

# Transforming the New Mexico Workforce System

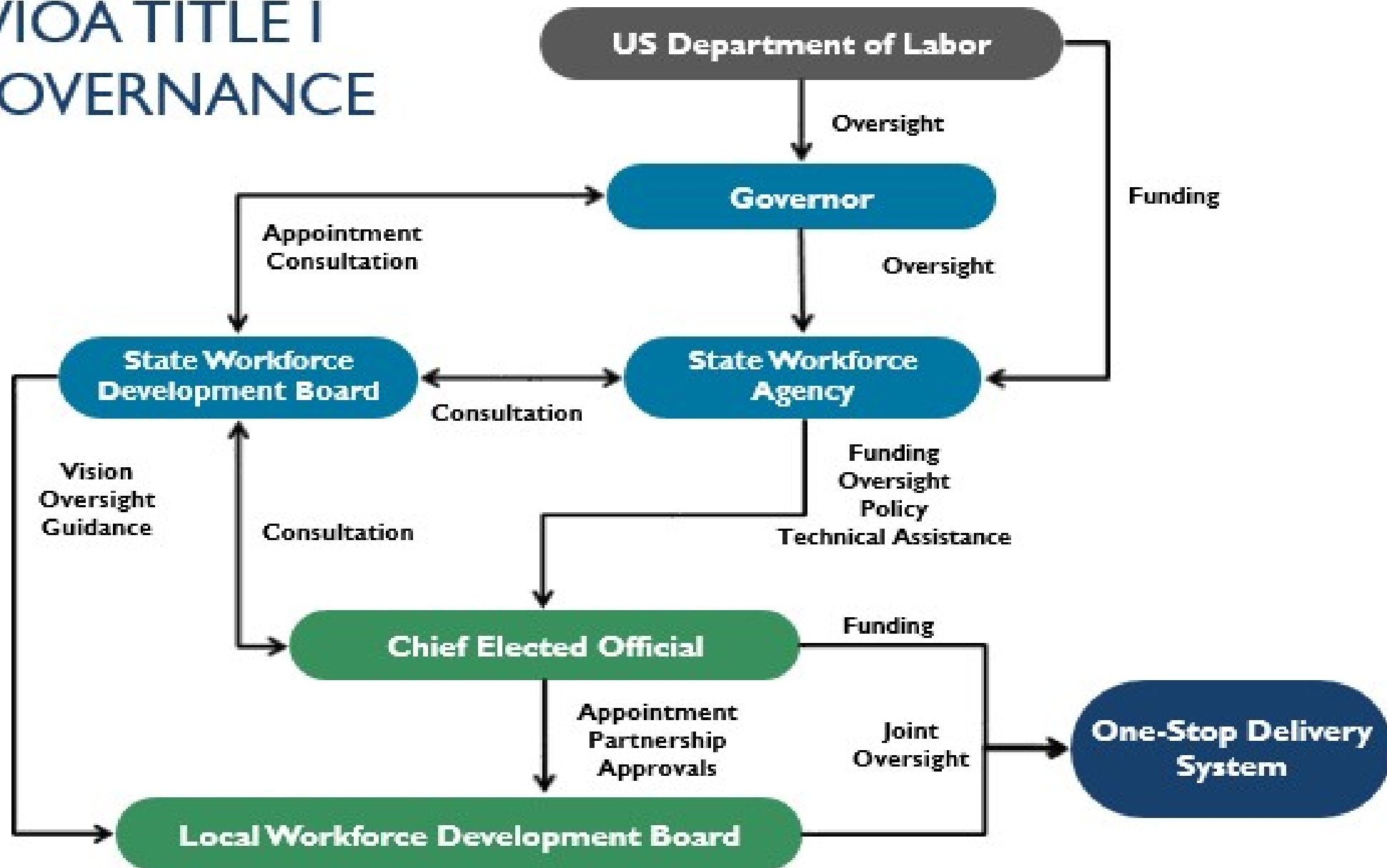
Community Input and Listening Sessions

- Highlights of current system – Statewide reach via ReadyNM (change to current model focused on individual offices). ReadyNM makes workforce services/supports accessible statewide.

# Why are we doing this?

- 20 CFR §679.250
- The Governor: May review a **local area designated at any time** to evaluate whether the area continues to meet the requirements for subsequent designation;
- **Must review** a local area designated before submitting the State Plan during each 4-year State planning cycle to evaluate whether the area continues to meet the requirements for subsequent designation;
- The local area and CEO are considered to have requested unless the local area and CEO notify the Governor they no longer seek designation.

