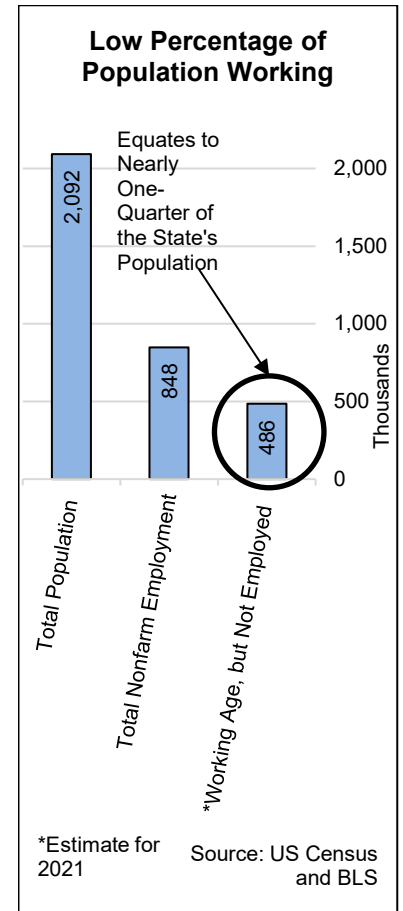
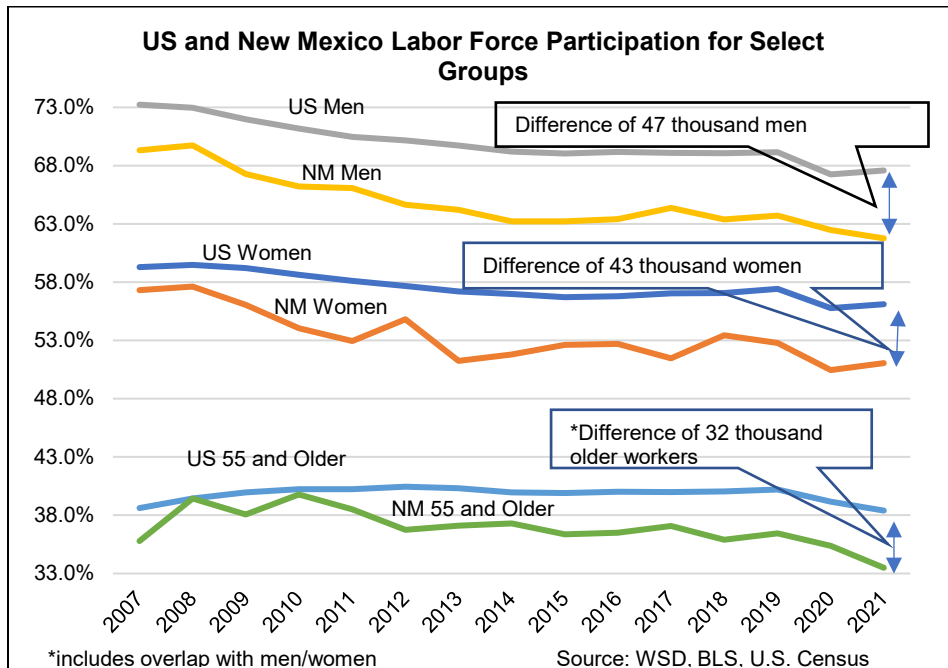


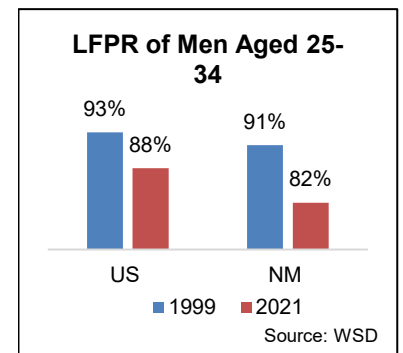
Across sectors, the state is in need of every worker it can get, especially teachers, nurses, social workers, and service industry workers. Improving participation in the labor force is a key strategic goal for the state to recover from the pandemic, meet long-term needs, and address labor shortages. However, almost every indicator of the labor force participation rate (LFPR) is lower in New Mexico than the rest of the U.S. including by sex, educational attainment, disability, and age according to the April 2022 Workforce Solutions Department *Labor Market Review*. The review found participation rates dropped 9 percent between 1999 (peak LFPR) and 2021 for men between the ages of 25-34, the largest reduction for any age group and close to double the national decline. In 2021, the LFPR for men in New Mexico ranked third from the bottom nationally. Also in 2021, New Mexico had the fourth lowest LFPR among women and the reduction between 1999 and 2021 was greatest for women aged 35-44 at 5.2 percent. Between 2010 and 2020, participation dropped the most for those with just a high school education.

