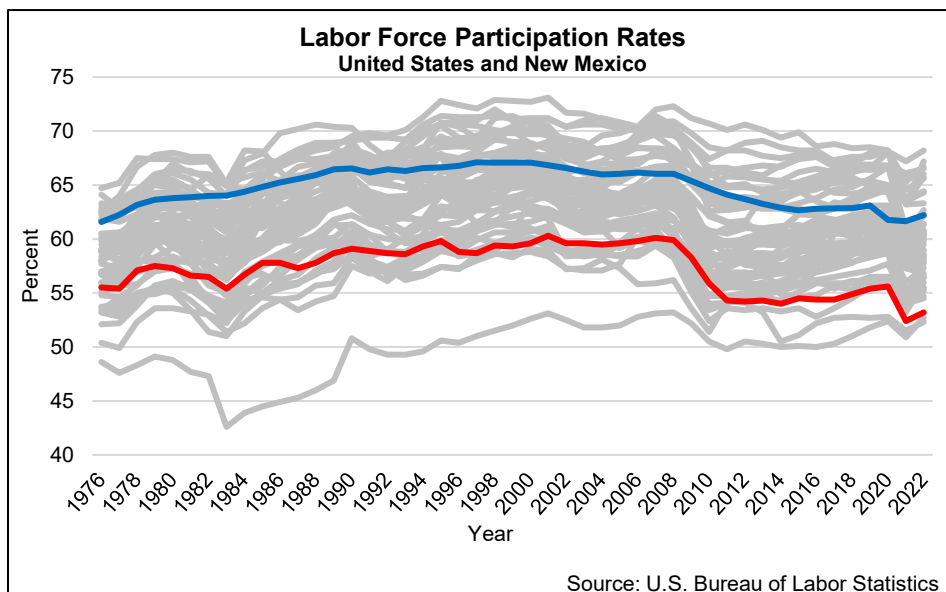


Workforce Solutions

Teachers, nurses, social workers, service industry workers, and workers in several other sectors are in short supply. New Mexico’s low unemployment rate and comparatively low labor force participation rate suggests the state should be doing more to entice prospective workers off the sidelines. A key April 2022 Workforce Solutions Department Labor Market Review that focused on the state’s low labor force participation rate (LFPR) 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. The one bright spot showed women with children under 6-years-old participated in the labor force at a slightly higher rate than the national average.

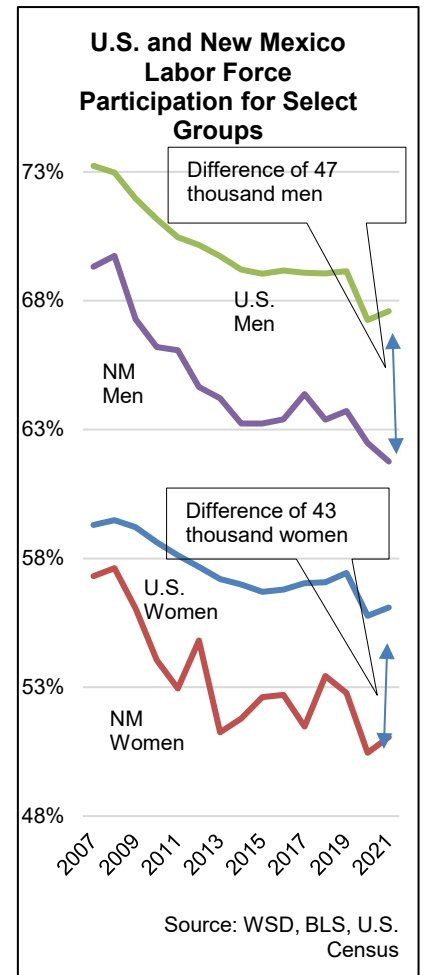
U.S. Bureau of Labor Statistics studies show low labor force participation rates cause rising dependency ratios because fewer workers are available to support those who do not work, higher tax rates because of a shrinking base, and slower economic growth because fewer people are working. Reasons for 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.

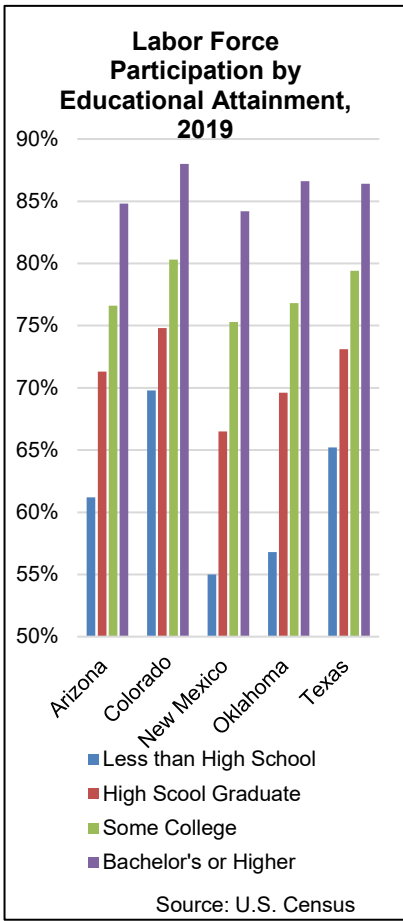
During the 2022 session, the department directly received \$10 million for reemployment services, case management, and youth apprenticeships. The