# WIOA TITLE I GOVERNANCE



# WHAT is local area designation?

## WIOA Sec. 106 (b) Local Areas

- In order for a state to receive an allotment under Sec. 127(b) or 132(b), the Governor of the State shall designate local workforce development areas (WDA).
  - Through consultation with the state board **(That's You!)**;
  - After consultation with chief elected officials and local boards;
  - And after consideration of public comments.
- **Considerations: the extent to which the areas—**
  - Are consistent with labor market areas in the state;
  - Are consistent with regional economic development areas in the state;
  - Have available Federal and Non-Federal resources necessary to effectively administer activities (i.e. education and career/technical education schools)

# What are the criteria?

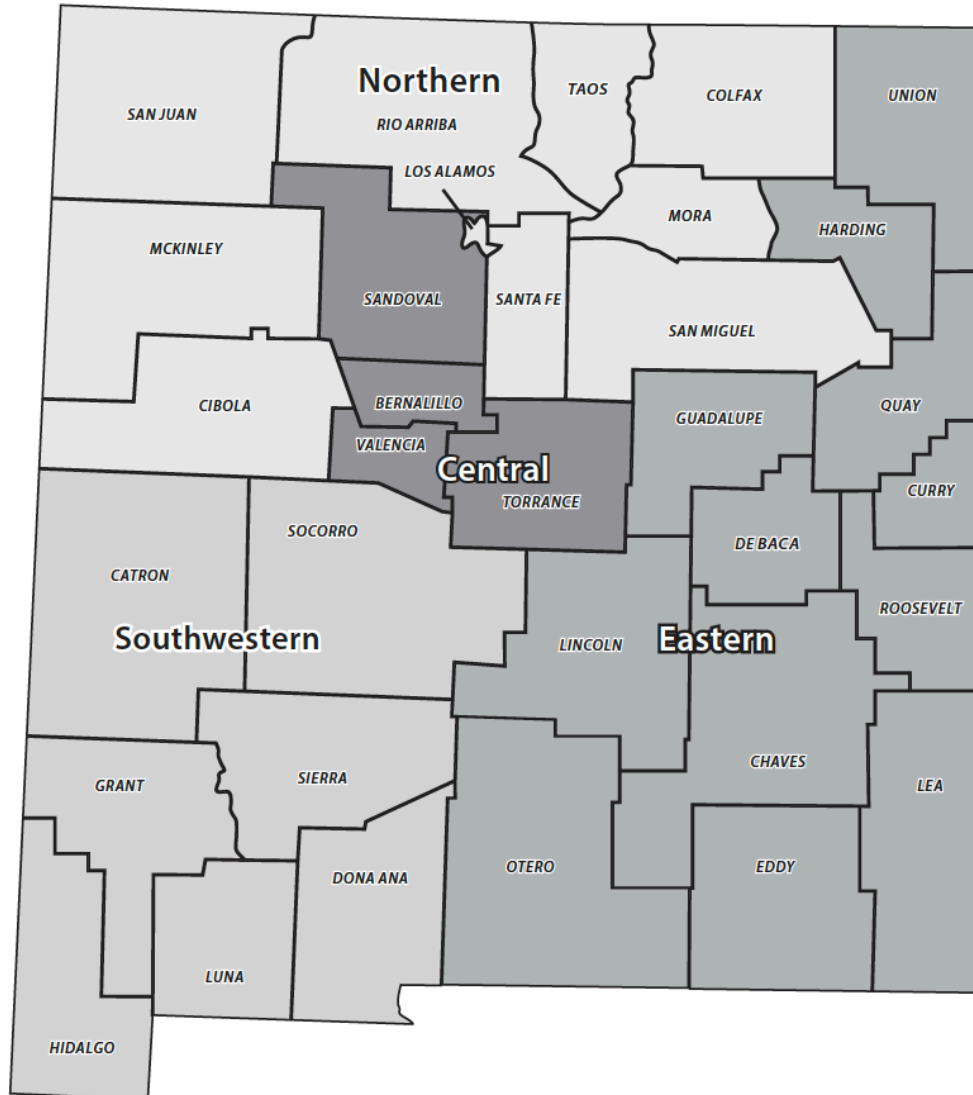
- Performed Successfully
- Sustained Fiscal Integrity
- Met requirements of REGIONAL planning

**Meeting these allows existing areas to continue**

# Met Regional Planning Requirements

- local area in a planning region, met requirements as evidenced by:
  - the preparation of a regional plan,
  - the establishment of regional service strategies,
  - the development and implementation of sector initiatives for in-demand industry sectors or occupations for the region;
  - the collection and analysis of regional labor market data
  - the establishment of administrative cost arrangements,
  - including the pooling of funds for administrative costs,
  - the coordination of transportation and other supportive services,
  - the coordination of services with regional economic development services and providers; and
  - agreement in performance negotiations.

# Current Four-Region Structure and Funding



ADULT	
PY20/FY21	7,778,323.00
1,651,656.00	21% NORTHERN
3,016,938.00	39% CENTRAL
1,201,291.00	15% EASTERN
1,369,647.00	18% SOUTHWESTERN
538,791.00	7% Navajo Nation
<b>7,778,323.00</b>	<b>100%</b>

DISLOCATED WORKER	
PY20/FY21	10,849,581.00
2,455,813.00	23% NORTHERN
4,196,034.00	39% CENTRAL
1,559,286.00	14% EASTERN
2,100,895.00	19% SOUTHWESTERN
537,553.00	5% Navajo Nation
<b>10,849,581.00</b>	<b>100%</b>