ACTION PLAN

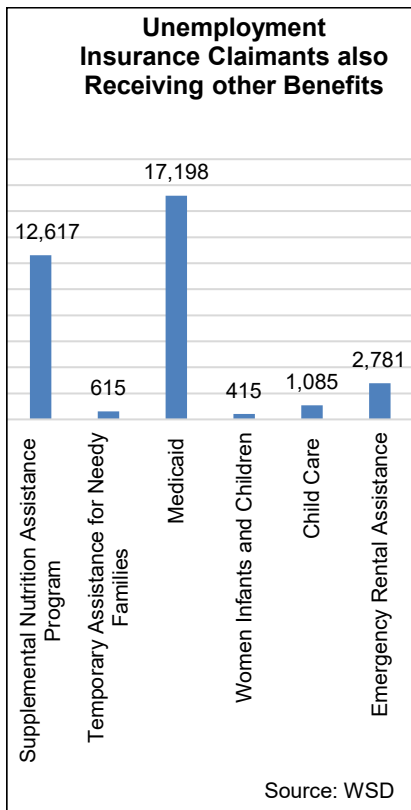
Submitted by agency? Yes
Timeline assigned? Yes
Responsibility assigned? Yes



U.S. Bureau of Labor Statistics, studies show low labor force participation rates cause rising dependency ratios because fewer workers are available to support those who do not work, higher tax rates because of a shrinking base, and slower economic growth because fewer people are working. Reasons for low participation include out migration of working aged adults, an aging population, and more people receiving disability. The number of people receiving disability between 1999 and 2020 nearly doubled from 31 thousand to 61.3 thousand. The study also suggested a correlation between low LFPR and comparatively low real per capita income.



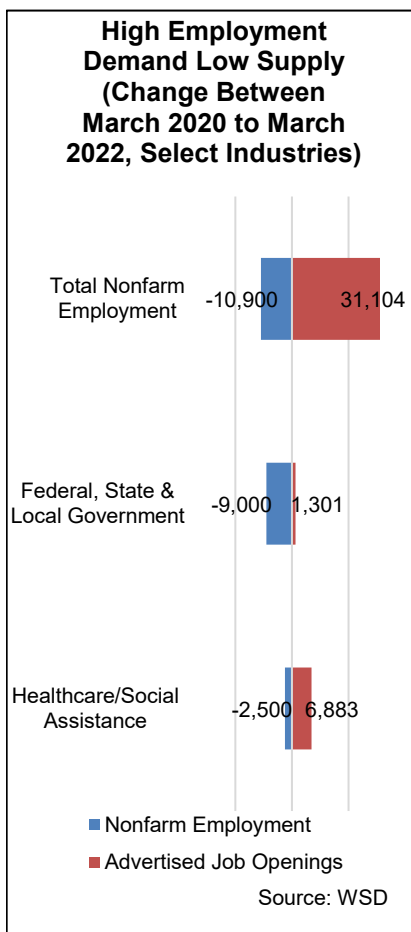
The Legislature made investments in 2022 to address labor shortages in key areas. The department directly received \$10 million for reemployment services, case



management, and youth apprenticeships. Higher education institutions also received about \$100 million for teaching endowments in social worker and nursing programs, \$7 million for the teacher student loan repayment fund, and \$20 million for work-study programs. There is no shortage of funding for training future workers but a plan and further coordination between the entities is needed to spend funding strategically.

Employment Services

The Employment Services Program plays a key role in addressing the low LFPR and is a central player in developing a plan. The program oversees the state’s network of workforce connections centers and operates several programs related to the federal Workforce Innovation and Opportunities Act (WIOA). The Legislature appropriated \$10 million to the department from American Rescue Plan Act funds for reemployment case management and youth apprenticeships. Much of the funding could be used to augment already existing evidence-based workforce programs the federal government funds through WIOA. In the fourth quarter, 12.6 thousand individuals received employment services in a connections office, roughly half the targeted 25 thousand. The plan to improve the participation rate will require a large outreach effort and case management ensuring prospective workers take advantage of generous state programs such as near universal childcare.



