

ACTION PLAN

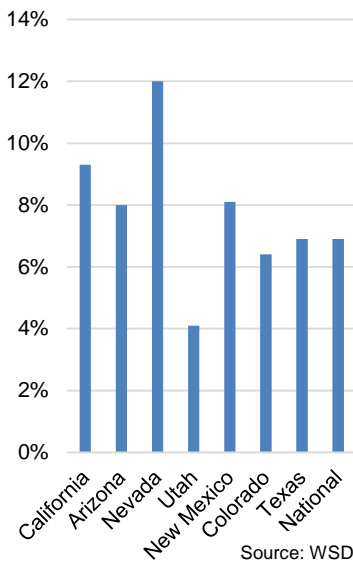
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Workforce Solutions

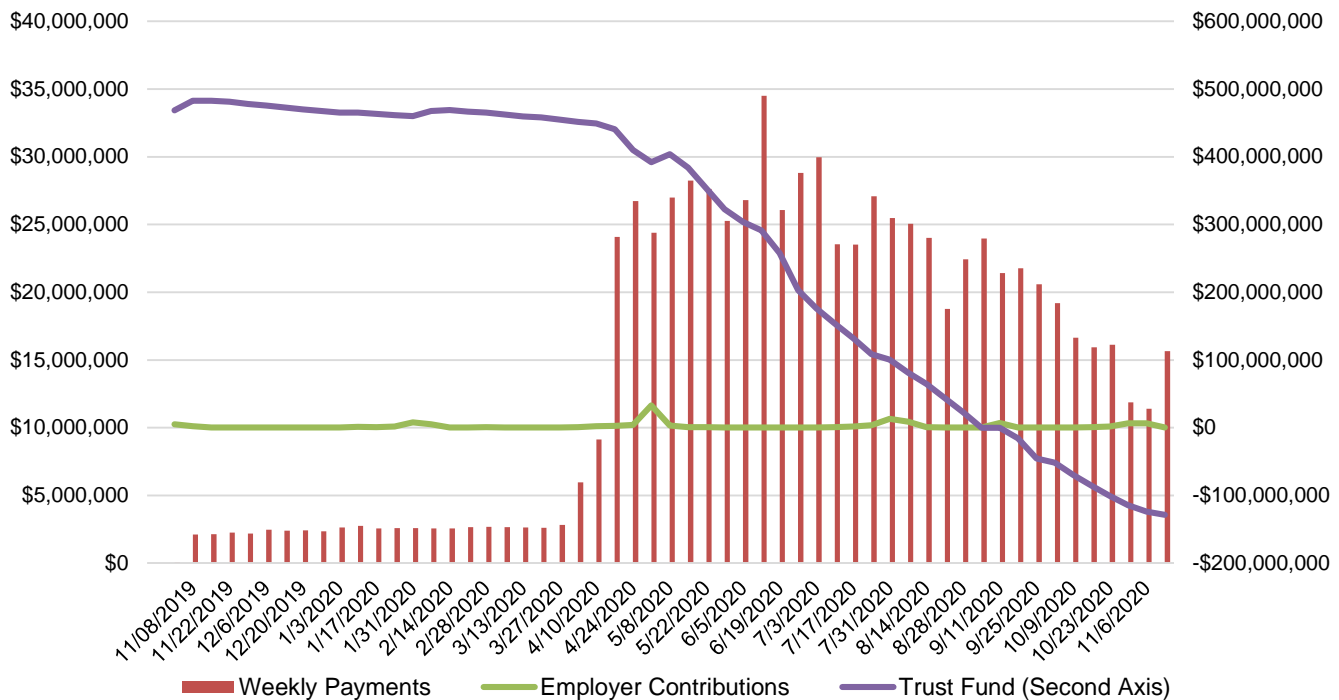
The Covid-19 public health emergency in New Mexico has brought unprecedented challenges to the Workforce Solutions Department (WSD). The State ended FY20 with an unemployment rate of 12.6 percent, the highest rate since measurement began in 1976. During the first quarter of FY21, there were on average 83 thousand continuing unemployment insurance claims each week, more than 900 times higher than the first quarter of FY20, when continuing claims were less than 8,000 each week. Job losses have occurred primarily in accommodation and food services, retail trade, healthcare and social assistance, and natural resources. The economy in counties with the largest unemployment growth – including Taos, Lea, Santa Fe, and San Juan – are largely built on these industries. Many of the more than 70 thousand jobs are at risk of not coming back, and as the state recovers and the economy reopens, many unemployed workers may need additional education and training to regain employment in sectors with available jobs.

