Performance Trends

Very few programs showed a change in performance in the third quarter, suggesting year-end ratings will be little different. However, three programs dropped into the red, including child protective services and medical assistance, and two others dropped from green to yellow. Overall, more than half of the programs rated this quarter were rated yellow for slightly missing their targets and eight were rated red for significantly missing their targets. While a red rating is not intended as a "failing grade," it acts as a warning to administrators and policymakers that a program is in trouble. Eighteen programs received green ratings.

The state continues to see strong performance in the Transportation, Economic Development, Tourism and Energy, Minerals and Natural Resources departments and the courts and judicial agencies, while performance continues to lag in the Children, Youth and Families Department and Health Care Authority.

Among the findings in the quarterly report cards:

Education

Public Education Department, page 6. Over $71 million in operational funding flows to schools after budgets for FY25 were submitted. Half of districts will receive significant reductions in transportation funding through changes in the distribution formula. The agency continues to fill vacancies, reaching a total of 307 FTE.

Higher Education Institutions, page 8. Tuition at New Mexico higher education institutions is among the lowest in the nation and state scholarships pay the full cost of tuition and fees for New Mexico students resulting in the state ranking 49th in the nation for the proportion of students who carry student debt. However, New Mexico ranks 41st in the nation for the proportion of residents with a bachelor's degree or higher despite outpacing the national average college-going rate for decades. Data from the Lumina Foundation shows that for currently enrolled students, the top barriers to completion are generally stress and physical and emotional health, not financial hardship. Moving forward, the state and higher education institutions must build on successes in making college affordable and focus on addressing other factors leading to low student completion.

Child Well-Being

Early Childhood Education and Care Department, page 11. The Home Visiting Program, which provides support and education to families with newborns, shows signs of being effective but continues to fall short on enrollment, limiting its impact. With less than a quarter of the year to go, the number of families in the Medicaid-funded program is only a third of the way to the annual goal. Similarly, while the number of families enrolled in Childcare Assistance Early Childhood Education and Care Department is strong, less than 45 percent of families earn 125 percent of the federal poverty level or less, the income group that benefits the most from the childcare subsidy.

Children, Youth and Families Department, page 15. Repeat child maltreatment worsened in the third quarter, as 14.8 percent of children who were victims of substantiated maltreatment experienced an allegation again within 12 months. While caseworker turnover within Protective Services has improved to 29 percent, several indicators of time-to-permanency for children and youth in CYFD custody continue to fall short of performance targets. Only 76 percent of youth in Protective Services custody over the age of 12 were placed in a least restrictive environment, 9 percent below the performance target and 15 percent below FY23 actuals. CYFD reports taking a variety of steps to address performance gaps, including establishing teams focused on recruiting and retaining foster families.

Health

Health Care Authority, page 19. No Medicaid performance targets were met in the first three quarters of FY24. The department reports on the measures for well-care visits and dental visits in a calendar year, cumulatively. So the second quarter of FY24 is the annual result and the third quarter is the quarterly result. Either way, the department did not meet the target for these measures. For well-child visits, HCA directed each of the Medicaid managed care organizations (MCOs) to reinvest a portion of the penalty dollars assessed for prior-year missed performance targets into HCA-developed initiatives targeting increasing wellness visits for children.

Behavioral Health Collaborative, page 23. In the third quarter of FY24, the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days remained largely flat with FY23 and below the target of 51 percent. The division reports it is a bigger challenge to accomplish community follow-up with the adult population than with the younger population. For example, follow up for people ages 6 through 17 exceeds the annual combined target of 51 percent. The division says the MCOs continue to develop interventions to maintain and improve performance on this measure, although the data does not currently reflect these efforts.

Department of Health, page 25. The Department of Health's reported mixed results in performance across the agency during the third quarter of FY24. State health indicators, especially those related to substance use disorder, contribute to overall declines in the health of at-risk populations in the state.

Aging and Long-Term Services Department, page 29. The Aging and Long-Term Services Department reported some improvement in performance during the third quarter of FY24. The department is on track to outperform FY23 in all programs, and the Aging Network, which has struggled with hours of caregiver support since the pandemic, is likely to meet the target for FY24.

Economic Development

Economic Development Department, page 32. The Economic Development Department created 424 jobs in the third quarter and assisted 17 companies with different funding and programs, including $7.5 million in LEDA commitments to five different companies with an expected private investment of $204 million. The agency also awarded Job Training Incentive Program funding for 18 companies to train 326 trainees in the third quarter. None of the jobs created this quarter were tied to efforts by the New Mexico Partnership, although the agency expects more project announcements in the fourth quarter. Film production increased significantly during the third quarter due to the resolution of the national film strikes. The FilmDdivision estimated 200 thousand film and media worker days, up 497 percent from the second quarter, with a median wage of $69,634. The division also estimated $446 million in direct spending by film industry productions, the largest amount in one fiscal year reported by the division and 470 percent higher than the second quarter.

Tourism Department, page 35. The Tourism Department is on track to exceed or meet most performance targets for FY24. The agency generated $3.8 million in earned media and 436 million impressions, with a notable article published in the *New York Times*. The agency has already received applications for its three main programs for FY25—Tourism Event Growth and Sustainability, Destination Forward, and Clean and Beautiful—and has awarded funding for FY24.

Workforce Solutions Department, page 37. New Mexico continues to have a low labor force participation rate (LFPR). While many of the outcome measures for Workforce Innovation and Opportunity Act programs are in the green, the number of people participating has declined. Additionally, labor relations investigation metrics and unemployment insurance claims processing metrics fell below targets. A December 2023 court ruling will require WSD to meet new labor relations claim processing standards, and the agency will receive additional staff in FY25 to help meet these targets.

Justice and Public Safety

Department of Public Safety, page 42. The Department of Public Safety (DPS) made notable strides in several areas, successfully implementing pay increases for state police officers, resulting in better alignment of pay scales with years of service. It also increased the number of staff for the Law Enforcement Standards and Training Council.

Despite efforts to reduce vacancy rates, the overall vacancy rate for state police officers rose to 12.9 percent due to retirements and separations. Additionally, DPS reported significant progress in crime reporting, with 75 percent of law enforcement agencies now reporting to the National Incident-Based Reporting System, covering 86 percent of the population

Corrections Department, page 46. In the third quarter of FY24, the Corrections Department (NMCD) achieved mixed results. The department reduced vacancy rates among correctional officers to 28.3 percent for public facilities and 30.4 percent for private facilities. Recidivism rates for participants in the residential drug abuse programs showed significant improvements, particularly in the women's recovery center, which saw a notable decrease in recidivism rates. However, the average caseload per probation and parole officer increased slightly, despite a reduction in vacancy rates among these officers.

Courts and Justice, page 50. Positive performance trends within the judiciary seen in the first two quarters of FY24 have largely continued in the third quarter. Courts increased clearance rates while also maintaining a productive time to disposition. The positive performance increase in DWI-court graduation rate from the second quarter was reversed, resulting in a drop off in performance, the only caveat to the court's strong performance. The Public Defender Department continued to address recruitment and retention rates while also having positive advancements in average time to disposition for felonies. Issues remain with district attorney data, such as a lack of transparency and a gap in how much information is reported, but average attorney caseload for districts hampered by chronic recruitment and retention issues have showed positive signs but are still of concern.

Natural Resources

Energy, Minerals, and Natural Resources Department, page 54. The record revenue the Energy, Minerals and Natural Resources Department (EMNRD) received from state and federal funding in FY24 has been met with increased activity and consistent or improving performance measures across nearly all the agency's divisions. State Parks and the Oil Conservation Division either continued the progress seen from previous quarters or already reached total FY24 targets in the third quarter. However, the Energy, Conservation and Management Division (ECMD) received 1,007 applications for the solar market development tax credit, decreasing roughly 30 percent from the previous quarter. With this continued progress, consideration should also be given to moving future targets and finding ways to leverage state and federal dollars to continue the department's progress and growth.

Office of the State Engineer, page 57 The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) continue to spend time and resources working to navigate settlement negotiations in the *Texas v. New Mexico* water rights case. OSE and ISC also are actively working with the Upper Basin states to update the Colorado River compact and clarify its delivery obligations. Two competing proposals from the Upper Basin states (Colorado, New Mexico, Wyoming, and Utah) and the Lower Basin states (California, Nevada, and Arizona) will be ruled on by the U.S. Supreme Court. ISC continued steady water deliveries under the Pecos River Compact while also staying within the acceptable margin for the deficit with the Rio Grande Compact. Further, the number of offers submitted to defendants through its Litigation and Adjudication Program predictably increased, nearly reaching its target.

Environment Department, page 59. While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, many of the Environment Department's (NMED) regulatory compliance programs continually struggle to meet their targets. These results are further compounded due to recruitment and retention issues at all levels of the agency. To address staffing, some NMED programs are collaborating closely with the State Personnel Office to reclassify certain positions to make them more competitive with the private sector. Despite this, NMED's vacancy rate increased from 20.9 to 25.6 percent in the third quarter. While the Legislature has invested significantly in expanding personnel, the agency's recruitment and retention of key staff continues to be a challenge.

General Government

General Services Department, page 62. The department's Risk Management Program has seen a number of large payouts, leading to lower reserves in the public liability fund and a $20 million special appropriation. A small number of agencies account for most expenses, including the University of New Mexico Health Sciences Center, Corrections Department, and Children, Youth and Families Department.

State Personnel Office, page 67. The State Personnel Office has prioritized reducing the time it takes agencies to fill vacant positions, with the time falling to 58 days, with some agencies completing the process in as little as 19 days. Vacancy rates for classified employees remain stubbornly high, largely due to an increase in the number of authorized positions. Turnover among new employees remains high.

Infrastructure

Department of Transportation, page 69. Significant nonrecurring investments provide the department with resources to invest in the state's road system. The department has 35 projects scheduled to go to bid over the next year. The department has met its annual goal for pavement preservation, but the percentage of projects completed on time is below target. New Mexico has one of the highest rates of traffic fatalities in the nation and the number of traffic fatalities remains high, with 319 fatalities so far this fiscal year.

