



Transformation Committee Overview

Presented by:
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NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS

Overview of State Board Activities To-Date

- Presentation to State Board of findings following onsite reviews of two local boards. Concerns raised included quality of service delivery for all categories, misuse of funds, low or unmet performance for both program and fiscal requirements and lack of compliance with governance requirements. Resulted in administrative oversight of one board to ensure compliance.
- At State Workforce Board meeting in December 2019, Secretary McCamley asked the Board to consider, “Is there a better way to structure WIOA to meet the needs of businesses and customers.”
- Members interviewed states across the country to discuss processes, lessons learned, identify strategies, and best practices.
- Reviewed local area designation and invited each local board to support designations and share challenges and/or opportunities.
- Reviewed LFC Spotlight report, “Workforce Development Post-COVID-19 Pandemic.”
- Submitted letter to the Governor recommending comprehensive review, including recommendation to strengthen engagement with Chief Elected Officials.
- Directed NMDWS staff to work closely with USDOL staff to review policy and procedures related to local area designation, communication, and engagement with CEO’s.
- Directed NMDWS staff to DRAFT designation scenarios for review and consideration.
- Directed NMDWS staff to compile performance and fiscal metrics for analysis and review.

Review and Analysis

Five Scenarios Presented to Committee for Review:

- **Four local board option:** keep four areas with modifications to county assignments.
- **Three local board option:** impact primarily to Eastern Area designation, with additional counties and reassignment to remaining three boards
- **Two Board Option #1:** two areas defined strictly by areas, North/Central and Southern.
- **Two Board Option #2:** two areas defined as Urban/Rural.
- **Single Area option** (one comprehensive board) was considered and removed as option following conversations with USDOL and Governor's Federal Liaison.

Performance Metrics and Fiscal Review

● Fiscal Review

- Funding has increased each year since 2014 - \$11.5 million to \$24.7 million.
- All four boards transferred funds from Dislocated Worker to Adult category through PY18. Two of four boards requested transfers for PY19.
- Total expenditures for Adult participants far exceeded expenditures for dislocated worker and youth.
- Only one board is currently meeting state/federal fiscal spending requirements.

● Performance Metrics

- Analysis included metrics from 2014 (transition year from WIA to WIOA) to present
- Overall change in numbers served has remained stagnant in all categories
- Only one board had an increase in total youth served in PY19. The other three had a decline.
- State did not meet performance metrics for PY20 in skills gains for adult, dislocated worker and youth. All four boards failed these metrics.
- All four boards failed metrics for youth. Three boards failed additional metrics.

Funding (in Millions) & Number Served

Years: 2015 - 2017 - 2019

	<u>2015</u>	<u>2017</u>	<u>2019</u>
Central Area:	\$5.713 4,952	\$7.419 1,339	\$9.836 1,855
Eastern Area:	\$1.818 876	\$3.510 439	\$3.878 652
Northern Area:	\$2.915 2,380	\$4.372 903	\$5.501 962
Southwestern:	\$3.109 2,536	\$4.446 608	\$5.514 861
TOTAL:	\$13.555 10,744	\$19.747 3,289	\$24.729 4,330

Comparison to Similar States (PY18)

	<u>Funding in Millions</u>	<u>Participants</u>
Kansas:	\$13.203	4,338
Iowa:	\$11.480	17,320*
Oklahoma:	\$24.384	8,912
Oregon:	\$28.154	185,906*
NM :	\$22.906	4,587

Additional Activities

- Formalizing activities with Association of County Commissioners. Includes comprehensive training on roles/responsibilities related to WIOA, obtain feedback and input on DRAFT recommendations.
- NMDWS received Technical Assistance Grant from USDOL to facilitate/organize these activities.
- Includes input from CEOs and LWDBs on proposed recommendations from State Board.

Next Steps

- State Board reviews and approves final recommendation on April 1, 2021.
- Recommendation reviewed by Governor. Gives “green light” to proceed and formal application to process begins.
- Formal process includes CEO and LWDB engagement and public comment period.
- State Board reviews input & comments and submits application to USDOL for review and approval.
- USDOL approval provides State Board/NMDWS go ahead to develop transition plan – 7/1/21 through 6/30/22
- Target date for transition July 1, 2022 –areas, boards, contracts with providers

BOARD DISCUSSION

Questions?
Comments?
Feedback?