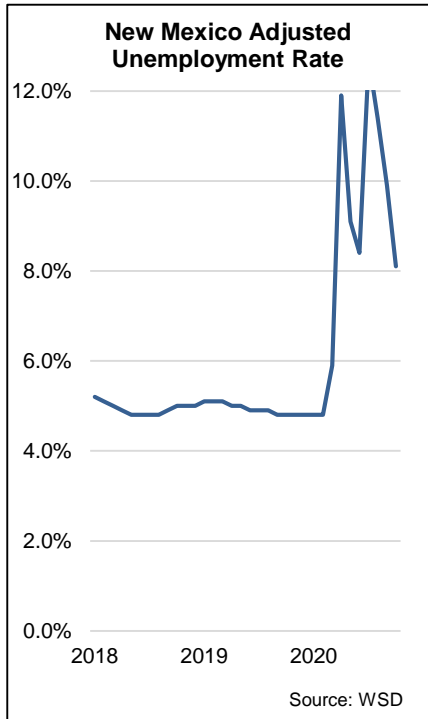
On March 13, the unemployment trust fund had a healthy balance of \$458 million, but with the record unemployment claims, the fund was depleted and reached insolvency on September 8, 2020. New Mexico, like many other states, is now borrowing from the federal government to stand up the fund until it can be replenished through employer contributions or some other funding source. As of November 30, 2020, New Mexico has an outstanding loan balance of \$163.9 million. The Families First Coronavirus Response Act gives states access to interest-free loans until the end of 2020, but the future of the fund and the unemployment tax rate necessary to replenish it will be a priority issue for the legislature. During the 2020 special session, Senate Bill 3 (SB3) was passed to freeze employer tax rates for the upcoming two years and protect

Regional Unemployment Rates October 2020



Standard UI Weekly Payments, Contributions, and Trust Fund Balance

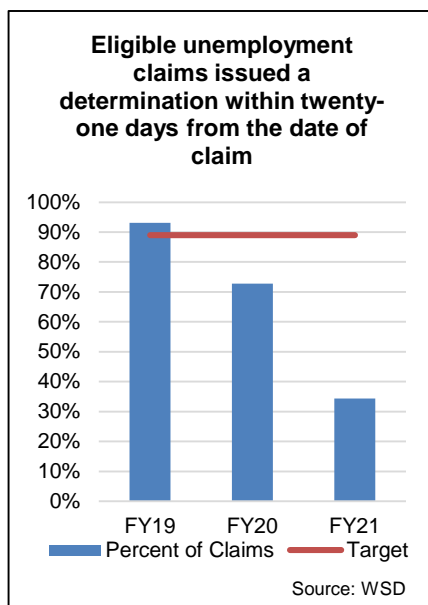




employers from being charged for Covid-19-related layoffs. While this bill will keep employer's unemployment tax rates stable over the coming years, it will also reduce income into the unemployment insurance (UI) trust fund. WSD projects that under the current tax structure, there will not be sufficient income to replenish the UI trust fund fast enough to avoid both interest payments, as well the imposition of the highest federal UI tax rate. A trust fund working group has been established and is currently working on developing a plan for the upcoming FY21 legislative session.