Budget: \$22,505.4 FTE: 149

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office.	\$11,936	\$13,594	\$12,750	\$15,076	G
Recently separated veterans entering employment.	49%	47%	50%	48%	Y
Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office.	44%	47%	50%	46%	Y
Individuals receiving employment services in a Connections Office.	91,743	107,366	100,000	60,116	R
Unemployed individuals employed after receiving employment services in a Connections Office.	67%	57%	60%	51%	R
Individuals that have received employment services in a Connection Office, retaining employment services after six months.	69%	57%	75%	55%	R
Recently separated veterans retaining employment after six months	52%	45%	71%	47%	R
Average six-month earnings of unemployed veterans entering employment after receiving veterans’ services in a Connections Office.	\$9,478	\$14,193	\$17,000	\$18,800	G
Average change in six-month earnings of working individuals after receiving employment services in a Connections Office.	New	No report	\$1,500	\$2,032	G
Audited apprenticeship programs deemed compliant.	New	67%	75%	50%	Y

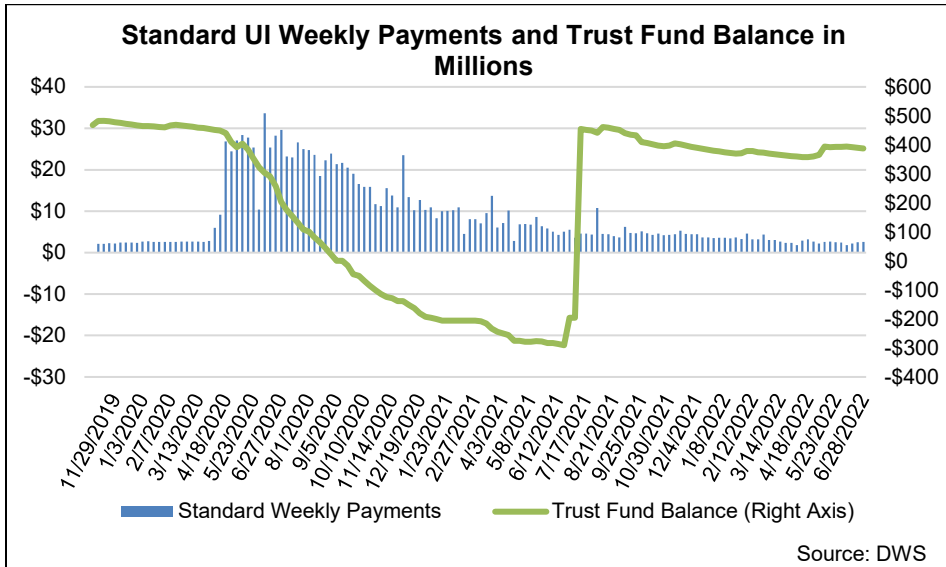
Budget: \$22,505.4 FTE: 149

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Total number of individuals accessing the agency's online Job Seeker portal.	New	293,837	125 thousand	106,659	R
Apprenticeships registered and in training	New	1,837	1,500	1,883	G
Program Rating	Y	Y			G

*Measure is classified as explanatory and does not have a target.

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. 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. However, since the federal government instituted the overpayment waiver, the workload of these staff should have been reduced.



Budget: \$14,107.4 FTE: 164

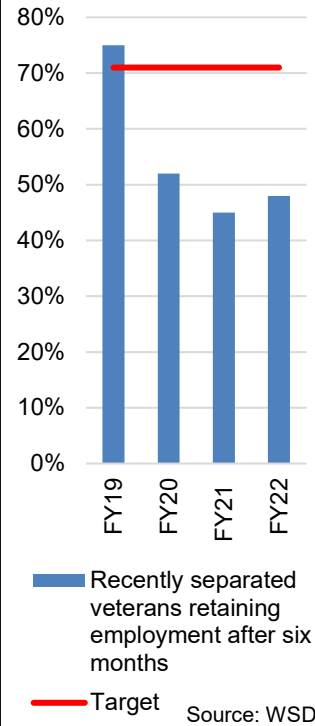
	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Eligible unemployment claims issued a determination within 21 days from the date of claim.	73%	55%	89%	35%	R
Percent of all first payments made within 14 days after the waiting week.	84%	60%	90%	52%	R
Accuracy rate of claimant separation determinations.	N/A	53%	91%	65%	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.	24:48	18:69	18:00	7:19	G
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes.	18:48	16:55	15:00	9:30	G
Program Rating	R	R			Y

*Measure is classified as explanatory and does not have a target.

Six-Month Earnings After Receiving Employment Services









Recently Separated Veterans Retaining Employment



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. The department is required to investigate complaints related to the act, which may significantly increase investigations. The department posted guidance with frequently asked questions on its website to support businesses implementing the law. On the measure for claims issued a determination within 90 days, the agency received a yellow rating because it made significant progress over three years towards reaching the target.

Budget: \$2,947.4 FTE: 41

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Investigated claims issued an administrative determination within 90 days.	17%	14%	85%	50%	
Total public works projects inspected.	New	0%	80%	77%	
Discrimination claims investigated and issued a determination within two-hundred days.	New	27%	75%	28%	
Program Rating					

*Measure is classified as explanatory and does not have a target.