Information Technology Projects, page 72. The project statuses of the Health Care Authority's (HCA) child support enforcement system replacement project and the Higher Education Department's (HED) longitudinal data system have declined. HCA estimates a new project end date of 2029, 10 years after the initial estimated end date. HCA estimates a total project cost of $76 million, however HCA has only spent $15 million, or 19 percent, of total estimated cost over the course of 10 years. LFC staff report HED could not pull data from the system, likely due to an inability to validate data. Other executive projects like the Children, Youth, and Families Department's child welfare system are trending the same as the second quarter.

Investments

Fund Performance, page 84. The value of New Mexico's combined investment holdings grew by $3.6 billion quarter-over-quarter, to an ending balance of $81.15 billion. For the year, funds increased by $11 billion, or 15.8 percent. Over the last five years, the state's combined investment holdings grew $29.9 billion, or 58.2 percent. When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's risk-averse investments generally performed worse than peer funds in the quarter and one-year period but better in the three-, five-, and 10-year periods.

Report Card Rating Rubric

Green	Yellow	Red
Agency has met the quarterly target or is on track to meet the annual target.	Agency slightly missed the target or is off track for meeting the annual target.	Agency failed, or is likely to fail, to meet the target or failed to provide data.

Fine Tuning

- Did the agency provide the data? How reliable is the data? Is the collection method transparent?
- Does the measure gauge a core function of the agency? Is the measure a good gauge of effectiveness?
- Does the agency use the information internally? Does the agency have a plan to maintain or improve performance.

Department/Program	Q2	Q3	
Early Childhood Education and Care Department			
Family Support and Intervention	Y	Y	
Early Education, Care, Nutrition, and PreK	Y	Y	
Policy, Research, and Quality	Y	Y	
Children, Youth and Families Department			
Protective Services	Y	R	↓
Juvenile Justice Services	Y	Y	
Behavioral Health Services	Y	Y	
Public Education Department			
Department Operations	Y	Y	
Department of Health			
Public Health	Y	Y	
Epidemiology and Response	Y	R	↓
Scientific Laboratory	G	G	
Facilities Management	Y	Y	
Developmental Disabilities Support	Y	Y	
Health Certification Licensing and Oversigh	Y	Y	
Aging and Long-Term Services			
Consumer and Elder Rights	Y	Y	
Adult Protective Services	G	G	
Aging Network	Y	Y	
Health Care Authority			
Medical Assistance	Y	R	↓
Income Support	R	R	
Child Support Enforcement	Y	Y	
Behavioral Health Collaborative			
Behavioral Health	Y	Y	
Courts and Justice			
Administrative Support	Y	G	↑
Special Court Services	G	G	
Public Defender	G	G	
Department of Public Safety			
Law Enforcement	G	G	
Statewide Law Enforcement Support	G	Y	↓
Corrections Department			
Inmate Management and Control	Y	Y	
Reentry	Y	Y	
Community Offender Management	Y	Y	
Energy, Minerals and Natural Resources			
Energy Conservation and Management	G	G	
Healthy Forests	Y	Y	
State Parks	G	G	
Mining and Minerals	G	G	
Oil Conservation	Y	Y	

Department/Program	Q2	Q3	
State Engineer			
Water Resource Allocation	Y	Y	
Interstate Stream Commission	Y	Y	
Litigation and Adjudication	G	G	
Environment Department			
Water Protection	Y	Y	
Environmental Protection	Y	Y	
Environmental Health	Y	Y	
Resource Protection	Y	Y	
Economic Development Department			
Economic Development	G	G	
New Mexico Film Office	R	Y	↑
Outdoor Recreation	G	G	
Tourism Department			
Marketing and Promotion	G	G	
New Mexico Magazine	G	G	
Tourism Development	G	Y	↓
Workforce Solutions Department			
Employment Services	Y	Y	
Unemployment Insurance	R	R	
Labor Relations	Y	Y	
Program Support and Workforce Invest.	Y	Y	
General Services Department			
Risk Management Funds	R	R	
Group Health Benefits	R	R	
Facilities Management	Y	Y	
State Purchasing	Y	Y	
Transportation Services	Y	Y	
State Printing	G	G	
State Personnel System			
Human Resource Management	Y	Y	
Taxation and Revenue Department			
Tax Administration	Y	NA	
Compliance Enforcement	R	NA	
Motor Vehicle	G	NA	
Program Support	G	NA	
Property Tax	G	NA	
Department of Transportation			
Project Design and Construction	G	G	
Highway Operations	G	G	
Modal	R	R	
Program Support	G	G	

Programs with a Rating Upgrade	2
Programs with a Rating Downgrade	5
Total Q3 Green Ratings	18
Total Q3 Yellow Ratings	35
Total Q3 Red Ratings	8

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Public Education Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

Districts	Change in FY25 Transportation Allocation	Percent Change
Lake Arthur	$ 37,920	66%
Rio Rancho	$ 2,324,146	48%
Maxwell	$ 30,264	47%
Carrizozo	$ 31,701	28%
Penasco	$ 46,474	27%
Santa Fe	$ 844,394	25%
Loving	$ 26,476	24%
Clovis	$ 396,150	21%
Hobbs	$ 574,202	20%
Albuquerque	$ 3,992,329	20%
Espanola	$ (306,733)	-21%
Clayton	$ (138,004)	-23%
Cimarron	$ (123,043)	-23%
Pojoaque	$ (266,332)	-25%
Hatch	$ (328,880)	-31%
Socorro	$ (253,481)	-31%
Silver	$ (358,546)	-33%
Zuni	$ (252,729)	-34%
Taos	$ (391,549)	-37%
Roswell	$ (1,713,916)	-39%

Source: PED

Public Schools

In the third quarter, the Public Education Department (PED) continued ramping up staffing levels and hit annual funding formula audit targets. Following a temporary injunction on its new 180-day rule, the department raised the FY25 unit value by $111.20, providing a $71 million increase in state equalization guarantee (SEG) distributions for the upcoming school year. However, districts will also bear some additional expenses from high insurance premiums, expiration of Covid-19 federal aid, and replacement of the transportation distribution's density factor with a rurality variable. Bilingual multicultural education program participation rates in FY23 remain relatively flat, and student language proficiencies remain essentially unchanged.

Formula Funding

Unit Value. In March 2024, PED set the FY25 preliminary unit value at $6,442.55, providing a 3.2 percent increase from FY24 but significantly below the legislated increase for the SEG appropriation—5.1 percent. Data quality and data collection issues with the department's new NOVA system delayed certification of student enrollment. Additionally, uncertainty surrounding school calendars due to finalization of a rule to require 180 instructional days put downward pressure on agency estimates for the unit value.

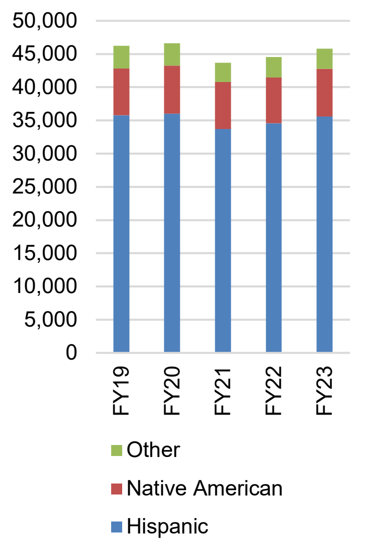
In April, the school superintendents' association, 53 school districts, and four charter schools sued PED over the 180-day rule, and in May, the 5th Judicial District Court enjoined the department from enforcing the rule prior to its effective date of July 1. In June, PED raised the FY25 unit value to $6,553.75—a 5 percent increase in SEG distributions from FY24—effectively distributing an additional $71 million to schools statewide. The department had already received most school budgets prior to the unit value increase, so PED advised schools to submit a budget adjustment request later for the additional funds rather than changing submitted budget plans.

Transportation. In May, PED released new FY25 transportation allocation awards to school districts and charter schools, calculated without the population density factor and with a new geographic rurality factor. Changes from FY24 allocations were significant, with half of districts and charters receiving upwards of 163 percent increases and the other half seeing reductions of as much as 39 percent. Part of the volatility could be attributed to lower ridership counts and diversion of allocations to new charter schools establishing transportation programs; however, changes largely reflect PED's new methodology. PED notes the current formula creates significant randomness due to statutory requirements to use a linear regression model and could be improved by developing separate calculations for the largest outlier (Albuquerque), different groupings of districts by size and rurality, or improving the accuracy of the model using a different methodology.

The two largest operational funding sources for schools, SEG and transportation, saw large swings in the third quarter, generally the period when districts and charters are still developing budgets. Coupled with larger-than-expected insurance premium increases, legislated salary increases, expiring federal pandemic aid, and changing school calendars, the volatility and uncertainty around revenue streams have led some districts to reduce staffing and school days for FY25 amidst overall recurring budget growth at the state level.

Bilingual Multicultural Education Programs

Student Participation in BMEP



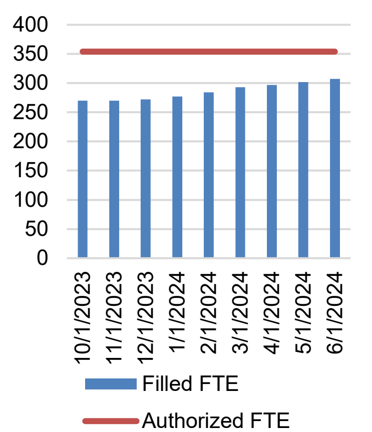
Source: PED

PED reports about 45.8 thousand students, or 15 percent of statewide enrollment, participated in a bilingual multicultural education program (BMEP) in FY23. While BMEP participation has grown slightly in the last two years, overall program participation rates have remained relatively flat with prepandemic levels. While findings in the *Martinez-Yazzie* lawsuit noted dual language education programs were the gold standard of education for English learners, only a quarter of BMEPs are dual language programs, and only 38 percent of English learners were in a BMEP in FY23.