ACTION PLAN

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



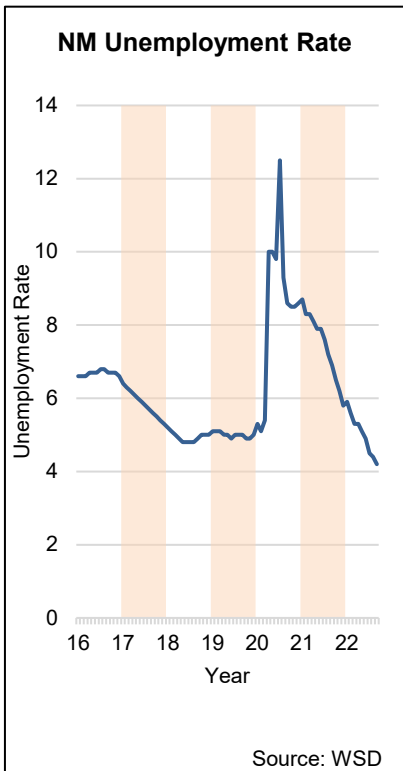


department says it has been working with the Public Education Department (PED) and convened a work group of businesses, trade unions, and PED representatives focused on work-based learning, and community college representatives to refine the plans for pre-apprenticeship programs, career specialists, and technological improvements with the two special appropriations, in addition to developing the plans for marketing trade careers through virtual reality experiential learning. As of August 2023, the department spent about \$2.7 million from the two appropriations. The largest expenditures went to the New Mexico Center for Economic Opportunity for advertising and to purchase a truck for the Be Pro Be Proud initiative the department started with the funds.

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). Much of the \$10 million discussed above could be used to augment already existing evidence-based workforce programs the federal government funds through WIOA. Throughout FY23, about 50 thousand individuals received employment services in a Connections office, about half of the targeted 100 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: \$30,839.7 FTE: 368

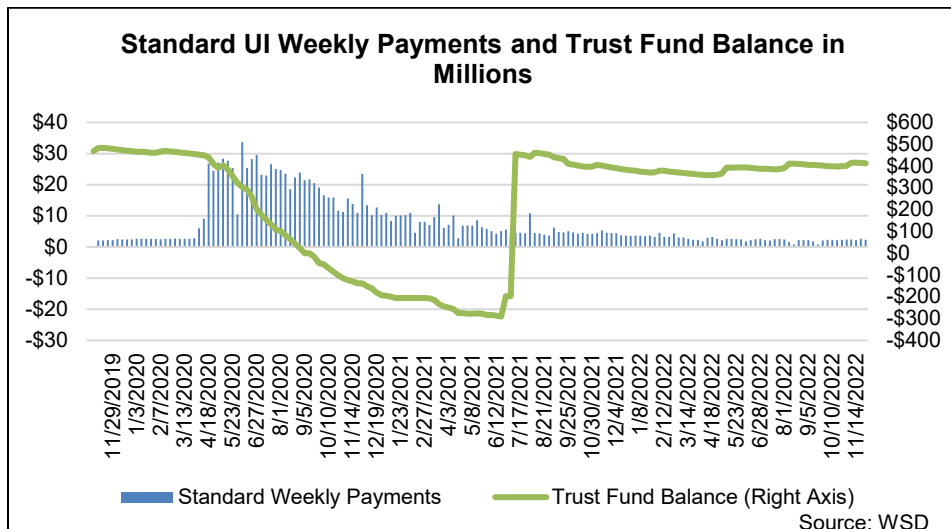
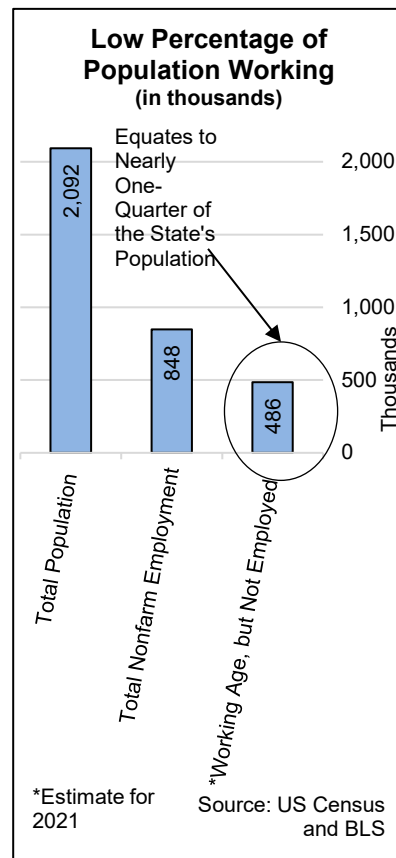