YOUTH	
PY20/FY21	8,033,885.00
1,394,076.00	17% NORTHERN
2,623,518.00	33% CENTRAL
1,118,008.00	14% EASTERN
2,043,478.00	25% SOUTHWESTERN
854,805.00	11% Navajo Nation
<b>8,033,885.00</b>	<b>100%</b>

**Total Local Board Allocations** 24,730,640.00



# Challenges to the Current Structure

- Four local areas managed by four local boards
- Training funds can be cumbersome to deploy, rules and policy set by USDOL
- Little flexibility with regard to individual eligibility and business supports

**Table III – Participants Served by Workforce Region**

<b>Total Participants</b>		<b>PY14</b>	<b>PY15</b>	<b>PY16</b>	<b>PY17</b>	<b>PY18</b>	<b>PY19</b>
<b>Central</b>	Adult	2,112	3,354	730	722	969	1,026
	DW	198	486	242	184	235	277
	Youth	441	1,112	510	433	703	552
<b>Eastern</b>	Adult	345	674	178	306	494	476
	DW	52	72	19	25	84	73
	Youth	50	130	56	108	150	103
<b>Northern</b>	Adult	888	1,544	453	613	814	598
	DW	228	654	252	210	152	135
	Youth	114	182	97	80	154	238
<b>Southwestern</b>	Adult	616	1,140	305	341	451	489
	DW	84	130	45	54	94	146
	Youth	204	304	190	213	305	226
<b>Total Annual</b>		<b>5,332</b>	<b>9,782</b>	<b>3,077</b>	<b>3,289</b>	<b>4,605</b>	<b>4,336</b>

The overall performance to-date within the four-region structure has demonstrated little to no growth in total number of job seekers served or successfully placed or businesses served.

## Low Participant Rates vs. Other Similar States

In FY19, NM's four local workforce boards received **\$25 million** in WIOA funds. NM's allocation per capita was higher than for the majority of states in FY17

**Table I: Comparison of similar states for Program Year 2018**

State	Funding in Millions	Total Participants Served
Kansas	\$13.203	4,338
Iowa	\$11.480	17,320
Oklahoma	\$24.384	8,912
Oregon	\$28.154	185,906*
New Mexico	\$22.906	4,587

\*Questionable results that may or may not only include WIOA participants

*“LFC has suggested, NMDWS work with the local boards to identify and eliminate potential duplication of administration. The federal WIOA legislation aims for state agencies receiving WIOA funds to collaborate.”*

(LFC Spotlight: Workforce Development Post COVID-19 Pandemic, Aug.2020)

# Outcome Metrics By Region - Central

Table V – Negotiated Performance Outcomes

Central Region	PY 2018	PY 2019	PY 2020
Adult Employment Q2	Met	Met/Exceeded	Met/Exceeding
Adult Employment Q4	Met	Met/Exceeded	Met/Exceeding
Adult Credential	Met/Exceeded	Met/Exceeded	Met/Exceeding
Adult Skill Gain	N/A	N/A	Failing
<b>DW</b>			
DW Employment Q2	Met	Met/Exceeded	Met
DW Employment Q4	Met/Exceeded	Met/Exceeded	Met/Exceeding
DW Credential	Met/Exceeded	Met/Exceeded	Met/Exceeding
DW Skill Gain	N/A	N/A	Failing
<b>Youth</b>			
Youth Employment Q2	Met	Met	Met/Exceeding
Youth Employment Q4	Met	Met/Exceeded	Met/Exceeding
Youth Credential	Failed	Failed	Met/Exceeding
Youth Skill Gain	N/A	N/A	Failing

## Outcome Metrics By Region - Southwest

Southwest Region	PY 2018	PY 2019	PY 2020
Adult Employment Q2	Met	Met/Exceeded	Met
Adult Employment Q4	Met	Met	Met/Exceeding
Adult Credential	Failed	Failed	Met/Exceeding
Adult Skill Gain	N/A	N/A	Failing
DW Employment Q2	Met/Exceeded	Met	Met/Exceeding
DW Employment Q4	Met/Exceeded	Met/Exceeded	Met
DW Credential	Failed	Failed	Met/Exceeding
DW Skill Gain	N/A	N/A	Failing
Youth Employment Q2	Met/Exceeded	Failed	Met/Exceeding
Youth Employment Q4	Failed	Failed	Failing
Youth Credential	Met	Failed	Failing
Youth Skill Gain	N/A	N/A	Failing

## Outcome Metrics By Region – Northern

Northern Region	PY 2018	PY 2019	PY 2020
Adult Employment Q2	Failed	Met	Failing
Adult Employment Q4	Met	Met/Exceeded	Meeting
Adult Credential	Failed	Failed	Failing
Adult Skill Gain	N/A	N/A	Failing
DW Employment Q2	Met	Failed	Met/Exceeding
DW Employment Q4	Met/Exceeded	Met/Exceeded	Failing
DW Credential	Failed	Failed	Failing
DW Skill Gain	N/A	N/A	Failing
Youth Employment Q2	Failed	Met	Met/Exceeding
Youth Employment Q4	Met	Met/Exceeded	Failing
Youth Credential	Failed	Failed	Failing
Youth Skill Gain	N/A	N/A	Failing

