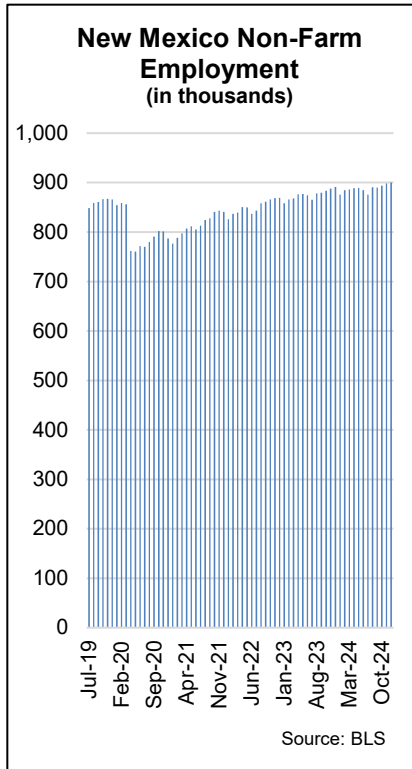


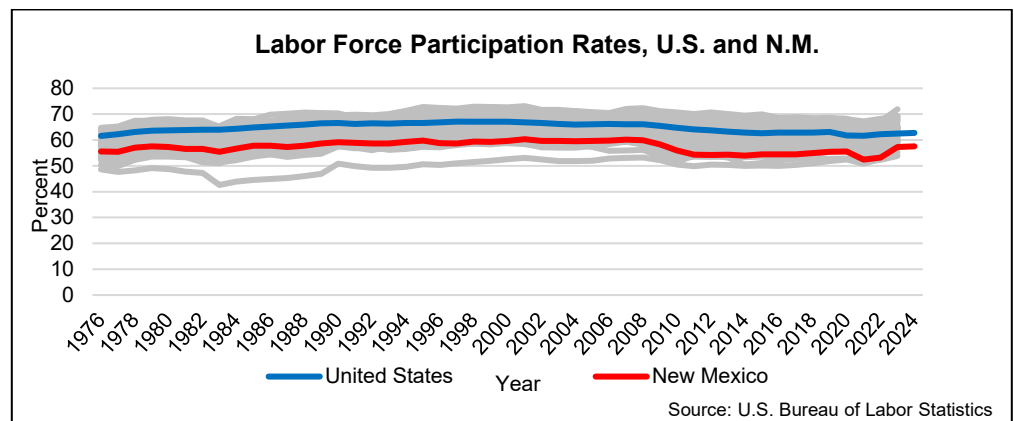
ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	Yes



While the state's unemployment rate remains below prepandemic levels, the state's unemployment rate increased from the December 2023 rate of 4 percent in December 2023 to 4.4 percent in December 2024. WSD reported the state added 13,100 non-farm jobs between December 2023 and December 2024, an increase of 1.5 percent. Total non-farm employment in New Mexico was 900 thousand in December 2024.

Meanwhile, New Mexico's lags the nation in its labor force participation, the share of individuals between ages 20 and 54 working or looking for work. Low labor force participation holds the state back from economic development and expansion. Typically, a high labor force participation rate (LFPR) reflects a healthy economy and a high LFPR reflects a larger labor pool, making it easier to find workers. In the second quarter of FY25, the state's labor force participation rate increased slightly from 57.6 percent in September 2024 to 57.9 percent in December 2024.



For FY25, the department received several nonrecurring appropriations through the government results and opportunity (GRO) fund to pilot strategies intended to improve labor force participation, including \$2 million for Be Pro Be Proud mobile workshops and \$600 thousand for pre-apprenticeship. WSD is using remaining federal American Rescue Plan Act (ARPA) appropriations to fund the pre-apprenticeship program at a total level of \$1.2 million, projecting 267 participants. WSD is primarily measuring outputs, including completion, but does not have robust ways to measure employment outcomes. In addition, the workforce development and apprenticeship trust fund will distribute \$5 million for apprenticeship programs in FY25. WSD reports primarily using the distribution to increase per-apprenticeship payments instead of increasing the overall number of apprentices. WSD has increased the number of funded apprentices by 144 in FY25 and added 16 new apprenticeship programs since August 2023.