| | FY21 Actual | FY22 Actual | FY23 Target | FY23 Actual | Rating |
|--|-------------|-------------|-------------|-------------|----------|
| Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office | \$13,594 | \$15,076 | \$12,750 | \$15,547 | G |
| Recently separated veterans entering employment | 47% | 48% | 60% | 51% | R |
| Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office | 47% | 46% | 60% | 51% | R |
| Individuals receiving employment services in a Connections Office | 107,366 | 60,116 | 100,000 | 50,041 | R |
| Unemployed individuals employed after receiving employment services in a Connections Office | 57% | 51% | 60% | 61% | G |
| Individuals that have received employment services in a Connection Office, retaining employment services after six months | 57% | 55% | 60% | 61% | G |
| Recently separated veterans retaining employment after six months | 45% | 47% | 60% | 51% | R |
| Average six-month earnings of unemployed veterans entering employment after receiving veterans' services in a Connections Office | \$14,193 | \$18,800 | \$17,000 | \$18,812 | G |
| Average change in six-month earnings of working individuals after receiving employment services in a Connections Office | \$393 | \$2,032 | \$800 | \$4,616 | G |
| Audited apprenticeship programs deemed compliant | 67% | 50% | 75% | 66% | R |
| Total number of individuals accessing the agency's online Job Seeker portal | 293,837 | 106,659 | 125,000 | 63,024 | R |
| Apprentices registered and in training | 1,837 | 1,883 | 1,800 | 2,273 | R |
| Program Rating | Y | G | | | Y |

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

Unemployment Insurance

The Workforce Solutions Department 2022 annual *State of the Workforce* report found “the number of New Mexicans aged 65 years old and older grew more quickly than the rest of the U.S. and that the number of persons in the prime working age group of 25 to 54 declined by 2,864 people, or 0.4 percent in New Mexico. In the U.S., the number of persons in this age group increased by 0.5 percent.” Additionally, the report notes “from 2016 to 2020, New Mexico lost about 25 thousand, nonfarm jobs, a decline of 5.4 percent. Although this was largely due to efforts to control the COVID-19 pandemic, the country showed an increase during this same period—the U.S. total nonfarm employment increased 3.0 percent.”



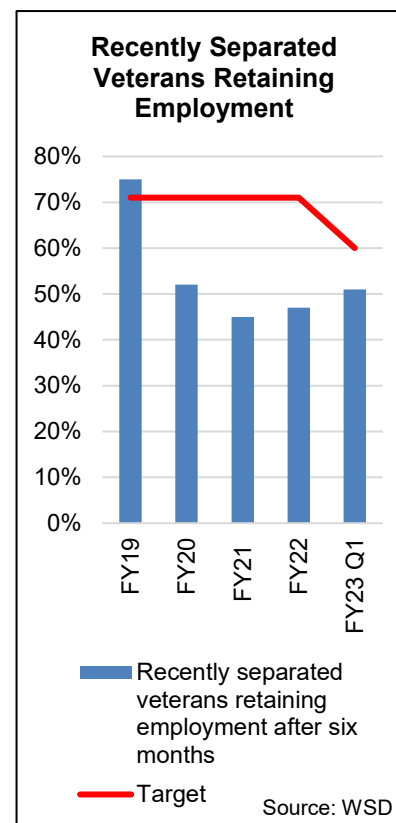
Budget: \$16,177.2 FTE: 164

| | FY21 Actual | FY22 Actual | FY23 Target | FY23 Actual | Rating |
|--|-------------|-------------|-------------|-------------|--------|
| Eligible unemployment claims issued a determination within 21 days from the date of claim | 55% | 35% | 80% | 36% | R |
| Percent of all first payments made within 14 days after the waiting week | 60% | 52% | 87% | 61% | R |
| Accuracy rate of claimant separation determinations | 53% | 65% | 75% | 51% | 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 | 18:69 | 7:19 | 18:00 | 16:31 | G |
| Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes | 16:55 | 9:30 | 15:00 | 14:54 | G |
| Program Rating | R | Y | | Y | |

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

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.

Budget: \$4,077.1 FTE: 45.5

| | FY21 Actual | FY22 Actual | FY23 Target | FY23 Actual | Rating |
|---|------------------------|------------------------|------------------------|------------------------|---------------|
| Investigated wage claims issued an administrative determination within 90 days | 14% | 50% | 35% | 20% | R |
| Total public works projects inspected | 0% | 77% | 45% | 100% | G |
| Discrimination claims investigated and issued a determination within two-hundred days | 27% | 28% | 60% | 53% | R |
| Program Rating | R | Y | | | G |

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