## Outcome Metrics By Region - Eastern

Eastern Region	PY 2018	PY 2019	PY 2020
Adult Employment Q2	Met	Met	Met/Exceeding
Adult Employment Q4	Met/Exceeded	Met/Exceeded	Meeting
Adult Credential	Met	Met/Exceeded	Met/Exceeding
Adult Skill Gain	N/A	N/A	Failing
DW Employment Q2	Met/Exceeded	Met	Failing
DW Employment Q4	Met/Exceeded	Met	Met/Exceeding
DW Credential	Met/Exceeded	Met/Exceeded	Met/Exceeding
DW Skill Gain	N/A	N/A	Failing
Youth Employment Q2	Failed	Failed	Failing
Youth Employment Q4	Failed	Failed	Met
Youth Credential	Failed	Failed	Failing
Youth Skill Gain	N/A	N/A	Failing

## Adult Participants Served By Region

Adult	PY20 Q3	PY19 Q3	PY18 Q3
All Location	1157	1596	1814
Percent Change	-27.51%	-12.02%	
05-Central Area Workforce Development Board	419	632	643
Percent Change	-33.70%	-1.71%	
10-Southwestern Area Workforce Development Board	169	306	341
Percent Change	-44.77%	-10.26%	
15-Northern Area Local Workforce Development Board	242	302	520
Percent Change	-19.87%	-41.92%	
20-Eastern Area Workforce Development Board	327	356	310
Percent Change	-8.15%	14.84%	



## Dislocated Worker Participants Served by Region

Dislocated Worker	PY20 Q3	PY19 Q3	PY18 Q3
All Location	521	374	353
Percent Change	39.30%	5.95%	
05-Central Area Workforce Development Board	265	170	154
Percent Change	55.88%	10.39%	
10-Southwestern Area Workforce Development Board	81	93	77
Percent Change	-12.90%	20.78%	
15-Northern Area Local Workforce Development Board	68	77	80
Percent Change	-11.69%	-3.75%	
20-Eastern Area Workforce Development Board	107	34	42
Percent Change	214.71%	-19.05%	