Unemployment Insurance

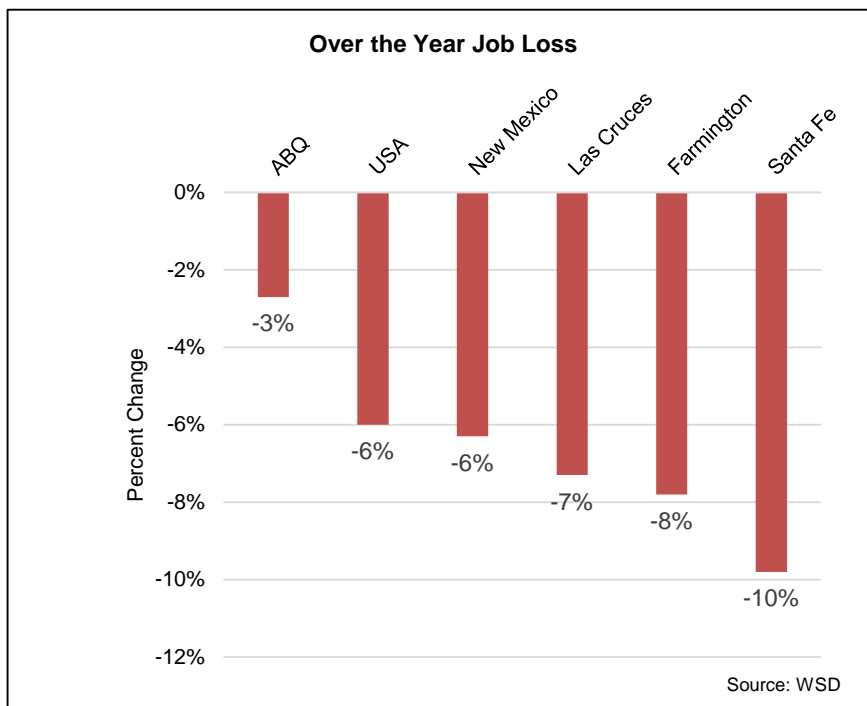
During the first quarter of FY21, WSD's unemployment division continued to process a record number of unemployment claims under both the state's regular unemployment insurance program, as well as the several pandemic unemployment assistance programs. At the end of September, there were 128,363 New Mexican's receiving unemployment benefits. By comparison, at the start of March, prior to the pandemic, 9,851 claimants were receiving benefits. The significant increase in claims brought a number of challenges to the department, including a rise in issues that required adjudication to determine eligibility and benefits. To reduce fraudulent claims, a 10-day hold on payments and request for identity verification were applied to suspicious claims. As a result, the division performance suffered this quarter, with longer waits for claim determinations and first payments. WSD continues to hire and train additional staff to assist with the workload and clear the backlog, but the department continues to face challenges receiving responses from employers, as many are closed, or are not responding. Despite the unprecedented workload, the division exceeded its targets related to customer service wait times. WSD did not report on the accuracy rate of claimant separation determinations in the third or fourth quarter of FY20, because, due to the Covid-19 pandemic, the U.S. Department of Labor granted all states a waiver from performing benefit timeliness quality audits until the first quarter of FY21.



	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 twenty-one days from the date of claim.	93.1%	72.8%	89%	34.4%	-	-	R
Accuracy rate of claimant separation determinations.	70.4%	n/r*	91%	43.3%	-	-	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	24.5	18	9.5	-	-	G
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes.	15	18.5	15	11.6	-	-	G
Program Rating							Y

Employment Services

The Employment Services Division met only three of its 12 performance targets. As the pandemic wears on, efforts to help unemployed workers find employment has been challenging and new opportunities have largely been at entry level wages. The division is working to increase participation in job and education programs through the use of virtual workshops, “hot job” videos, and increased marketing for training and education programs. To better support recently separated veterans, WSD is developing a military transition workshop in collaboration with the National Guard and Armed Forces Reserve sites and is working to fill all of the veterans’ employment representative positions at its workforce centers. Due to the Covid-19 health restrictions, job seekers have been unable



to use workforce connection walk-in services, including access to computers and the internet. Until the centers can safely open, WSD is encouraging job seekers to register on-line with the workforce connection offices and is offering virtual trainings and workshops. The division met its target related to the number of individuals receiving employment services by using case management referrals, virtual programs, outreach and partnership initiatives. Moving forward the department plans to increase Reemployment Services and Eligibility Assessment (RESEA) participants through virtual hiring events and workshops. The department is also working in collaboration with the Economic Development Department (EDD) to enhance the state’s layoff aversion program. WDS and EDD will hire two full time staff to lead a retention program; working with businesses statewide to address workforce

challenges and build retention strategies. The division did not audit any apprenticeship programs this quarter. Reviews typically involve face-to-face meetings and physical review of documents. The department is working to establish protocols and procedures to incorporate virtual reviews, until it is safe to resume in-person meetings. Apprenticeship programs are an effective tool to improve access to work-based training as a career pathway option for job seekers. For FY21, WSD received a \$815 thousand federal apprenticeship state expansion grant and efforts are underway to expand the number and type of apprenticeship programs statewide.