However, BMEPs might not be adequately resourced or implementing best practices statewide. Despite generating only $43 million for BMEPs through the SEG, districts report spending $74 million to support BMEPs, primarily through instructional expenditures. A PED survey of BMEPs found districts reported instruction was the area needing the most improvement, followed by professional development for BMEP staff. PED was unable to report language proficiencies for Spanish or English learners and was missing data on Native American language proficiency for FY23. Only 12 percent of students in BMEPs reported fluency with Native American language. Prior reported English language proficiency rates for English learners was only 2 percent.

Department Operations

PED Personnel



Source: PED

PED has continued to aggressively hire new employees, reaching a total of 307 filled FTE as of June 2024. Currently, the department has an overall vacancy rate of 13 percent, cutting vacant positions by nearly half since the beginning of the fiscal year. Openings now remain mostly in general counsel, federal programs, curriculum, and school innovation, with all other divisions reporting less than 5 vacant FTE.

Budget: $22,589.0 **FTE:** 307.0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average days to process reimbursements	37	38	22	44	30	31	R
Average days to process budget adjustments	8	7.2	10	5.9	7.9	7.9	G
Data validation of funding formula components	24	12	30	0	7	23	G
Initiative funding awarded by September 1	90.3%	95.6%	95%	53.7%	53.7%	53.7%	R
Program Rating	R	R					Y

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

PED notes a high volume of requests for reimbursements and new universal free meal claims are contributing to delays in processing reimbursements. New staff hired in the middle of the quarter may improve processing timeliness in future quarters. The agency completed 23 teacher cost index audits at select schools within the third quarter, meeting the annual performance target.

PERFORMANCE REPORT CARD
Higher Education Institutions
Third Quarter, Fiscal Year 2024

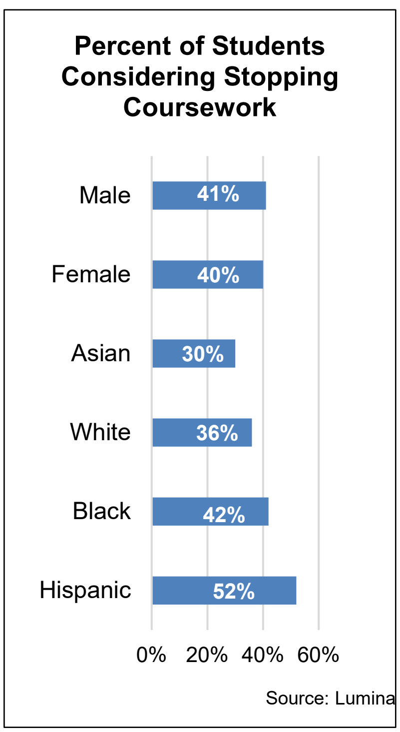
ACTION PLAN

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

Population with Four Year+ Degree

Arizona	33%
Colorado	46%
New Mexico	31%
Oklahoma	29%
Texas	34%
U.S. Avg.	38%

Source: U.S. Federal Reserve



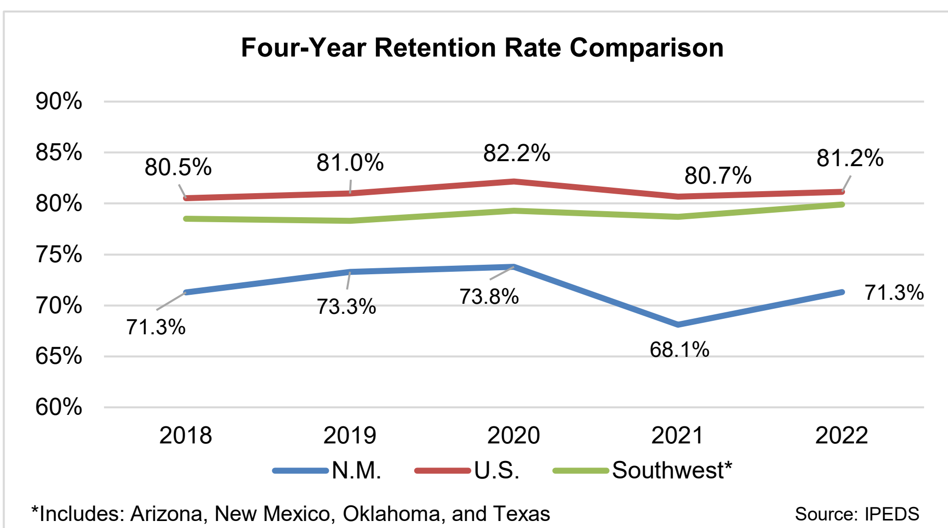
The Legislature made significant investments in higher education over the past several years including a large expansion of student financial aid programs. New Mexico currently ranks 41st in the proportion of the state's population with a college degree and lags every state in the region, with the exception of Oklahoma, in educational attainment. Previous LFC analysis found further increases in financial aid will have less impact on student success than increases in instruction and general funding.

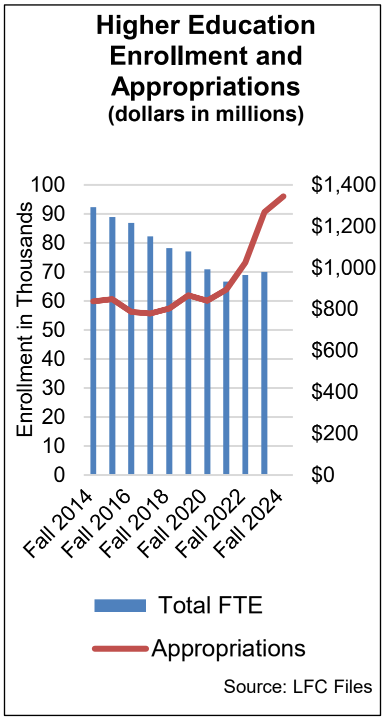
National research conducted by the Lumina Foundation found, for adults who did not have a college degree or credential, the top three reasons given for not pursuing additional education were financial. Fifty-five percent of adults cited the cost of education as a major barrier while 38 percent reported that work conflicts or the need to work kept them from pursuing additional education. However, for students who were currently enrolled, the barriers to completion were generally not financial.

Forty-one percent of currently enrolled higher education students nationwide reported finding it "very difficult" or "difficult" to remain enrolled in their higher education program, from certificates to bachelor's degrees. The number one reason for considering stopping out is emotional stress, 55 percent, followed by personal mental health reasons, 47 percent. Program cost is cited 29 percent of the time.

The study also found that 52 percent of Hispanic students, the most of any racial group surveyed, report it being difficult or very difficult to remain enrolled in a higher education program.

This dynamic suggests the state's financial aid programs are likely to be attractive to prospective students but may not address the barriers to retention cited by enrolled students. Additional resources should be targeted to helping enrolled students address widely cited stress and mental health concerns as well as to provide more flexible access to courses. Improving student retention should be a top priority of colleges and universities; New Mexico continues to lag the nation in student retention, never ranking higher than 46th in the nation over the past five years and ranking 49th or 50th over the past three years.





State Investment

The state significantly increased the investment in higher education over the past several years, with total appropriations increasing from $841 million in FY21 to $1.3 billion in FY25. The increase has been driven by the creation of the opportunity scholarship program as well as large state compensation increases and targeted investments made for high-demand programs, such as nursing.

According to the State Higher Education Executive Officers association, New Mexico ranked fourth for state and local government appropriations per full-time-equivalent student in FY22, prior to the creation of the opportunity scholarship. When considering all appropriations and tuition and fees, the state ranks sixth.

To increase student retention, the Legislature made targeted appropriations totaling $6 million in the 2023 and 2024 legislative sessions for student support. Higher education institutions report spending the funding primarily on basic needs initiatives, such as food pantries and to expand access to student mental health services.

Affordability

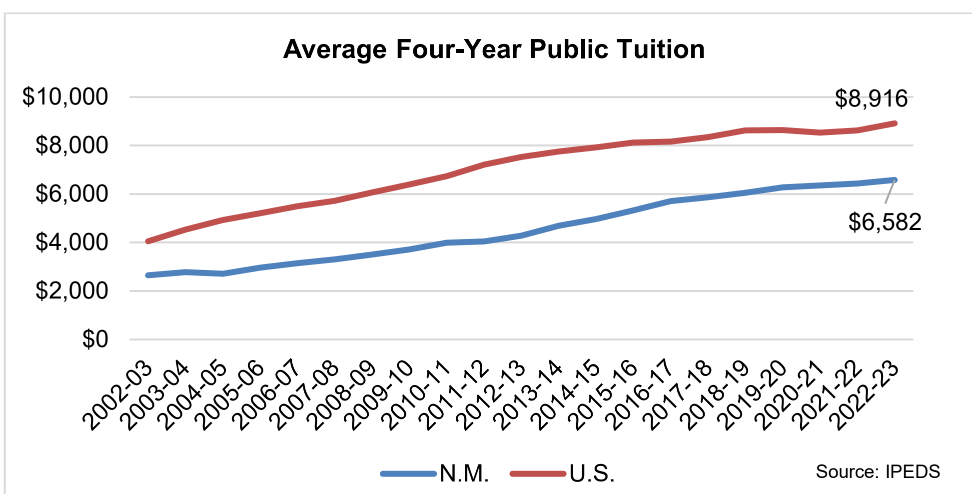
According to the College Board, New Mexico had the second-lowest tuition and fees for two-year colleges and the 10th-lowest tuition and fees for four-year colleges. The low tuition means that even out-of-state tuition at New Mexico colleges and universities may be lower than the in-state rates for surrounding states. For example, in-state tuition at University of California Merced, the cheapest of the UC schools, is $6,132 per semester, while out-of-state tuition at Eastern New Mexico University is $3,087 per semester. Additionally, out-of-state students who live within 135 miles of a New Mexico college can qualify for resident tuition rates.

