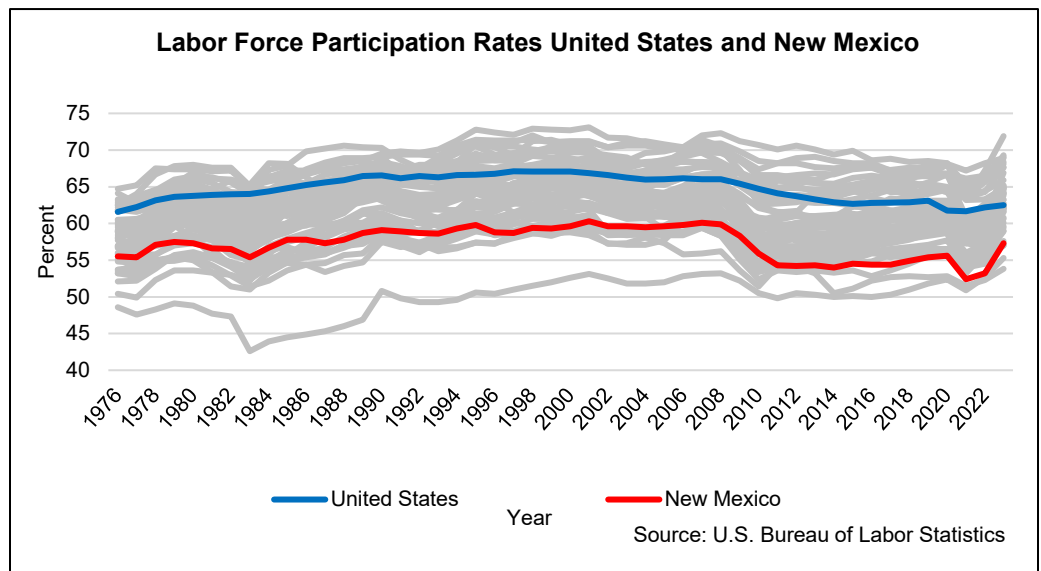
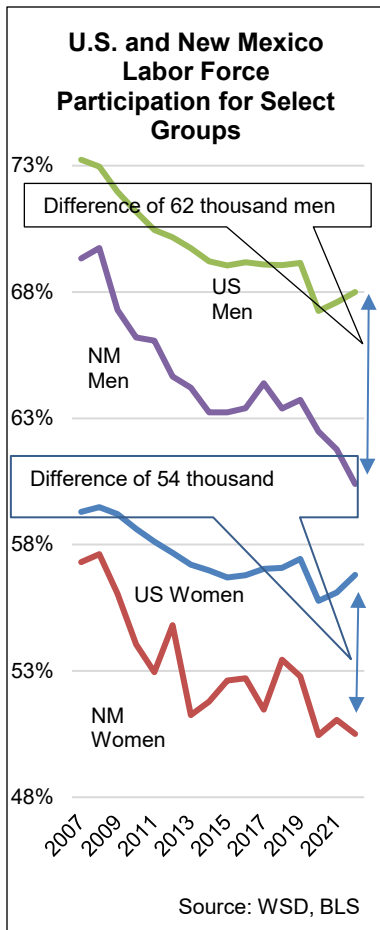


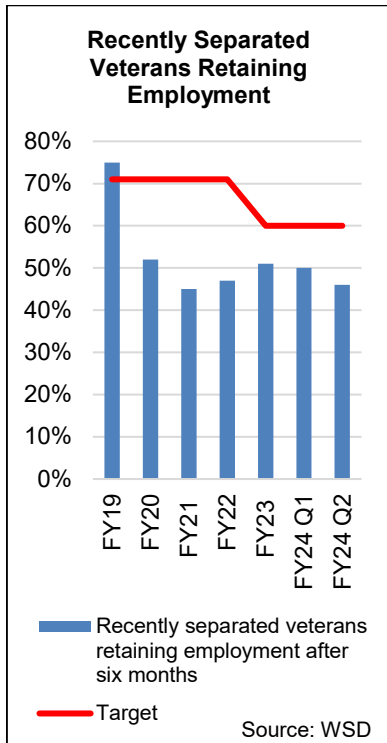
**ACTION PLAN**

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

While the state’s unemployment rates have recovered to prepandemic levels, the share of the state’s working age population participating in the labor force is persistently low. As of December 2023, the state’s seasonally adjusted unemployment rate was 4 percent, 0.5 percent higher than December 2022, and WSD reported the state added 20.5 thousand nonfarm jobs between December 2022 and December 2023. New Mexico’s low labor force participation holds the state back from economic development and expansion. Social services, economic development, tax rates, pension systems, industry, and virtually every other area of the state’s economy are impacted when fewer people work to support those who do not work, and organizations struggle to find workers. According to the U.S. Bureau of Labor Statistics, low labor force participation is also associated with lower real per capita incomes. Typically, a high labor force participation rate (LFPR) reflects a healthy economy because a large portion of the economy is working or looking for work, and a high LFPR reflects a larger labor pool, making it easier to find workers.