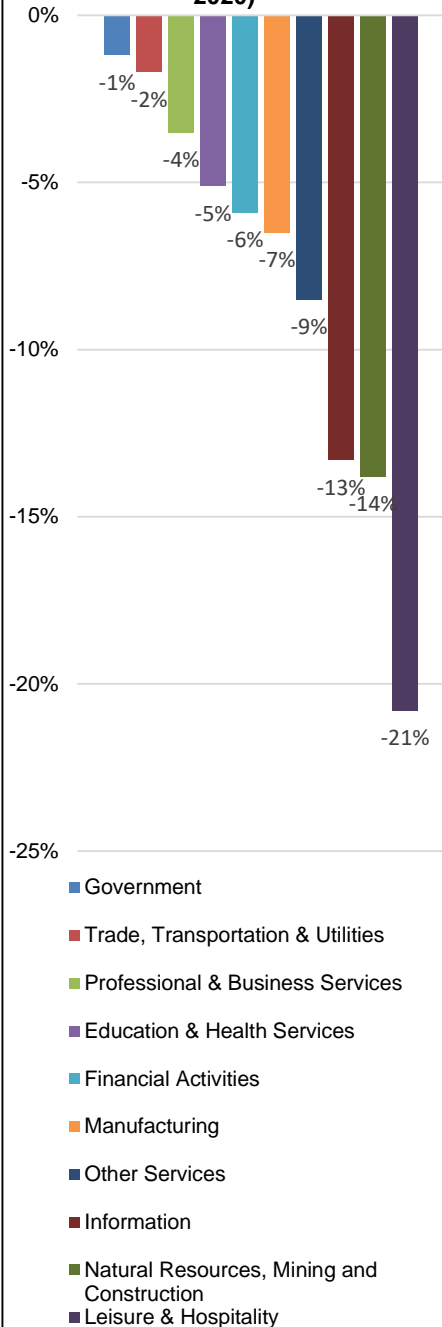
Budget: \$17,471.3	FTE: 145	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY2 1 Q2	FY2 1 Q3	Ratin g
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office.		\$13,740	\$11,936	\$13,700	\$13,223	-	-	Y
Recently separated veterans entering employment.		50%	49%	50%	46%	-	-	R

PERFORMANCE REPORT CARD

Workforce Solutions Department

First Quarter, Fiscal Year 2021

**Over the Year Job Loss by Sector
(October 2019 to October 2020)**



Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office.	45%	43.9%	50%	47.3%	-	-	Y
Unemployed individuals employed after receiving employment services in a Connections Office.	56.3%	67.2%	55%	61.3%	-	-	G
Individuals that have received employment services in a Connection Office, retaining employment services after six months.	79%	68.8%	79%	60.2%	-	-	R
Recently separated veterans retaining employment after six months	75%	52%	71%	47.5%	-	-	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	-	-	R
Average change in six-month earnings of working individuals after receiving employment services in a Connections Office.	New	New	\$1,000	\$980	-	-	Y
Audited apprenticeship programs deemed compliant.	New	New	35%	0%	-	-	R
Total number of individuals accessing the agency's online Job Seeker portal.	New	New	125,000	88,452	-	-	R
Apprenticeships registered and in training	New	New	1,500	1,839	-	-	G
Program Rating							Y

Program Support

Program Support's responsibilities include overall leadership, direction, and administrative support for each of the department's divisions, as well as oversight of the Local Area Workforce Development Boards (LWDBs). New Mexico operates a decentralized local workforce development system, as required by the federal Workforce Innovation and Opportunity Act (WIOA), with one statewide workforce board and four regional LWDBs. A recent LFC program evaluation found New Mexico is likely not getting the expected return on investment from its workforce programs, such as job search and placement, and ranks in the bottom third of states for employment and earning outcomes for dislocated workers. To address LWDB's poor performance and lack of accountability, WSD is currently conducting a comprehensive review of the state's workforce system to identify and propose opportunities for better alignment, efficiency and effectiveness of workforce development activities and funding. WSD has federal reporting and performance measures related to WIOA, and is shifting its state performance measures to align with the federal measures starting in FY22. In the first quarter of FY21, WSD met only one of its current targets. Data regarding prior-year audit findings was unavailable for this report because the department is still finalizing the FY20 audit. The department did not meet its target for youth receiving services in the on-line career tool. The department reported because individuals are not required to log-in or register to use most of the functions in the tool, there is a gap in the data. The



Workforce Solutions Department First Quarter, Fiscal Year 2021

		FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Budget: \$39,486.6	FTE: 101							
Annual independent state audit prior-year findings.		100%	100%	85%	n/r	-	-	-
Youth receiving services and registered in the online career solutions tool.		New	New	3,000	1,364	-	-	R
Youth that are employed in the state.		New	New	59%	66.7%	-	-	G
Program Rating								Y