Federal tuition and fee data show that New Mexico four-year institutions charge 35 percent less in tuition and fees than the national average, but this gap has narrowed over time. Twenty years ago, New Mexico four-year institutions charged 53 percent less than the national average.

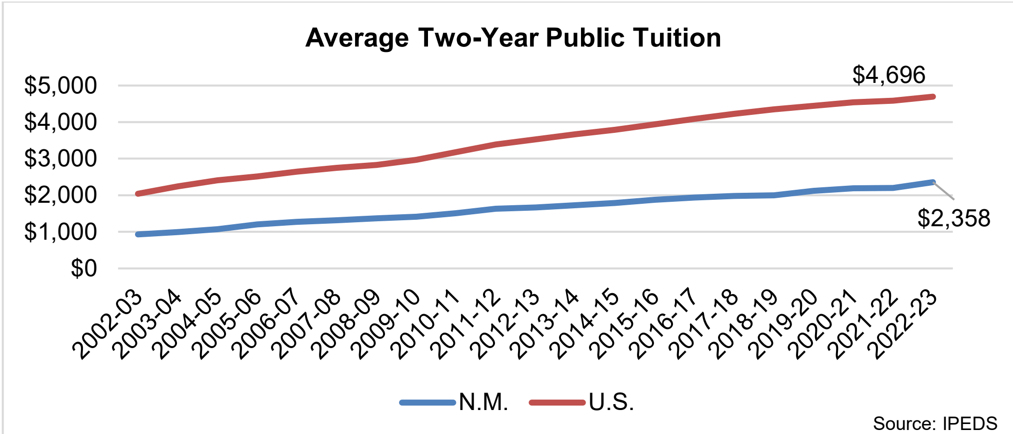
Retention by Institution

	2022	2018
ENMU	62%	62%
NMHU	63%	52%
NM Tech	75%	76%
NMSU	72%	74%
NNMC	53%	41%
UNM	72%	74%
WNMU	62%	64%

Source: IPEDS



Tuition at New Mexico two-year colleges is half of the national average, and the gap between New Mexico colleges and the national average has increased by 5 percent over the past 20 years.



UNM 2022-2023 Top 10 Majors and U.S. Underemployment		
Major	**Grads.**	**Under-employed**
Bus. Admin.	221	51.8%
Psychology	156	48.4%
Nursing	119	11.1%
Biology	116	47.1%
Mech. Engin.	55	20.3%
Biochem.	47	41.3%
Film/Arts	43	55.5%
Criminology	40	71.5%
Architecture	39	25.1%
Exercise Sci.	37	50.7%
U.S. Avg		**40.8%**

Source: NY FED and Institution Files

NMSU 2022-2023 Top 10 Majors and U.S. Underemployment		
Major	**Grads.**	**Under-employed**
Nursing	182	11.1%
Criminal Just.	152	71.5%
Mech. Eng.	122	20.3%
Indiv. Studies	108	56.7%
Psychology	104	48.4%
Biology	99	47.1%
Gen. Bus.	83	51.8%
Aerospace Eng.	80	17.9%
Animal Sci.	77	47.7%
Marketing	76	49.5%
U.S. Avg.		**40.8%**

Source: NY FED and Institution Files

Federal data show New Mexico students have average student debt of $34 thousand, ranking 32nd in the nation. However, comparatively few New Mexico students take out college debt and the state ranks 49th in the proportion of students who carry college debt. Despite New Mexico's relatively favorable rankings in terms of amount of debt taken and proportion of students taking on student debt, those who do receive student loans struggle to pay them back. In 2019 and 2020, New Mexico had the third- and second-highest borrower delinquency rates in the nation.

The low proportion of students taking out college debt combined with high delinquency rates for those who do take loans suggest that, while college is "cheap" relative to the national average, New Mexico students may still find it unaffordable.

Student Outcomes

Factors that may explain the high delinquency rates for student loan borrowers could include students taking loans but never completing a degree or students receiving degrees in fields that do not lead to salaries necessary to pay the debt.

Data from the New York Federal Reserve show underemployment, defined as those with a college degree working in a job that does not require a college degree, is 40.8 percent for recent college graduates. However, underemployment varies significantly by major. For example, nurses have the lowest underemployment rate at 11.1 percent, while criminal justice majors have the highest underemployment rate at 71.5 percent. Data show seven of the top-10 degree programs at the University of New Mexico and New Mexico State University have underemployment rates that exceed the national average.

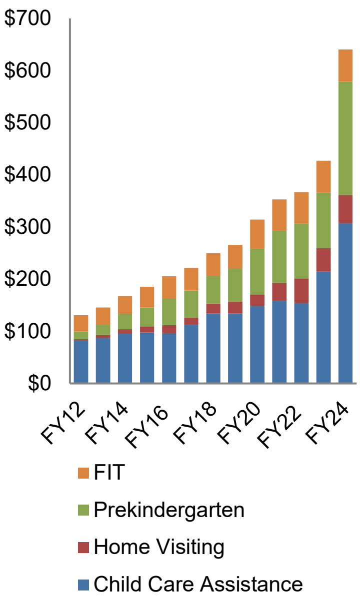
Tracking postgraduation outcomes has been a challenge for colleges and universities and there is a lack of information on whether graduates are able to secure employment, wages for college graduates by field, and the number of students leaving the state after graduation. Moving forward, higher education institutions should place additional emphasis on determining student outcomes and creating strategies to help students better transition from college to career.

PERFORMANCE REPORT CARD
Early Childhood Education and Care Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

Recurring Early Childhood Funding History*
(in millions)



*Note: Federal Head Start program and State K-12 Plus and Early Literacy programs not included

The Early Childhood Education and Care Department (ECECD) added several additional measures in FY24 for the support and intervention program. Several measures are annually reported at the close of FY24. Performance between the second and third quarters was relatively stable.

Family Support and Intervention

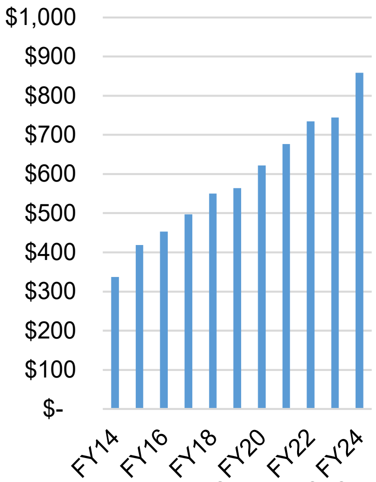
The program primarily consists of three components: the Family, Infant, Toddler (FIT) developmental disabilities intervention program, the Families First case management program, and the Home Visiting parental education and support program. This program has achieved its performance targets, particularly in terms of families making progress in cultivating positive parent-child interactions and ensuring children receive regular well-child visits. These metrics serve as indicators of the Home Visiting Program's success in assisting new families in achieving health and developmental milestones for their young children. However, recent LFC research indicates only 7 percent of families complete the program, meaning families are not receiving the full benefit of the services. The program has reported an enrollment of only 400 families in the Medicaid-Funded Home Visiting Program, far short of the performance target of 1,250 and below the previous fiscal year.

Budget: $77,212.4 **FTE:** 59	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of families enrolled in Medicaid Home Visiting	299	440	1,250	356	365	400	R
Average annual number of home visits per family	27	19	12	Reported Annually			
Percent of children enrolled in Home Visiting for longer than six months who receive regular well-child exams as recommended by the American Academy of Pediatrics	86%	88%	86%	87%	91%	91%	G
Percent of parents participating in the New Mexico home-visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions as demonstrated by the state-approved, evidence-based screening tool	73%	79%	78%	84%	84%	78%	G
Percent of women enrolled in Families First who are eligible for Medicaid and access prenatal care by the 28 week of pregnancy	93%	90%	93%	98%	73%	97%	G
Percent of children making significant improvement annually in social emotional skills, knowledge and skills and appropriate behavior	New	New	75%	Reported Annually			
Percent of women that are pregnant when they enroll in Home Visiting who access postpartum care	93%	90%	90%	80%	80%	82%	R
Percent of eligible infants and toddlers with individual family service plan for whom an initial evaluation and initial assessment and an initial individual family service plan meeting were conducted within the 45-day timeline	New	93%	100%	92%	94%	93%	Y

Percent of Home Visiting families with face-to-face visits, monthly	New	New	NA	91%	91%	90%	G
Percent of families enrolled in Families First by the 28 week of pregnancy	New	New	80%	62%	63%	55%	R
Percent of families enrolled in Home Visiting by the 28 week of pregnancy	New	New	23%	76%	75%	39%	G
Percent of families enrolled in Home Visiting who receive safe sleep education and supporting materials and follow the recommended safe sleep practices	New	New	75%	81%	82%	82%	G
Percent of women enrolled in Home Visiting who are eligible for Medicaid and access prenatal care by the 28 week of pregnancy	New	New	80%	95%	88%	95%	G
Percent of women who are pregnant when they enroll in Families First and access postpartum care	New	New	70%	100%	100%	100%	G
Percent of Comprehensive Addiction and Recovery Act families connected to agency services and supports	New	New	55%	Reported Annually			
Percent of children performing at categorical age expectations annually, to include positive social and emotional skills, knowledge and skills, and appropriate behavior	New	New	75%	Reported Annually			
Program Rating	R	R					Y

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

Childcare Assistance Average Monthly Cost per Child
(March 2024)



Source: ECECD

Early Education, Care, Nutrition, and Prekindergarten

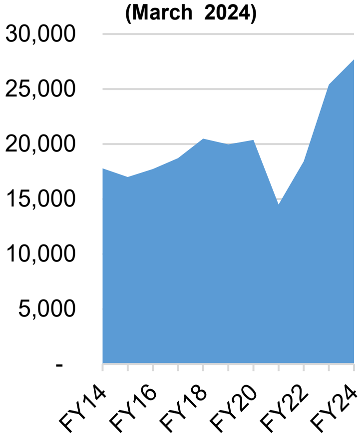
The Early Education, Care, and Nutrition Program is primarily composed of Childcare Assistance, the Family Nutrition Bureau, and Prekindergarten. Prior to the pandemic, Childcare Assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. However, in fall 2020, enrollment declined significantly to 15 thousand. In FY21, average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to $676, or $8,117 annually. At the close of FY22, monthly enrollment had increased to nearly 22 thousand, and the average monthly cost was at $734, or $8,810 annually. In April 2022, ECECD announced Childcare Assistance income eligibility would increase to 400 percent of the federal poverty level (FPL) and all copayments would be waived. As of FY24, enrollment has increased to around 30 thousand.