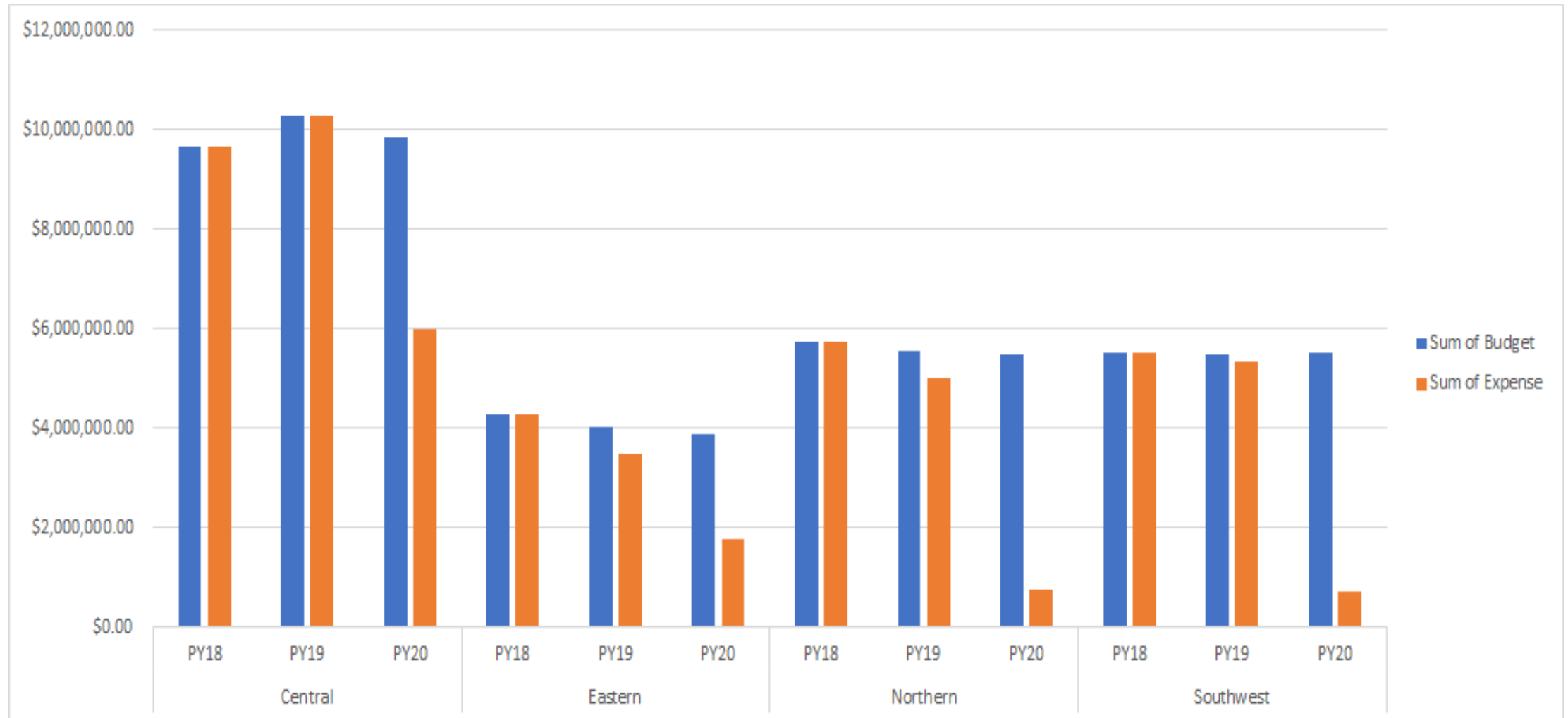
## Youth Participants Served by Region

Youth	PY20 Q3	PY19 Q3	PY18 Q3
All Location	828	724	897
Percent Change	14.36%	-19.29%	
05-Central Area Workforce Development Board	303	439	524
Percent Change	-30.98%	-16.22%	
10-Southwestern Area Workforce Development Board	292	148	200
Percent Change	97.30%	-26.00%	
15-Northern Area Local Workforce Development Board	129	65	79
Percent Change	98.46%	-17.72%	
20-Eastern Area Workforce Development Board	104	72	94
Percent Change	44.44%	-23.40%	

**TOTAL PARTICIPANTS SERVED STATEWIDE: 2,506**

# Ineffective Spending Practices Statewide

Federal Guideline – 80% obligated/40% expended



# Federal On-Site Reviews and Findings

## **Northern Board:**

October 2018 federal onsite review found several governance, performance and fiscal integrity issues:

- Questioned costs
- Failure to adequately engage with the CEO's
- Fiscal compliance issues; specifically a failure to have financial and administrative policies and procedures following WIOA rules and regulations

DWS Action: Following this federal review NMDWS placed the LWDB under administrative oversight and has continued to provide intensive technical assistance to-date. NMDWs currently reviews cash requests, participates in CEO and LWDB meetings to assure compliance and currently reviews and approves all policies and procedures to assure they comport with WIOA.

**Southwestern Board:** February 2019 federal onsite review found several programmatic concerns:

- Low levels of performance
- Failure to implement career pathways within its local area
- Failure to provide in-demand occupational training for adults and dislocated workers
- Failure to follow up with youth participants resulting in a denial of additional services if needed
- Failure to have written financial/administrative policies and procedures required by Uniform Guidance.

DWS Action: Frequent, on-going technical assistance to shore up operations and performance



**State Workforce  
Development Board:**

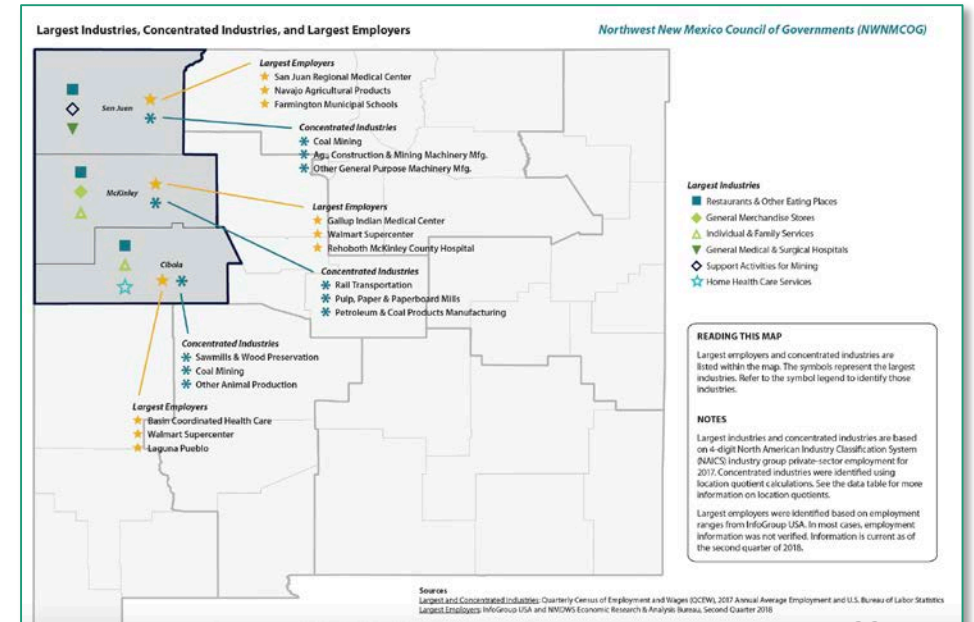
**Making the Case for  
Transformation and Redesign  
of the New Mexico Workforce  
Development System**

# Timeline of Events

In September 2018, The State Workforce Development Board (SWDB) engaged in a comprehensive review of the current status of the local workforce development board regions, within the state.