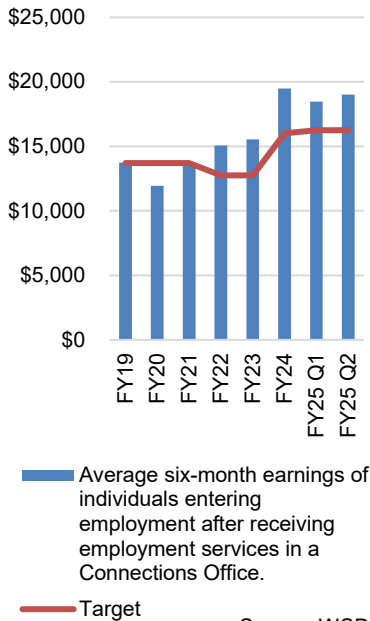
Employment Services

The Employment Services Program plays a key role in addressing low labor force participation 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 America's Job Center New Mexico locations (formerly known as Workforce Connections Offices) and operates several programs related to the federal Workforce Innovation and Opportunity Act (WIOA). An April 2024 LFC evaluation concluded these centers are underutilized and have limited impact on employment. In the first and second quarters of FY25, center

PERFORMANCE REPORT CARD

Workforce Solutions Department
Second Quarter, Fiscal Year 2025

**Six-Month Earnings
After Receiving
Employment Services**



Source: WSD

and online portal utilization increased relative to the first quarter of FY24 but still fall below the department's target. To increase the state's labor force participation, WSD will need to find more ways to reach people who are not actively seeking their services.

Budget: \$35,569.3 **FTE:** 368

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
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Adults

Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office	\$15,547	\$19,493	\$16,250	\$18,467	\$19,001	G
Individuals receiving employment services in a Workforce Connections Office	50,041	67,545	21,875/quarter	20,187	20,640	Y
Individuals accessing the agency's online Job Seeking portal	63,024	83,123	29,500/quarter	23,922	21,342	Y
Unemployed individuals employed after receiving employment services in a Workforce Connections Office	61%	65%	60%	66%	66%	G
Unemployed individuals who have received employment services in a Workforce Connections Office, retaining employment after six months	63%	63%	65%	57%	66%	G
Average change in six-month earnings of working individuals after receiving employment services in a Workforce Connections Office	\$4,616	\$2,217	\$3,000	\$1,848	\$912	R
Audited apprenticeship programs deemed compliant*	66%	44%	75%	N/A	N/A	
Apprentices registered and in training	2,273	2,565	2,150	2,584	2,566	G

Veterans

Average six-month earnings of unemployed veterans after receiving employment services in a Workforce Connections Office	\$19,323	\$21,386	\$18,500	\$19,131	\$20,991	G
Recently separated veterans entering employment	51%	55%	55%	57%	67%	G
Unemployed disabled veterans entering employment after receiving employment services in a Workforce Connections Office	50%	53%	55%	54%	51%	Y
Recently separated veterans retaining employment after six months	51%	51%	55%	49%	76%	G

Program Rating

*No programs were due for audit in the first and second quarter

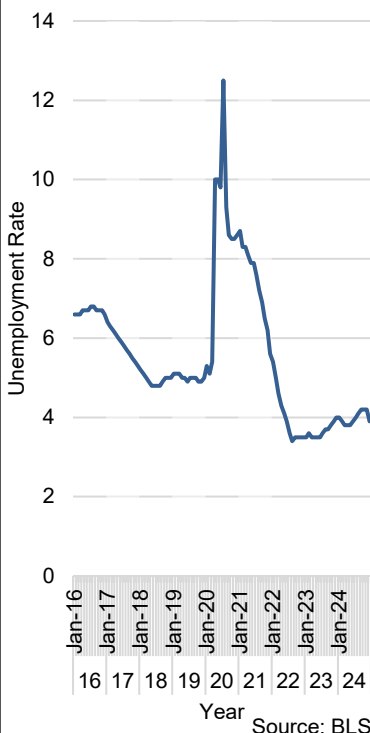
Y

Y

Unemployment Insurance

New Mexico's unemployment rate remains below prepandemic levels but ticked up in the fall of 2024. Unemployment benefit claims remain below prepandemic levels as well but have also increased in FY25. At the end of December 2024, the UI program had a total of 11,381 claimants, an increase of 700 claimants relative to the same week in 2023. The department reports falling short of the FY25 target for several unemployment insurance claims determination metrics and attributes performance to cleaning up older pandemic claims and decreased staffing. WSD reports implementing productivity standards to improve performance. In the first two quarters of FY25, performance within

NM Unemployment Rate



Source: BLS

PERFORMANCE REPORT CARD

Workforce Solutions Department
Second Quarter, Fiscal Year 2025

the Unemployment Insurance Program was trending toward improvement, compared to FY24 performance levels.