Budget: $542,801.0 **FTE:165**	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Percent of children who were enrolled for at least six months in the state-funded New Mexico prekindergarten program who score at first step for	New	New	80%	Reported Annually			

kindergarten or higher on the fall observation kindergarten observation tool.							
Percent of infants and toddlers participating in the childcare assistance program enrolled in childcare programs with four- or five-stars	60%	58%	60%	63%	62%	66%	G
Percent of children participating in public and private state-funded New Mexico prekindergarten program for at least six months showing measurable progress on the school readiness spring preschool assessment tool.	Not Reported	92%	90%	Reported Annually			
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, who are proficient in math in kindergarten	NA	63%	75%	Reported Annually			
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, that are proficient in literacy in kindergarten	NA	60%	75%	Reported Annually			
Average length of time enrolled in months for families receiving childcare assistance	New	New	12	Not Reported	18.6	18.6	G
Percent of children attending full-time child care, defined as 30 hours or more a week	New	New	72%	81%	70%	70%	Y
Percent of enrolled families at or below 125 percent of the federal poverty level	New	New	65%	43%	43%	42%	R
Program Rating	R	R					Y

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

Childcare Assistance Enrollment by Fiscal Year
(March 2024)



Source: ECECD

Policy, Research and Quality Initiatives

The Policy, Research and Quality Initiative Program's primary purpose is to manage initiatives to improve the quality of early childhood education and care programs and professional development support for providers. The program also provides data assessment and support in addition to policy development for the department. The program leads the state's childcare tiered quality rating and improvement system, Focus. The department reported meeting three of the targeted performance measures but was unable to provide early childhood workforce information and early childhood professionals receiving support from infant early child mental health consultants.

Budget: $21,101.2 **FTE:** 29.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of early childhood professionals, including tribal educators, with degrees or credentials in early childhood related fields	NA	Not Reported	50%	Reported Annually			
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system	51%	64%	60%	65%	65%	65%	G
Percent of licensed childcare providers participating in Focus	60%	60%	50%	61%	61%	62%	G

tiered quality rating and improvement system at the four- and five-star level							
Number of infant early child mental health professionals trained and onboarded	New	New	15	15	15	15	G
Percent of early childhood professionals receiving support from infant early child mental health consultants	New	New	10	Not Reported	Not Reported	32%	R
Program Rating	R	R					Y

PERFORMANCE REPORT CARD
Children, Youth and Families Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

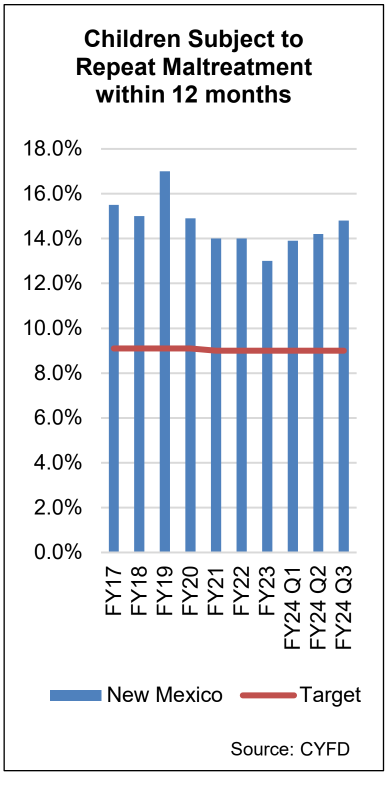
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

***Kevin S., et al. v. Blalock and Scrase* Lawsuit Settlement**

The lawsuit against CYFD alleged:

- Systemic failures resulting in harm to children in foster care,
- Lack of stable placements,
- Behavioral health needs unmet,
- No trauma sensitive system, and
- Little behavioral health capacity.
-

A settlement agreement committed CYFD to improve Protective Services caseloads, increase the number of resource (foster care) and community-based placements, expand access to children's behavioral health services, among other commitments.



New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of the initial allegation, and in the third quarter of FY24 the state's reported rate of repeat maltreatment worsened to 14.8 percent. The state has enacted legislation and significantly increased appropriations for evidence-based approaches to reduce and prevent maltreatment, though these strategies have not yet been implemented statewide. During the first three quarters of FY24, the number of youths in foster care increased over FY23, reversing prior trends. In addition, the department continues to face challenges recruiting and retaining a professional social worker workforce, though turnover within Protective Services has improved. Other indicators of repeat maltreatment and protective services performance are trending in a negative direction. While several indicators in juvenile justice are trending in a positive direction, the number of youths in juvenile justice facilities has increased after years of decline.

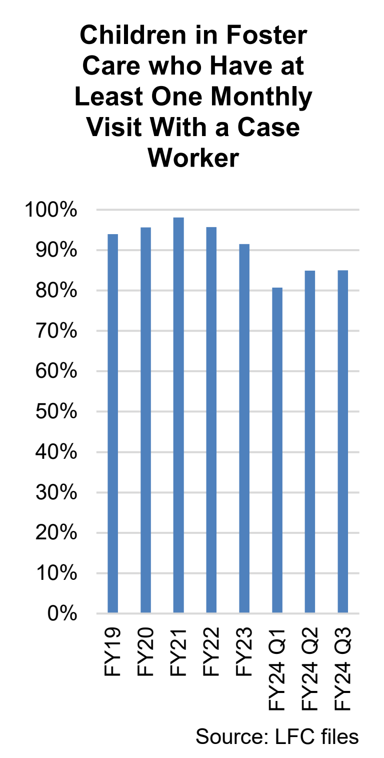
Protective Services

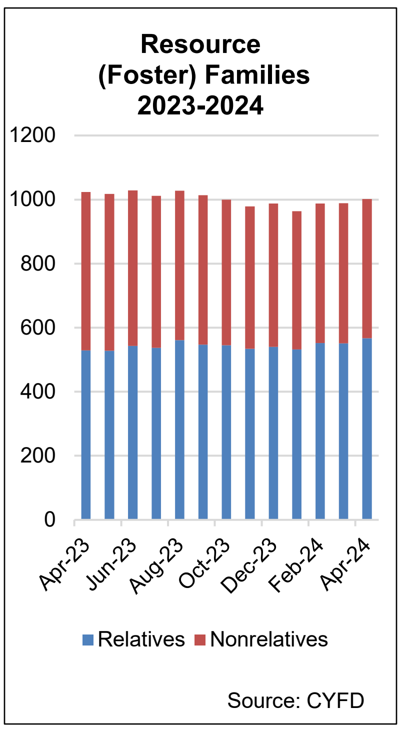
Prevention. Prevention and early intervention are key to reducing maltreatment and repeat child maltreatment, and several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. Between FY18 and FY23, CYFD preventive services expenditures grew significantly, though these expenditures remain less than 5 percent of all protective services expenditures. During the same period, repeat maltreatment hovered around 14 percent, well above the national benchmark of 9 percent. The repeat maltreatment measure is an indicator of how successfully CYFD is facilitating families' engagement in secondary prevention and intervention services. The greatest opportunity to intervene and prevent repeat maltreatment exists near the initial case, and the repeat maltreatment data reflects organization practice roughly a year prior. Within Protective Services, CYFD also reports the agency launched a Safety Practice Quality Assurance Team to review investigation cases to ensure safety practice, reduce risk, and build infrastructure to reduce repeat maltreatment. The agency is using the safe systems tool to review all child fatality cases that involve prior CYFD contact and other critical incidents and has reviewed 28 cases to date.

Previous LFC reports have noted New Mexico is missing out on federal revenue to fund evidence-based programs to prevent and reduce child maltreatment because New Mexico does not have an approved Families First Prevention plan. CYFD reports continuing work to submit a a plan that will be approved by the federal government.

Foster Care. The number of children in foster care in New Mexico steadily declined from FY17 to FY23, when the trend reversed. In April 2024 2,037 youth were in foster care. Between April 2023 and April 2024, 1,030 youth entered foster care and 612 youth exited foster care, and the percent of children who achieved permanency within 12 months has declined since FY22. In addition, 328 youth were placed in short stays, a foster care placement of less than eight days between April 2023 and April 2024, a figure that, if counted with foster care entries, would total 17 percent.