**December 2019** - Voted to Form Subcommittee to review all aspects of the current system and explore where changes could be made

**January 2020** - Committee convened and started with researching other higher performing states/best practices in one-on-one interviews with 10 states and the National Association of Workforce Boards



## January 2020 – March 2021:

- Literature review of best/influential practices
- Thorough reviews of local area designation plans submitted by the local workforce development boards
- Consultation with the US Department of Labor – Education and Training Assistance team to assure compliance with federal processes and guidance
- Review of federal/state performance metrics and funding allocation rules and regulations
- Exploration of alternative structural scenarios for maximizing the impact of the system
- Current practices, including updates of performance outcomes, challenges and barriers faced by each workforce region following onsite reviews by both state and federal monitors.
- Attended local board meetings and technical assistance training sessions
  - Workforce Development Conferences
  - Sector Strategy Development
  - Career and technical education planning/implementation
  - State and local workforce development planning

# Timeline – Committee Reports to State Board

(Conducted in Compliance with  
Open Meetings Act)

**March-April 2020** - State Board Meetings postponed meeting due to COVID onset

**May 21, 2020** - Reported Progress to State Board, summary of research, analysis, documents/interviews, reviews conducted

**July 9, 2020** - Reviewed proposed Local Area Designations submitted by each workforce board.

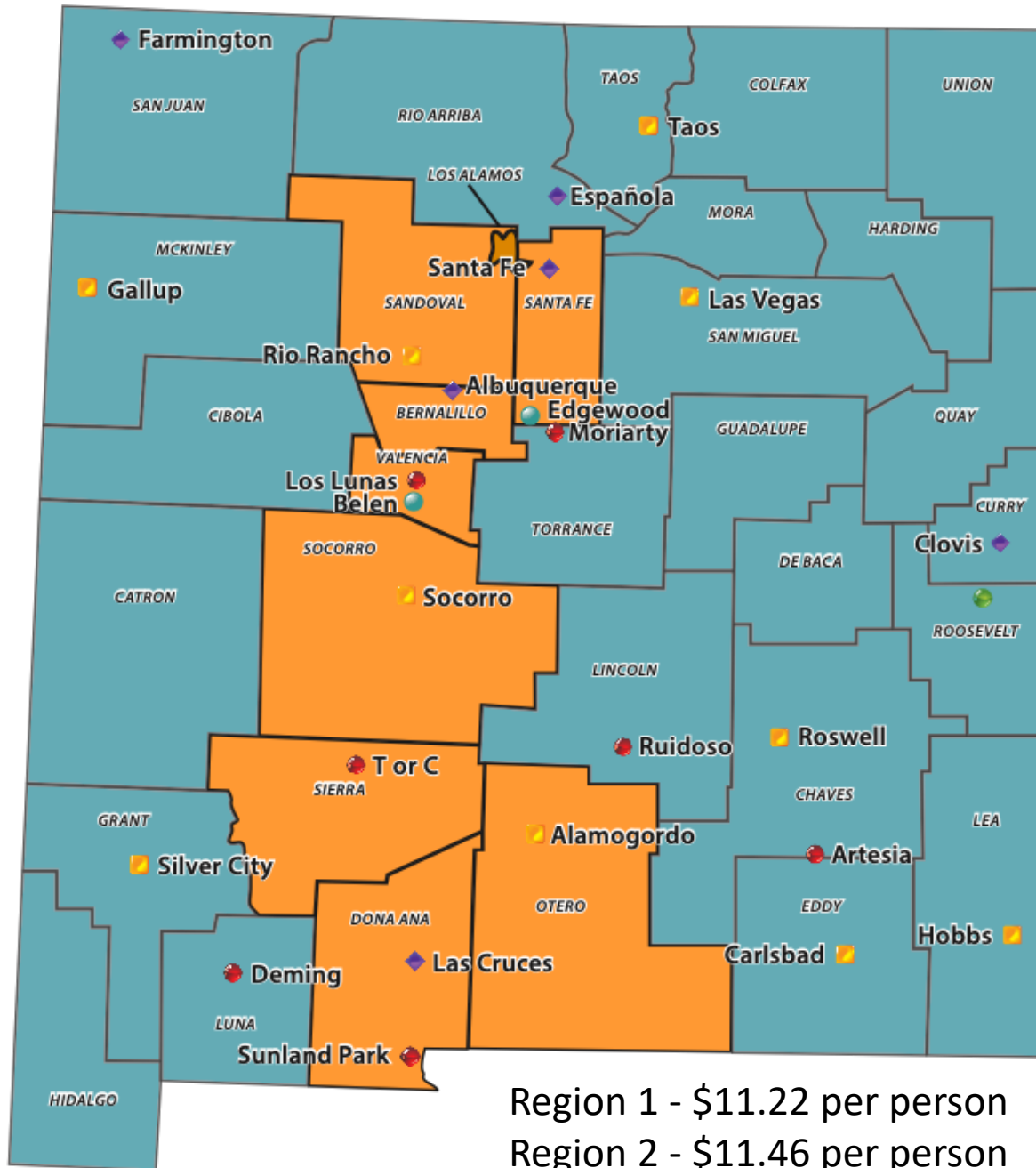
**October 3, 2020** - Interviewed Local Board Chairs and Administrators about local area designations; voted to move forward with current designations for one year while transformation review continued

**December 3, 2020** - Reported progress to State Board, ie, comprehensive analysis, fiscal/programmatic policy and requirements.