Budget: \$14,116.80 FTE: 164	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Eligible unemployment insurance claims issued a determination within twenty-one days from the date of claims	36%	34%	80%	58%	61%	Y
First payments made within 14 days after the waiting week	61%	65%	87%	67%	76%	Y
Accuracy rate of claimant separation determinations	51%	40%	75%	86%	79%	G
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	16:31	13:55	13:30	13:11	12:46	G
Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Center to file a weekly certification, in minutes	14:54	14:54	13:00	12:51	12:32	G
Program Rating	Y					Y

Labor Relations

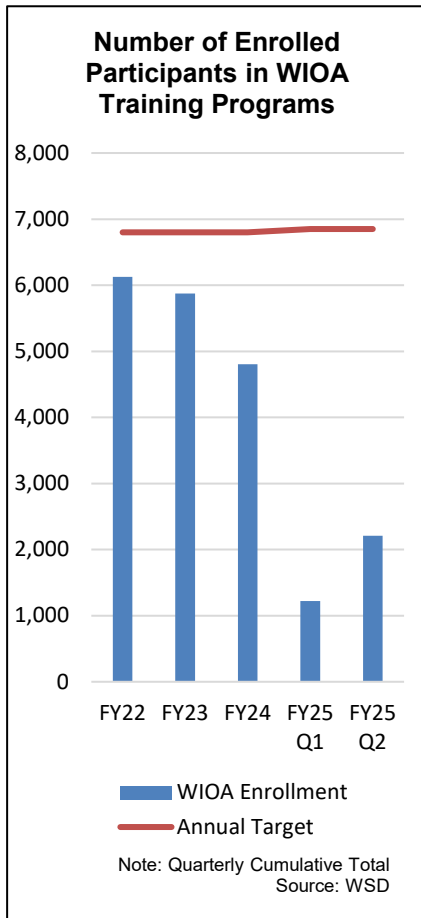
Since 2021, WSD is required to investigate complaints related to the sick leave requirements of the Healthy Workplaces Act, significantly increasing investigations. In addition, the Labor Relations Division must reach a decision in 85 percent of wage and hour determinations within 120 days under a 2023 court ruling. To meet the conditions of the ruling, the Legislature appropriated \$1.8 million to WSD to hire additional staff in FY25. However, performance on the wage and hour bureau metric remains concerning in the second quarter. WSD began hiring new staff in the first quarter and training staff in the second quarter but still has a backlog of claims.

Budget: \$6,343.2 FTE: 63.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Average number of days for the Human Rights Bureau to investigate a claim and issue a determination	187	202	240	169	230	G
Discrimination claims investigated and issued a determination by the human rights bureau within one year	N/A	100%	75%	100%	100%	G
Total public works projects inspected, and public works payroll audited within one year	N/A	105%	75%	100%	100%	G
Non-settled wage claims investigated and issued a determination by the wage and hour bureau within two hundred and seventy days	N/A	25%	90%	8%	3%	R
Program Rating	Y	G				Y

Program Support and Workforce Investment

WSD also implements programs through the local workforce boards related to the federal Workforce Innovation and Opportunity Act (WIOA). 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 targets. 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 bottom 5 percent over the last five years. The department also continues to see a decrease in WIOA participants, attributing it to a decline in job centers traffic and the availability of scholarships and other subsidized funding for education and training.



Budget: \$ 45,694.3 FTE: 113	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Youth Unemployment						
Youth who are employed in the state	63%	72%	71%	52%	59%	R
WIOA Programs						
Participants who are in unsubsidized employment during the second quarter after exit from a WIOA program	76%	79%	77%	77%	78%	G
Median earnings of participants who are in unsubsidized employment during the second quarter after exit from a WIOA	\$8,701	\$9,421	\$8,650	\$8,945	\$10,375	G
Participants who are in unsubsidized employment during the fourth quarter after exit from a WIOA program	76%	77%	78%	77%	80%	Y
Number of enrolled youth participants in WIOA training programs	4,337	13,323	1,450	469	404	R
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	63%	72%	70%	67%	60%	Y
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	67%	68%	70%	74%	71%	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%	70%	70%	71%	57%	Y
Number of adult and dislocated workers receiving supplemental services of WIOA as administered and directed by the local area workforce board	3,423	2,802	2,863	2,630	2,597	Y
Number of enrolled participants in WIOA training programs	5,872	4,804	6,850	1,223	985	R
Re-Employment Programs						
Reemployment Services and Eligibility Assessment program participants exhausting unemployment insurance benefits	41%	46%	47%	48%	48%	Y
Reemployment Services and Eligibility Assessment program participants reemployed	49%	56%	55%	56%	56%	G
Program Rating						Y