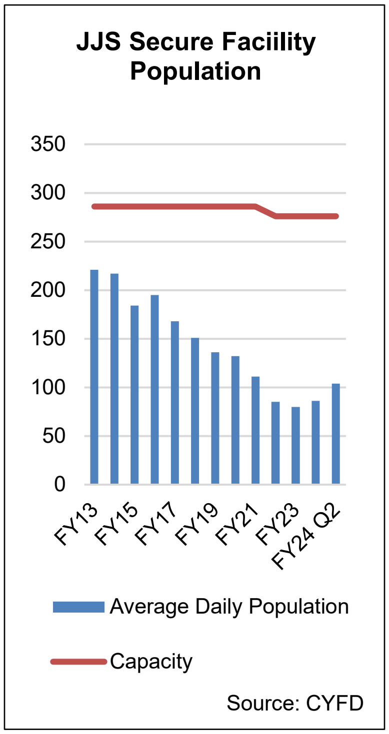
In the third quarter, several of the measures related to time to permanency continued to fall below targets or trend in a negative direction. The department also reports restructuring Protective Services to include a dedicated team in each county office

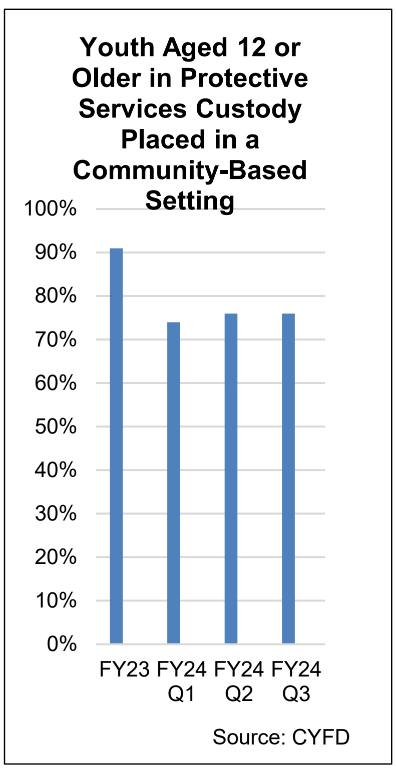




focused on recruiting and retaining foster families, and this team meets monthly to address recruitment and retention of foster families (resources homes). Nevertheless, the third quarter rate of 7.3 moves per 1,000 days of care is well above the performance target of four moves.

Budget: $226,884.3 **FTE:** 1,171	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Maltreatment							
Percent of children in foster care who have at least one monthly visit with their case worker*	98%	92%	None	81%	85%	85%	NA
Children who were victims of a substantiated maltreatment report who were victims of another substantiated maltreatment allegation within twelve months of their initial report	14%	13%	9%	14%	14%	15%	R
Rate of maltreatment victimizations per one hundred thousand days in foster care within a rolling twelve month period	14.7	13.0	8.0	12.2	11.8	10.53	Y
Families that participated in in-home services or family support services and did not have a subsequent substantiated report within the next twelve months	75%	80%	80%	74%	73%	73%	R
Fatalities or near-fatalities in a rolling twelve-month period that had protective services involvement in the twelve months preceding the incident	Reported differently	Reported differently	5%	47%	39%	59%	R
Average statewide central intake call center wait time (in seconds)	30	29	50	28	141	69	Y
Foster Care							
Turnover rate for protective services workers	37%	37%	25%	32%	32%	29%	Y
Of the children who enter care during a 12-month period and stay for greater than 8 days, placement moves rate per 1,000 days of care	5.7	7.6	4.0	8.2	7.1	7.3	R
Children in foster care more than eight days who achieve permanency within twelve months of entry into foster care	36%	33%	42%	34%	34%	33%	R
Children removed during a rolling twelve-month period who were initially placed with a relative or fictive kin	New	New	50%	41%	39%	36%	Y
Children in foster care for twenty-four months or more at the start of a twelve-month period who achieve permanency within twelve months	38%	31%	42%	29%	26%	26%	R
Foster care placements currently in kinship care settings	49%	52%	55%	52%	53%	53%	Y
Children in foster care for twelve to twenty-three months at the start of a twelve-month period who achieve permanency within those twelve months	42%	34%	50%	39%	40%	37%	R





Eligible youth who enroll in fostering connections upon emancipation from foster care	New	New	93%	83%	89%	85%	R
Program Rating	R	R					R

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

Juvenile Justice Services

Over the last decade, the number of youths incarcerated in secure juvenile justice facilities has steadily decreased from the state's peak as CYFD has implemented evidence-based practices. However, during FY24, the number of youths in secure Juvenile Justice Services (JJS) facilities has increased, from an average census of 80 in FY23 to an average census of 104. This increase may be due, in part, to changes CYFD has made to override a validated risk assessment tool and an increase in the number of youths charged with violent crimes in the 2nd Judicial District. Average daily census remains below capacity in the state's two secure juvenile justice facilities, the Youth Diagnostic and Development Center in Albuquerque and the J. Paul Taylor Center in Las Cruces. Several metrics reflected positive trends compared to the prior quarter, including a reduction in turnover among youth care specialists, an increase in the rate at which clients successfully complete informal probation, improvements in recidivism rates, and reductions in physical assaults within secure facilities.

Budget: $81,145.7 **FTE:** 754.5	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Turnover rate for youth care specialists	39%	16%	21%	42%	37%	26%	Y
Percent of clients who successfully complete formal probation	87%	93%	93%	89%	92%	87%	Y
Percent of clients who successfully complete informal probation	Not reported	Not reported	80%	92%	90%	92%	G
Number of substantiated complaints by clients of abuse or neglect in juvenile justice facilities	2	4	3	0	0	0	G
Percent of youth discharged from active field supervision who did not recidivate in the following two-year period	85%	87%	88%	86%	85%	87%	Y
Rate of physical assaults per one thousand days youth spent in facilities	0	NA	3.75	7.9	6.5	3.3	Y
Percent of Indian Family Protection Act youth formally supervised in the community whose tribe was notified of juvenile justice involvement	85%	75%	90%	Not reported	Not reported	Not reported	R
Percent of youth discharged from a secure facility who did not recidivate in the following two-year time period	65%	55%	45%	54%	64%	70%	G
Youth served by juvenile justice who are placed in a less-restrictive, community-based setting	New	New	93%	94%	95%	91%	G
Program Rating	R	R					Y

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

Behavioral Health Services

CYFD is on track to increase the number of community-based behavioral health personnel by 50 percent according to the measure focused on community-based behavioral health personnel who deliver multisystemic therapy, family peer support services, high-fidelity wraparound, and infant mental health services. In FY23, the agency reported 126 providers. In FY24, the department received $963.4 thousand to establish three more community behavioral health clinician teams. While the Behavioral Health Services program is near the target for ensuring targeted juvenile justice clients receive consultation from a community behavioral health clinician, the department is far consultation from a clinician in the third quarter. Only 76 percent of youth in Protective Services custody over the age of 12 were placed in a least restrictive environment, 9 percent below the performance target and 15 percent below FY23 actuals.

Budget: $54,529.3 **FTE:** 121	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent change in number of community-based behavioral health personnel, that support children and youth to remain in their community	41%	126%	50%	14%	31%	23%	G
Infant mental health program participants showing improvement developmentally through clinical assessment and observation	100%	NA	100%	83%	82%	93%	Y
Domestic violence program participants who agree or strongly agree that because of their participation in the program as a parent, they have a better understanding of the impact that domestic abuse/ violence can have on children	Reported differently	94%	95%	95%	96%	96%	G
Percent of youth aged twelve or older in protective services custody who are placed in a less restrictive, community-based setting	Reported differently	91%	85%	74%	76%	76%	R
Percent of domestic violence program participants who agree or strongly agree that staff and advocates regularly discuss their safety needs, including specific things they can do to keep themselves safe	93%	90%	95%	92%	92%	92%	Y
Clients enrolled in multisystemic therapy who demonstrate improvement in one or more behavioral health outcomes	90%	89%	93%	94%	93%	91%	G
Percent of protective services-involved youth in the target population who receive consultation from a community behavioral health clinician	Reported differently	66%	75%	16%	19%	19%	R
Percent of juvenile-justice involved youth in the estimated target population who have received consultation from a community behavioral health clinician	Reported differently	Reported differently	80%	66%	73%	68%	Y
Program Rating	Y	Y					Y

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Health Care Authority
Third Quarter, Fiscal Year 2024

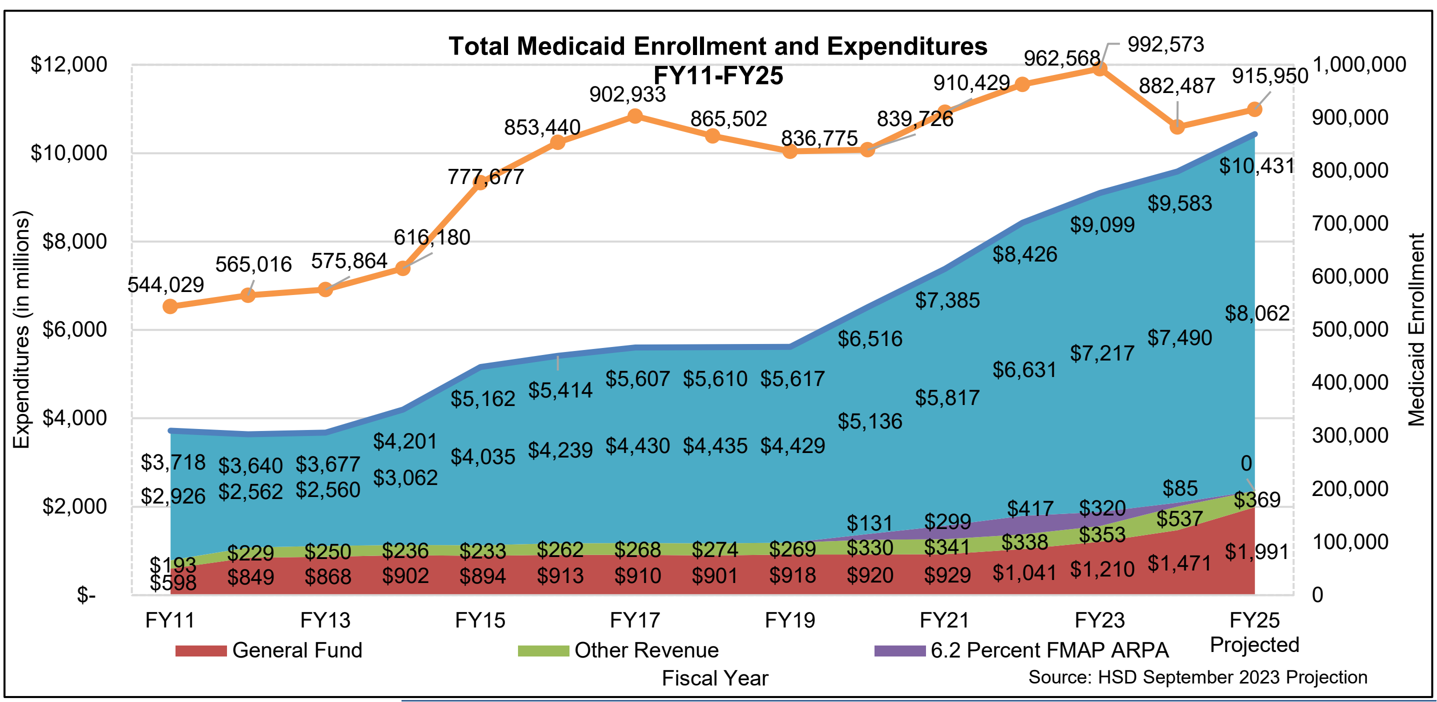
ACTION PLAN

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

The Legislature has invested heavily in Medicaid over the last decade, including hundreds of millions in the past five years for provider rate adjustments. For FY25 and beyond, the Legislature built on these increases by injecting more than $1 billion for additional rate adjustments primarily to hospitals, but also to increase reimbursement for rural primary care and developmental disability service providers. However, in the past, because of the need to negotiate and seek Medicaid state plan amendments through the federal government, these rate adjustments are not always timely and many of the rates from FY24's legislative session will not be effective until January 2025. With close to half of the state's population enrolled in the Health Care Authority's (HCA) Medicaid Program, the authority will need to ensure new rate adjustments and other spending initiatives reach the intended providers and result in expanded provider networks. However, given the investment, performance is not improving, and the department sustained several red ratings.