In December 2023, the state’s LFPR was 57.3 percent, up from the pandemic low of 54 percent in April 2020. Yet, the state continues to lag the national LFPR of 62.5 percent, and New Mexico would need to add roughly 116 thousand workers to the labor force to reach the national average rate of participation, and WSD estimates the state would need to add 40 thousand adults who are prime working age. While New Mexico has a large proportion of older adults not in the labor force, the state also has a large population of prime working-age adults who are not working or looking for work. Previous LFC analysis suggests an estimated 150 thousand men and women in New Mexico between the ages of 20 and 44 are not participating in the state’s labor force, meaning they are not working and not looking for work. In addition, an estimated 6,000 New Mexicans between the ages of 20 and 24 report on national surveys they are unemployed, meaning they are jobless and looking for work. New Mexico needs to develop strategies focused on bringing these people into the labor force. According to the Workforce Solutions Department (WSD), the unemployment gap in New Mexico, or the difference between the number of job openings in the state and the number of unemployed people, was roughly 36 thousand.

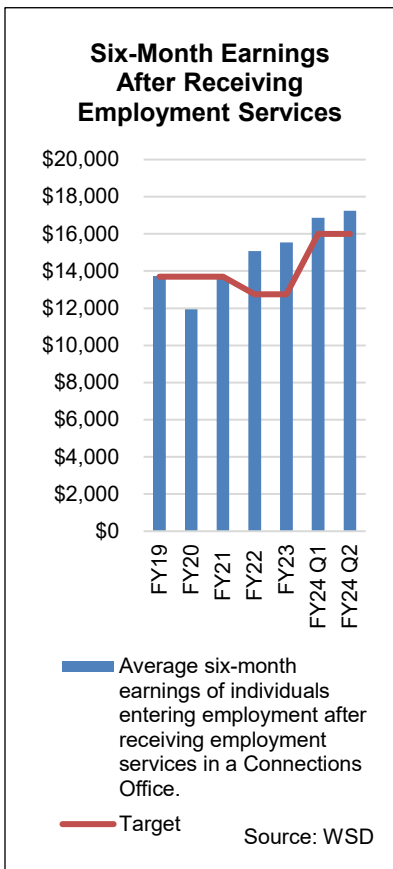




In FY23, the department received \$10 million in nonrecurring special appropriations for reemployment services, case management, and youth reemployment and apprenticeships. The department primarily used these appropriations for the Be Pro Be Proud initiative, which aims to engage youth and young adults in the trades through a truck with trade industry simulators, the placement of career counselors in 15 high schools across the state, and pre-apprenticeship programs. Through the second quarter, WSD reported 700 visitors participated in the mobile Be Pro Be Proud workshop. As of December 2023, 367 participants had completed pre-apprenticeship programs. Looking to the future, WSD should begin tracking the impact of participation in these programs on subsequent participation in the workforce.

## Employment Services

The Employment Services Program plays a key role in addressing the low LFPR and is a central player in developing a plan to bring more working-age adults into the labor force. The program oversees the state’s network of Workforce Connections Offices and operates several programs related to the federal Workforce Innovation and Opportunities Act (WIOA). The department has not met measures related to veteran employment for several years and reports the department believes outcomes are better than reported because Workforce Solutions data systems do not include federal employees, and many veterans gain employment with the federal government due to hiring preferences. While several job-related outcomes associated with employment services programs have improved, such as the six-month earnings following the receipt of employment services or employment retention six months after receiving services, the number of individuals accessing services is lower than prepandemic levels. To increase the state’s labor force participation, WSD will need to find ways to reach people who are not coming into their offices.



WSD has increased the number of participants in registered apprenticeship programs, a pathway to increasing workforce participation in the trades, exceeding the agency’s target.

