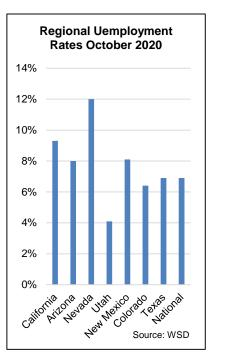


ACTION PLAN

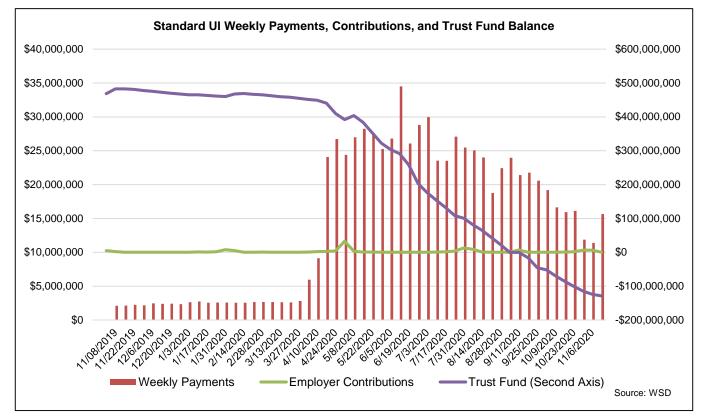
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes



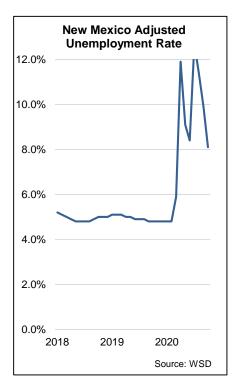
Workforce Solutions

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



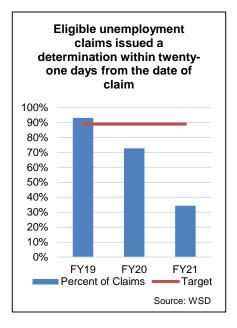




employers from being charged for Covid-19-related layoffs. While this bill will keep employer's unemployment tax rates stable over the coming years, it will also reduce income into the unemployment insurance (UI) trust fund. WSD projects that under the current tax structure, there will not be sufficient 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.



Budget: \$10,367.1	FTE: 164	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating	
Eligible unemployment of determination within two from the date of claim.		93.1%	72.8%	89%	34.4%	-	-	R	
Accuracy rate of claimar determinations.	nt separation	70.4%	n/r*	91%	43.3%	-	-	R	
Average wait time to spe customer service agent in unemployment insurance to file a new unemploym claim, in minutes.	n the e operation center	17	24.5	18	9.5	-	-	G	
Average wait time to spe customer service agent in unemployment insurance to file a weekly certificat	n the e operation center	15	18.5	15	11.6	-	-	G	
Program Rating								Y	



Labor Relations

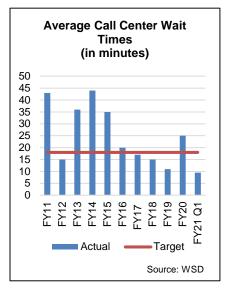
The Labor Relations Division, which provides employment rights information and other worksite-based assistance to employers and employees, continues to struggle with a backlog of cases and staff turnover. At the end of FY21 Q1, there were 779 open investigations. The division currently has eight investigators managing over 95 cases each. A manageable case load per investigator is estimated to be around 70 cases. The division continues to try and manage the backlog by prioritizing older cases and using a more robust screening process to improve efficiencies. The division continues to underperform in regards to the inspection of public works projects and is working with WSD's technology division to find a software solution that supports automated audits. Currently, the audit process is manual and time consuming. Performance related to discrimination claims fell to 30 percent, well under the 75 percent target. The division's staff mediator position was vacant for all of FY21 Q1, and responses from parties to cases has been slower than usual, presumably due to Covid-19.

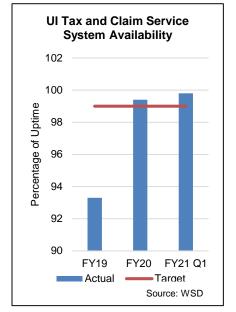
Budget: \$4,993.7	FTE: 41	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Investigated claims that administrative determin days.		43.8%	17%	85%	n/r	-	-	R
Total public works proje	ects inspected.	new	new	80%	12%	-	-	R
Legacy claims that are i administrative determin		new	new	90%	40%	-	-	R
Discrimination claims in issued a determination v days.		new	new	75%	30%	-	-	R
Program Rating								R

Workforce Technology

Despite significant challenges in processing the surge in claims due to the health emergency and a series of system modifications required to manage new eligibility and certification requirements, the Workforce Technology division achieved a system "up-time" of 99.8 percent. The division did not fare as well on timely restoration of the system from outages. The increased volume of claims and spikes in performance utilization across multiple layers of the system impacted recovery time. The division has put several monitoring measures in place and has seen significant improvements in restoration time since the end of FY20.

Budget: \$17936.1	FTE: 48	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Time the unemploymer automated claims and t available during schedu	ax services are	93.3%	99.4%	99%	99.8%	-	-	G
Response time from system outage to restoration of service on unemployment framework for automated claims and tax services in minutes.		new	147	20	64.5	-	-	R
Program Rating								G

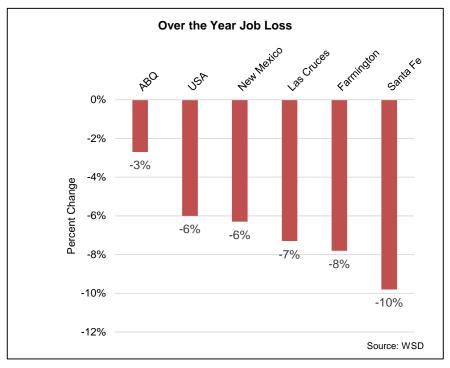






Employment Services

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

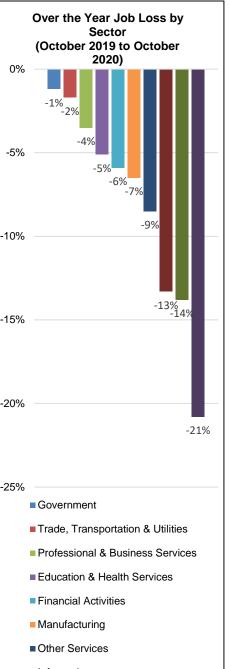


use workforce connection walk-in to services, including access to computers and the internet. Until the centers can safely open, WSD is encouraging job seekers to register on-line with the workforce connection offices and is offering virtual trainings and workshops. The division met its target related 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 Eligibility Assessment (RESEA) and 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 eau individuals entering er after receiving employ in a Connections Offic	nployment ment services	\$13,740	\$11,936	\$13,700	\$13,223	-	-	Y
Recently separated vet employment.	erans entering	50%	49%	50%	46%	-	-	R





- Information
- Natural Resources, Mining and Construction
- Leisure & Hospitality

Source: WSD

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



number of visits to the career tool is tracked, and between July and September 2020 there were 21,097 visits, versus only 1,364 registered users. WSD is working with youth service providers, educators, and other partners to identify best practices to assist youth and increase awareness about the tools and services available.

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