With these investments, the Legislature is expecting to see improvements in access to care. The significant health challenges experienced by the state's Medicaid population, roughly half of all New Mexicans, will likely not improve if Medicaid enrollees continue having trouble making appointments. With greatly expanded funding, enhancing access to healthcare should be the priority.

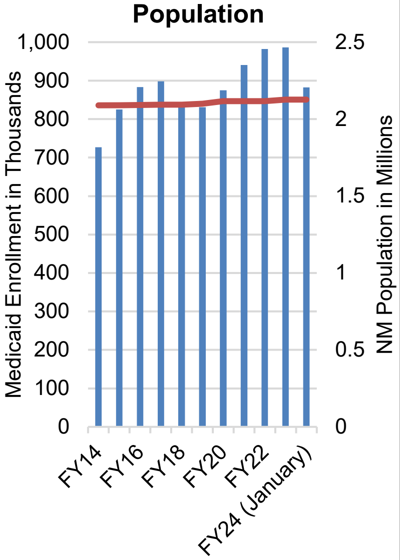
Projecting Future Needs. The Health Care Authority's December 2023 monthly statistical report, released in February, indicates there were 882,487 individuals that received Medicaid, 12.2 thousand fewer individuals than the department projected in January based on November data. Available data continues to indicate enrollment is trending downwards given the end of the public health emergency and economic improvement, including increases in labor force participation. The FY25 budget was largely based on the higher estimate. In the future, to ensure funds are allocated appropriately, the department will need to work with LFC to develop consensus and transparency around its budget projections.



NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

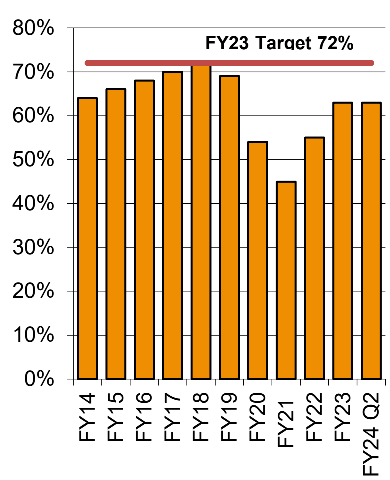
PERFORMANCE REPORT CARD
Health Care Authority
Third Quarter, Fiscal Year 2024

Total Medicaid Enrollment and Population



Source: HSD and FRED

Children in Medicaid Receiving Annual Dental Visit



Source: HSD Quarterly Report

Medical Assistance Division

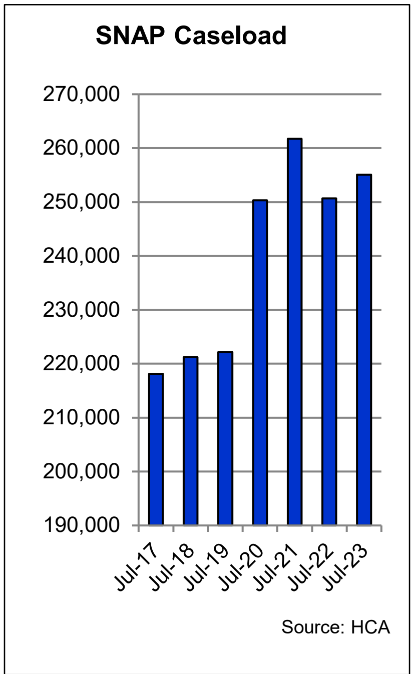
No Medicaid performance targets were met in the three quarters of FY24. The department reports on the measures for well-care visits and dental visits on a calendar year, cumulatively. So FY24 quarter 2 is the annual result and FY24 Q3 is the quarterly result. Either way, the department did not meet the target for these measures. For well-child visits, HCA directed each of the Medicaid managed care organizations (MCOs) to reinvest a portion of the penalty dollars assessed for prior-year missed performance targets into HCA-developed initiatives targeting increasing wellness visits for children. HCA directed MCOs to incentivize providers that offer after-hour and weekend appointments for Medicaid members to receive child wellness visits, including immunizations.

Budget: $8,163,501.1 **FTE:** 221	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months**	45%	63%	N/A	61%	63%	35%	
Children and adolescents ages 3 to 21 enrolled in Medicaid managed care who had one or more well-care visits during the measurement year**	17%	44%	60%	35%	43%	9%	R
Children ages 2 to 20 enrolled in Medicaid managed care who had at least one dental visit during the measurement year**	38%	57%	68%	53%	63%	20%	R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	7%	7%	<5%	8%	8%	6%	R
Hospital readmissions for adults 18 and over within 30 days of discharge	11%	9%	<8%	13%	13%	9%	Y
Emergency department use categorized as nonemergent care	53%	57%	50%	57%	56%	57%	R
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization	60%	80%	80%	64%	66%	62%	R
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was >9 percent during the measurement year	77%	52%	65%	66%	63%	81%	R
Program Rating	R	R					R

*Measure is classified as explanatory and does not have a target.
**Measure is a health effectiveness data and information set (HEDIS) measure and is reported on a calendar year cumulatively. Quarter 3 is expected to be lower.

Income Support Division

The Income Support Division (ISD) fell short of all performance targets. Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads continued to be a drag on the authority's performance. For FY25, the program received $14.1 million to expand the SNAP program. The expansion may further strain workloads leading to diminished performance. However, the authority reports that they implemented processes to improve performance.



The Workforce Solutions Department (WSD) is partnering with ISD to collaborate on employment placements for TANF Career Link Program and Wage Subsidy Program participants. HCA reports it is not meeting timeliness requirements for SNAP enrollments. The federal government requires enrolling 95 percent of expedited cases within seven days. For the third quarter, ISD enrolled 42 percent of expedited SNAP cases within seven days. ISD has hired contract staff to work on Medicaid recertifications and applications to allow ISD staff to work on SNAP applications and recertifications to improve expedited timeliness. Using this method, ISD is slated to increase the overall timeliness in all areas, although timeliness declined from the second to third quarters..

Budget: $1,327,713.6 **FTE: 1,133**	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	96%	38%	98%	36%	31%	30%	R
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	92%	64%	98%	74%	61%	42%	R
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	2%	7%	37%	2%	0.7%	0.4%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	3%	12%	60%	12%	17%	28%	R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	3%	10%	37%	9%	12%	12%	R
Program Rating	R	R					R

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

Child Support Enforcement Division

The Child Support Enforcement Division (CSED) is modernizing the program to set accurate child support obligations based on the noncustodial parent's ability to pay, alongside increasing consistent and on-time payments to families, moving nonpaying cases to paying status, improving child support collections, and incorporating technological advances that support good customer service and cost-effective management practices. CSED expected performance to improve with these efforts; however, performance for all CSED performance metrics fell short of targeted levels but were close to meeting targets in a few areas.

CSED reported child support collections totaled $32 million, resulting in collections falling short of the FY24 per quarter target of $36 million. Beginning in January 2023, the distribution of child support payments moved to a Families First model, with more payments going directly to families and children rather than for TANF recoveries. This change was slated to improve the performance of child support owed that is collected. Performance on that measure was unchanged.

Budget: $39,970.3 **FTE: 370**	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Noncustodial parents paying support per total cases with support orders	52%	50%	58%	50%	50%	52%	R
Total child support enforcement collections, in millions	$130.3	$121	$145	$28	$27	$32	R
Child support owed that is collected	58%	58%	60%	56.8%	58%	58%	Y
Cases with support orders	83%	84%	85%	85%	84%	84%	Y
Total dollars collected per dollars expended	$2.69	$2.43	$4.00	Annual			
Average child support collected per child*	$127.9	$124.5	N/A	$118	$118	$164	Y
Program Rating	R	R					Y

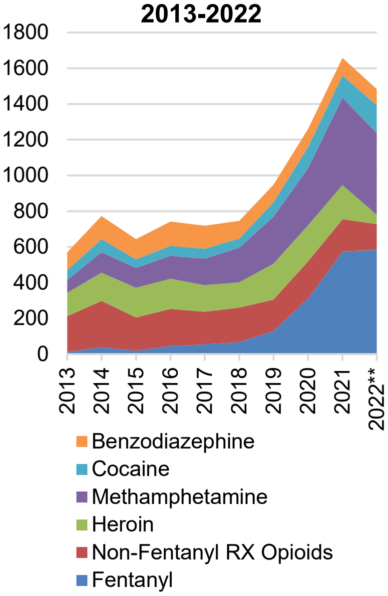
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

Overdose Death by Substance 2013-2022



*Deaths by drug type are not mutually exclusive; polysubstance deaths are common

2022 NMDOH National Violent Death Reporting System. 2022 is provisional and subject to change.

The August 2023 LFC progress report *Addressing Substance Use Disorders* stated that efforts to expand treatment have not kept pace with the increased magnitude of substance use needs. Overdose deaths nearly tripled between 2013 and 2021, with most of the increase occurring in the last few years. The state is investing roughly $800 million annually in the Medicaid behavioral health program, which is the largest payer of substance use treatment in the state and provides behavioral health insurance coverage to nearly half of all New Mexicans. Despite these investments, New Mexico has not yet been able to reverse trends in substance-related deaths.