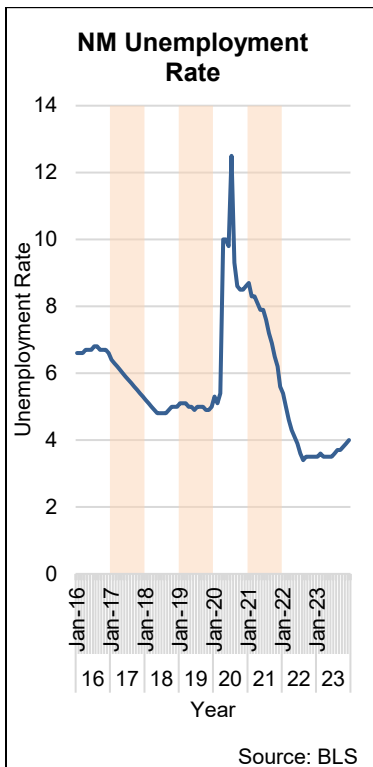
Budget: \$32,756.4	FTE: 368	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
<b>Adults</b>								
Average six-month earning of individuals entering employment after receiving employment services in a Connections Office		\$15,076	\$15,547	\$16,000	\$16,874	\$17,254		G
Individuals receiving employment services in a Workforce Connections Office		60,116	50,041	25,000 per quarter	16,293	15,562		R
Individuals accessing the agency's online Job Seeking portal		106,659	63,024	125,000	22,125	18,339		R
Unemployed individuals employed after receiving employment services in a Workforce Connections Office		51%	61%	60%	61%	66%		G
Unemployed individuals who have received employment services in a Workforce Connections Office, retaining employment after six months		54%	63%	60%	54%	67%		G

Average change in six-month earnings of working individuals after receiving employment services in a Workforce Connections Office	\$2,032	\$4,616	\$2,000	\$2,789	\$2,000	<b>G</b>
Audited apprenticeship programs deemed compliant	50%	66%	75%	75%	NA*	<b>R</b>
Apprentices registered and in training	1,883	2,273	2,000	2,567	2,594	<b>G</b>
<b>Veterans</b>						
Average six-month earnings of unemployed veterans after receiving employment services in a Workforce Connections Office	\$18,801	\$19,323	\$19,000	\$17,040	\$18,945	<b>G</b>
Recently separated veterans entering employment	48%	51%	60%	49%	53%	<b>Y</b>
Unemployed disabled veterans entering employment after receiving employment services in a Workforce Connections Office	46%	50%	60%	49%	59%	<b>Y</b>
Recently separated veterans retaining employment after six months	47%	51%	60%	50%	46%	<b>R</b>
<b>Program Rating</b>	<b>G</b>	<b>Y</b>				<b>Y</b>

\*WSD reported no audits were conducted in Q2 because of staff turnover

### Unemployment Insurance

New Mexico's unemployment rate has dropped to below prepandemic levels and was 4 percent in December 2023, according to the federal Bureau of Labor Statistics. Unemployment benefit claims have dropped below prepandemic levels as well. After peaking near 150 thousand claimants in 2020, 10 thousand New Mexicans received unemployment benefits in December 2023. The number of people receiving unemployment benefits is always less than the number of people who are unemployed, as not all unemployed New Mexicans are eligible for benefits. The department reports falling short of the FY24 target for several unemployment insurance claims determination metrics and attributes performance to cleaning up older pandemic claims and decreased staffing. As the federal government is operating under a continuing budget resolution, WSD report the U.S. Department of Labor is releasing funds as they are authorized, making it difficult for the department to consider positions fully funded for the purposes of hiring.



Budget: \$16,567.40 FTE: 164	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Eligible unemployment insurance claims issued a determination within twenty one days from the date of claims	35%	36%	80%	35%	29%		<b>R</b>
First payments made within 14 days after the waiting week	52%	61%	87%	63%	62%		<b>R</b>
Accuracy rate of claimant separation determinations	65%	51%	75%	63%	19%		<b>R</b>
Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Center to file a new unemployment insurance claim, in minutes	7:19	16:31	9:00	14:55	17:47		<b>R</b>

Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Center to file a weekly certification, in minutes	9:30	14:54	11:00	17:16	14:19	<b>Y</b>
<b>Program Rating</b>	<b>Y</b>	<b>Y</b>				<b>R</b>

### 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 carryover from year-to-year with the maximum total carryover not to be less than 64 hours. The department is required to investigate complaints related to the act, which has significantly increased investigations. The department posted guidance with frequently asked questions on its website to support businesses implementing the law. The department reports an influx of claims and investigations with insufficient staff to manage caseloads. In November 2023, the Labor Relations Division received an adverse ruling in the case of Olivas v. Nair in the First Judicial District, which ruled the program must issue wage and hour determinations in 85 percent of decisions within 120 days of receipt. To meet the conditions of the ruling, the Legislature appropriated \$1.8 million to WSD to hire additional staff in FY25, and the department should have the resources to increase staffing and improve time to determinations in the coming fiscal year.