**February 4, 2021** - Reviewed performance metrics and multiple scenarios with State Board

**April 1, 2021**- Advanced final recommendation for State Board approval





Region 1 - \$11.22 per person  
 Region 2 - \$11.46 per person

# Rio Grande Corridor

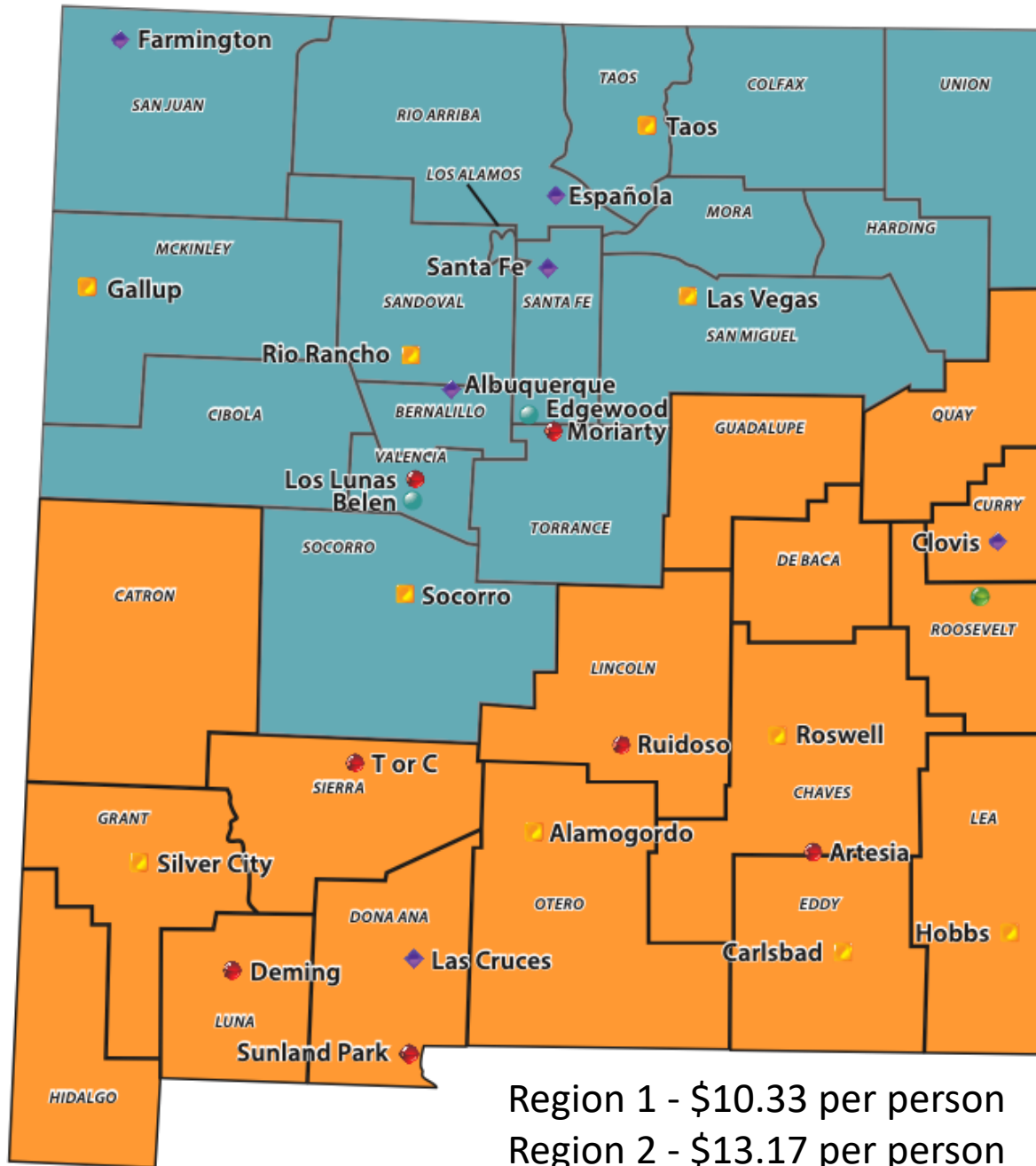
- ◆ New Mexico Workforce Connection Center (NMWCC)
- New Mexico Division of Vocational Rehabilitation (NMDVR)
- Both NMWCC and NMDVR Office
- ◆ NMWCC, DVR Office, and University or Community College
- University or Community College

PY21FY22		7,051,294.00
<b>ADULT</b>		
4,404,275.00	62.461%	1-Rio Grande Corridor
2,171,297.00	30.793%	2-Balance of State (Rural)
475,722.00	6.747%	NAVAJO NATION
<b>7,051,294.00</b>	<b>100.000%</b>	

PY21FY22		10,981,132.00
<b>DISLOCATED WORKER</b>		
7,148,316.00	62.461%	1-Rio Grande Corridor
3,347,620.00	30.793%	2-Balance of State (Rural)
485,196.00	6.747%	NAVAJO NATION
<b>10,981,132.00</b>	<b>100.000%</b>	

