP	LEDA
FY15	\$ 5,300	\$ 5,000
FY16	\$ 6,000	\$ 10,400
FY17	\$ 12,563	\$ 29,200
FY18	\$ 8,839	\$ 4,025
FY19	\$ 8,144	\$ 13,272
FY20	\$ 4,541	\$ 39,688
FY21*	\$ 8,743	\$ 19,384



managed by the New Mexico Partnership

Jobs created through the use of Local Economic Development Act funds

3,586	1,600	3,000	1,181	1,338	724	G
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Workers trained by Job Training Incentive Program

2,333	2,202	1,900	1,260	432	825	G
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Program Rating

Y

The Legislature increased recurring appropriations for the Job Training Incentive Program (JTIP) for FY21 by \$1 million for a total recurring operating budget of \$5 million.

The JTIP board approved 31 businesses in the third quarter, seven of which were new to the program. JTIP awards reached a total of \$6.6 million. During the third quarter, 811 new jobs were approved, with an average wage of \$20.14 per hour. The average annual wage associated with the jobs approved is \$60 thousand. The cost per job was \$8.7 thousand. Of the approved jobs, 265 were in rural communities such as Las Vegas, Deming, Prewitt, Mesilla Park, Moriarty, Truth or Consequences, Sunland Park and Roswell. The average hourly wage for jobs approved in rural areas was \$15.66.

New Mexico Film Office

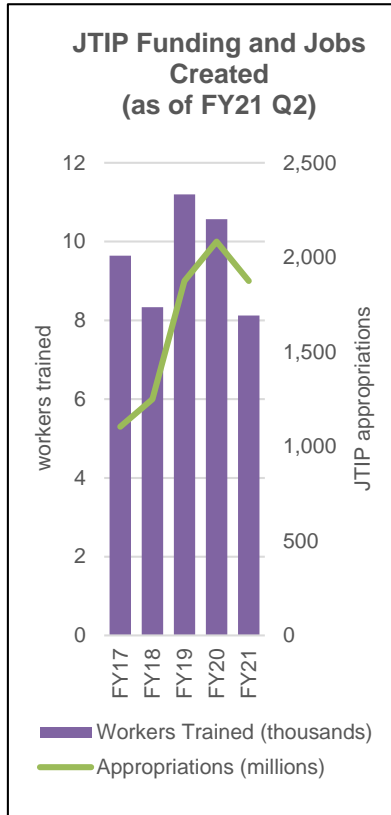
The COVID-19 pandemic brought film and television production to a standstill in March 2020, and production re-started in September 2020. Productions have since resumed at a steady pace, resulting in an increase in worker days throughout FY21, surpassing the annual target. Direct spending by the film industry reached \$311.6 million in the third quarter, a 15 percent increase over the second quarter, however, the agency reports that none of the high-budget productions contributing to the increase are working in the rural uplift zone.

Budget: \$747.1 **FTE:** 8

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Direct spending by film industry productions, in millions	\$525.5	\$257.3	\$530	\$151.6	\$129.7	\$311.6	G
Film and media worker days	319,814	266,604	300,000	126,922	180,953	208,345	G
Direct spending by film industry productions eligible for the additional 5 percent credit in rural areas in millions	New	New	\$20	\$0.2	\$4.5	\$0.1	R

Program Rating

Y



Outdoor Recreation

The Outdoor Recreation Division’s (ORD) goal is to ensure all New Mexicans share in the public health, environmental, and economic benefits of sustainable outdoor recreation. The two-person ORD team focuses on a few key impact areas: economic development, promotion of outdoor-recreation assets, conservation, and education and public health programs.

During the second quarter, the outdoor recreation incubator developed by Creative Startups and funded in part by ORD began its fall/winter online curriculum for outdoor recreation business entrepreneurs. The division worked with the nonprofit on new marketing materials and helped re-open this program to entrepreneurs in late October. In the third quarter, ORD solicited applications for an outdoor recreation business accelerator to build off the work of the 2020 incubator. ORD will start to record results from those awards beginning in FY22.

ORD successfully launched the pilot Special Projects and Outdoor Infrastructure grant in summer 2020, which will re-launch in July 2021 with \$500,000 in funding. In addition to the outdoor infrastructure grant, ORD will oversee \$297,000 in Rio Grande Trail infrastructure funding in FY22.

Budget: \$451.4 **FTE:** 2

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Number of new outdoor recreation jobs created by the outdoor recreation division*	New	40	Explanatory	0	9	0	
Number of outdoor recreation projects funded or lead by the outdoor recreation division*	New	11	Explanatory	0	6	0	

*Measures are explanatory and do not have targets