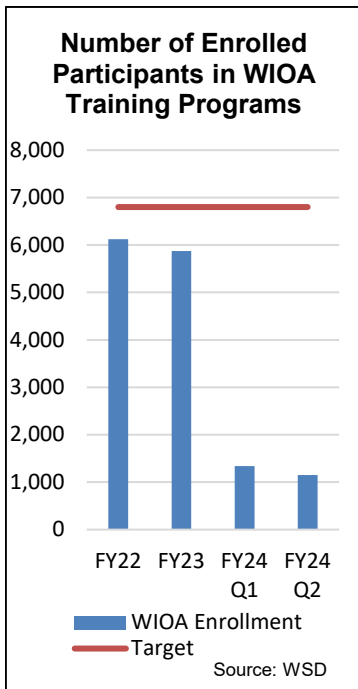
Budget: \$4,352.7 FTE: 45.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average number of days for the Human Rights Bureau to investigate a claim and issue a determination	New	187	250	203	214		<b>G</b>
Discrimination claims investigated and issued a determination by the wage and hour bureau within two hundred days	New	New	75%	100%	100%		<b>G</b>
Total public works projects inspected and public works payroll audited within one year	New	New	80%	113%	106%		<b>G</b>
Wage and hour violation claims investigated and issued a determination by the wage and hour bureau within two hundred days	New	New	90%	20%	23%		<b>R</b>
Average number of days for the wage and hour bureau to investigate a claim and issue a determination	New	New	175	365	365		<b>R</b>
<b>Program Rating</b>	<b>Y</b>	<b>G</b>					<b>Y</b>

### Program Support and Workforce Investment

WSD also implements programs related to the federal Workforce Innovation and Opportunity Act (WIOA), which aims to help job seekers access employment, education, training, and support services to succeed in the labor market and to help employers meet their workforce needs, through the local workforce boards. The federal Workforce Innovation and Opportunities Act (WIOA) funds four core workforce development programs for at-risk adults, youth, dislocated workers, and basic career

services. WIOA programs exceeded many of the related performance measure targets. However, the department noted a decrease in WIOA participants, attributing the decrease to a decline in Workforce Connections Centers traffic and the availability of scholarships and other subsidized funding opportunities to support workers seeking education and training. The number of youth receiving services and registering in the online Career Solutions tool includes youth who attended the Be Pro Be Proud trades simulator, resulting in the department far surpassing the performance target.

While WSD is meeting many of the program performance targets, LFC analysis of program performance compared to other state WIOA programs in the dislocated worker, youth, and basic career services programs has generally ranked in the lowest fifth percentile over the last five years. As WSD is meeting most of the performance measure targets currently, the state should consider increasing these targets in the future.



Budget: \$ 44,512.1 FTE: 113	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
<b>Youth Unemployment</b>							
Youth who are employed in the state	71%	63%	70%	73%	76%		G
Youth receiving services and registered in the online Career Solutions tool	1,453	4,337	3,000	9,645	10,606		G
<b>WIOA Programs</b>							
Participants who are in unsubsidized employment during the second quarter after exit from a WIOA program	74%	76%	77%	81%	88%		G
Median earnings of participants who are in unsubsidized employment during the second quarter after exit from a WIOA	\$8,341	\$8,701	\$8,500	\$8,670	\$9,305		G
Participants who are in unsubsidized employment during the fourth quarter after exit from a WIOA program	76%	76%	78%	78%	80%		G
Title I youth program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from a WIOA program	70%	63%	70%	73%	76%		G
Title I youth program participants who are in education and training activities, or in unsubsidized employment, during the fourth quarter after exit from a WIOA program	70%	67%	70%	65%	67%		G
Participants enrolled in an education or training program, excluding those in on-the-job training, who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from a WIOA program	69%	69%	70%	67%	68%		Y
Number of adult and dislocated workers receiving supplemental services of WIOA as administered and directed by the local area workforce board	New	3,423	2,863	3,127	2,823		G
Number of enrolled participants in WIOA training programs	6,125	5,872	6,800	1,342	1,149		R
<b>Re-Employment Programs</b>							

Reemployment Services and Eligibility Assessment program participants exhausting unemployment insurance benefits	58%	41%	47%	44%	46%	<b>Y</b>
Reemployment Services and Eligibility Assessment program participants reemployed	35%	49%	54%	56%	57%	<b>G</b>
<b>Program Rating</b>						<b>Y</b>