PY21FY22		7,275,414.00
<b>YOUTH</b>		
4,049,699.00	55.663%	1-Rio Grande Corridor
2,534,972.00	34.843%	2-Balance of State (Rural)
690,743.00	9.494%	NAVAJO NATION
<b>7,275,414.00</b>	<b>100.000%</b>	

<b>Total Local Area Allotment</b>		23,656,179.00
<b>Program Year P21</b>		
15,602,290.00	65.954%	1-Rio Grande Corridor
8,053,889.00	34.046%	2-Balance of State (Rural)
<b>23,656,179.00</b>	<b>100.000%</b>	



Region 1 - \$10.33 per person  
 Region 2 - \$13.17 per person

# Split State

- New Mexico Workforce Connection Center (NMWCC)
- New Mexico Division of Vocational Rehabilitation (NMDVR)
- Both NMWCC and NMDVR Office
- ◆ NMWCC, DVR Office, and University or Community College
- University or Community College

PY21FY22		7,051,294.00
<b>ADULT</b>		
4,313,934.00	61.179%	NORTHERN - CENTRAL REGION
2,248,925.00	31.894%	SW - SE REGION
488,435.00	6.927%	NAVAJO NATION
<b>7,051,294.00</b>	<b>100.000%</b>	

PY21FY22		10,981,132.00
<b>DISLOCATED WORKER</b>		
6,951,090.00	63.300%	NORTHERN - CENTRAL REGION
3,468,932.00	31.590%	SW - SE REGION
561,110.00	5.110%	NAVAJO NATION
<b>10,981,132.00</b>	<b>100.000%</b>	

PY21FY22		7,275,414.00
<b>YOUTH</b>		
3,647,391.00	50.133%	NORTHERN - CENTRAL REGION
2,826,011.00	38.843%	SW - SE REGION
802,012.00	11.024%	NAVAJO NATION
<b>7,275,414.00</b>	<b>100.000%</b>	

Total Local Area Allotment		23,456,283.00
<b>Program Year P21</b>		
14,912,415.00	63.421%	NORTHERN - CENTRAL REGION
8,543,868.00	36.579%	SW - SE REGION
<b>23,456,283.00</b>	<b>100.000%</b>	

## Goals for Transformation in Regional/Board Structure

- Focus and attention to communities facing similar workforce needs and circumstances
- Reduction of administrative efforts can also lead to **increased funds for job seekers and businesses who utilize the system**
- **Increased competition for high-quality service providers** prepared and able to meet the needs of each region, as evidenced by meeting or exceeding targets in their work with culturally and economically diverse populations and consistency of service across the state
- Coordination, development, and implementation of workforce services and supports can be **better organized to support regional economies and economic development efforts** unique to each area, including the in-demand sectors defined in the Four-Year Combined State Workforce Development Plan.
- **Communication and collaboration** across training providers, workforce partners, chambers of commerce, economic developers, and local governments can be aligned more effectively and efficiently based on the unique regional priorities and economic development plans.
- **Supports regional COVID-19 restarts, sector-based workforce development strategies, and the opportunity to create a skill-based model to improve labor market alignment tailored to the unique, diverse needs of urban or rural settings.**

# Goals for a Transformation in Regional/Board Structure

- Simplifies and encourages a focused approach to support communities with unique concerns and similarities. **(Urban to Suburban)** and **(Rural to Frontier)**.
- Opens an opportunity for training providers/programs to create “**centers of workforce excellence**” specifically designed to address the needs of urban and rural communities.
- WIOA state set-aside investments can be better directed and aligned to address urban/rural communities and performance measures can follow success and/or challenges for each area.
- Provides opportunity to **address business’ needs** and ensures voice and concern of employers operating in rural and frontier areas. Likewise, urban employers, whether small or large, also face unique challenges and their needs can be pinpointed, as well.
- **Tailor rural training programs**, including distance learning strategies and supportive services like transportation and childcare; tailor urban programming to also address transportation or childcare
- **Improved coordination and collaboration with chief elected officials and economic development entities** to attract businesses and solve talent development and acquisition needs based on location.
- Complete change to current model of one customer served at a time versus an industry – would mean we would not serve EVERYONE with training funds available – **we truly would be a talent development agency.**

## Next Steps Include:

- Engage with County Commission Association to facilitate an orientation for county commissioners on the roles and responsibilities of Chief Elected Officials required by WIOA - COMPLETED
- Present work to-date, consult with Chief Elected Officials, LWDBS and community stakeholders on proposed two region structure, options moving forward – **August – October 2021**
  - Planned meeting locations - Farmington/Las Vegas, Carlsbad/Tucumcari, ABQ/Belen and Las Cruces/Deming.
  - At least one On-line Summit for additional statewide participation (2<sup>nd</sup> if needed)
- State Board negotiates with Chief Elected Officials to finalize regional designations based on feedback and input. Publish recommendation for additional public input
- State Board and Chief Elected Officials work in partnership to develop a comprehensive timeline for transition to present to USDOL for review and approval

# Questions?

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