When the Behavioral Health Collaborative (BHC) was established in 2004, the goal was to coordinate services for a system of behavioral health care. However, the collaborative has not met in close to a year and there is no executive appointed to operate the collaborative. The collaborative's executive is responsible for ensuring coordination of services across agencies and to develop strategic and master plans. This is not currently happening.

Existing Problem

In 2023, according to Kaiser Family Foundation data, about 36 percent of adults in New Mexico reported anxiety or a depressive disorder. Concurrently, as of 2021, New Mexico had the fourth highest suicide rate in the nation, a rate of 25.4 per 100 thousand people. Kaiser also reported that in 2022, 31 percent of New Mexicans with anxiety or a depressive disorder had an unmet need for counseling or therapy while the federal government reported the percentage of need met for mental health professionals was 18.2 percent compared with the percentage met in the United States of 28 percent.

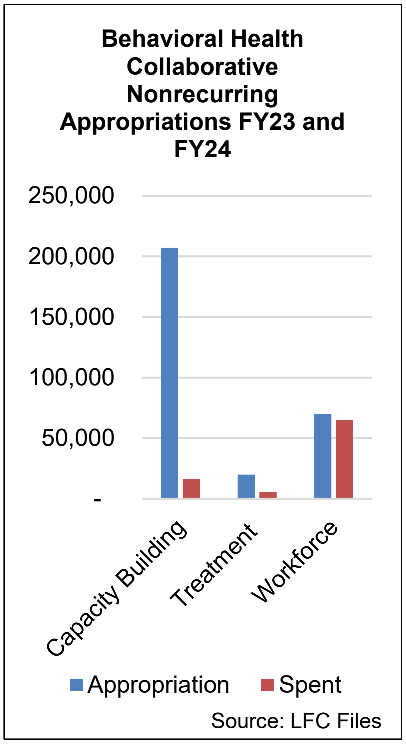
Drug overdose deaths increased in the state from 26 per 100 thousand in 2011 to 52 per 100 thousand in 2021. During that time, drug overdose death rates increased from 13.2 to 32.4 per 100 thousand nationally. In 2021, the Department of Health reported 1,029 drug overdose deaths in New Mexico, or about three people daily.

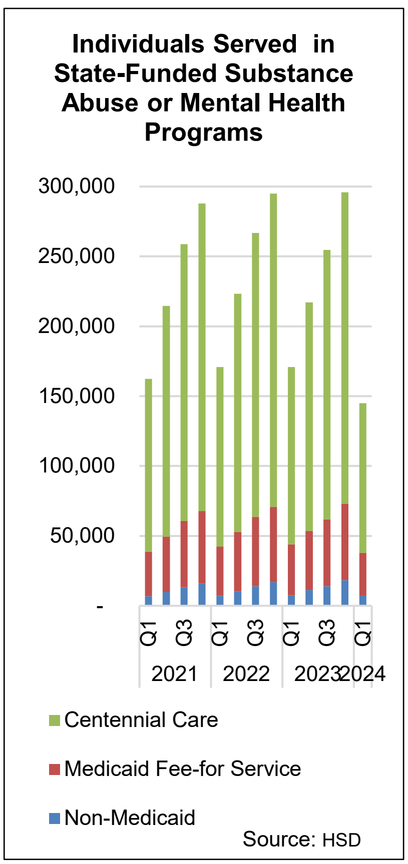
Change in Medicaid Managed Care Behavioral Health Providers by Population Size

County Designation	Percent Change 2019-2020	Percent Change 2020-2021	Percent Change 2021-2022	Percent Change 2022-2023
Metro - Counties in metro areas of 250,000 to 1 million population	4%	7%	9%	10%
Metro - Counties in metro areas of fewer than 250,000 population	17%	-3%	10%	10%
Nonmetro - Urban population of 20,000 or more, adjacent to a metro area	42%	-18%	17%	0%
Nonmetro - Urban population of 20,000 or more, not adjacent to a metro area	4%	18%	15%	8%
Nonmetro - Urban population of 5,000 to 20,000, adjacent to a metro area	12%	6%	9%	3%
Nonmetro - Urban population of 5,000 to 20,000, not adjacent to a metro area	10%	10%	4%	4%
Nonmetro - Urban population of fewer than 5,000, adjacent to a metro area	286%	-74%	57%	-27%
Nonmetro - Urban population of fewer than 5,000, not adjacent to a metro area	18%	0%	-11%	15%
Out of State	71%	34%	-7%	6%
Grand Total	11%	6%	9%	9%

Source: LFC Analysis of MCO Reports

PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Third Quarter, Fiscal Year 2024





Behavioral Health System of Care

In 2024, BHSD reports there are 7,754 prescribing and 5,149 nonprescribing Medicaid behavioral health providers in New Mexico. Behavioral health providers grew from 4,955 in 2022 to 5,511 in 2023, an increase of 556 providers. The total number of behavioral health encounters increased from about 2.5 million in 2020 to slightly over 3 million encounters in 2022. Approximately 75 percent of all people served were Medicaid managed care members, 19 percent were Medicaid fee-for-service members, and 6 percent were non-Medicaid beneficiaries. The top five behavioral health provider types were psychiatrists and other physicians; nurse/certified nurse practitioners (CNPs), which includes psychiatric certified CNPs; federally qualified health centers; licensed clinical social workers; and licensed professional clinical counselors.

Provision of Behavioral Health Services. In the third quarter of FY24, the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days remained largely flat with FY23 and below the target of 51 percent. The division reports that it is a bigger challenge to accomplish community follow-up with the adult population than with the younger population. For example, follow up for people ages 6 through 17 exceeds the annual combined target of 51 percent. The division says the MCOs continue to develop interventions to maintain and improve performance on this measure, although the data does not currently reflect these efforts.

Budget: $99,404.8 **FTE:** 70	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	43%	43%	42%	46%	47%	40%	R
Medicaid members discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	32%	35%	51%	36%	36%	43%	R
Persons receiving telephone behavioral health services through Medicaid and non-Medicaid programs.	62,439	48,718	30,000	18,721	30,496	42,046	G
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	10%	10%	5%	15%	10%	8%	R
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	212,486	217,126	212,486	254,586	295,987	144,880	Y
Emergency department visits for Medicaid members ages 13 and older with a principal diagnosis of alcohol or drug dependence who receive follow-up visit within seven days and 30 days	12% 7 day; 20% 30 day	21% 7 day; 34% 30 day	25%	22% 7 day; 35% 30 day	21% 7 day; 34% 30 day	20% 7 day; 28% 30 day	Y
Program Rating	R	R					Y

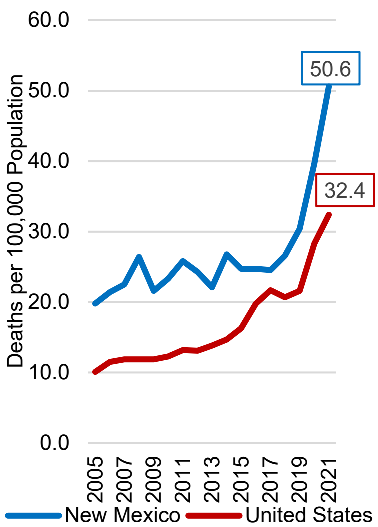
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Department of Health
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

Drug Overdose Death Rates, New Mexico and United States 1990-2021



Note: Rates are age adjusted to the US 2000 standard population
Source: United States - CDC Wonder;

The Department of Health (DOH) reported mixed results in performance across the agency during the third quarter of FY24. State health indicators, particularly those related to substance use disorder, have contributed to overall declines in the health outcomes of at-risk populations in the state. Despite ongoing efforts, there remain significant challenges in addressing the social determinants of health that exacerbate these issues. The DOH continues to focus on implementing interventions and community health initiatives aimed at improving public health infrastructure and access to care.

Public Health

The Public Health Division (PHD) mission is to work with individuals, families, communities, and partners to improve health, eliminate disparities, and ensure timely access to quality, culturally competent healthcare. The program reported mixed performance during the third quarter, with programs dedicated to smoking cessation activities continuing to report low performance. Tobacco use can lead to nicotine dependence and serious health problems. Nationally, public health programs have focused on reducing nicotine use to prevent the risk of developing smoking-related diseases. Research has shown that comprehensive tobacco cessation programs can significantly reduce smoking rates and improve health outcomes. Effective strategies include behavioral counseling, pharmacotherapy, and community-based interventions. The CDC also emphasizes the importance of policies such as smoke-free laws, increasing the price of tobacco products, and mass media campaigns to discourage smoking. Additionally, the program is unlikely to meet targeted performance overdose reversals which is harm reduction program. Drug harm reduction is a public health approach aimed at minimizing the negative health, social, and legal impacts associated with drug use.

Budget: $248,764.8 **FTE:** 816.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of female New Mexico department of health's public health office family planning clients, ages fifteen to nineteen, who were provided most or moderately effective contraceptives	86%	88%	88%	88%	83%	83%	R
Percent of school-based health centers funded by the department of health that demonstrate improvement in their primary care or behavioral healthcare focus area	91%	96%	95%	Reported Annually			
Percent of New Mexico adult cigarette smokers who access New Mexico Department of Health cessation services	1.9%	1.3%	2.6%	0.2%	0.3%	0.3%	R
Number of successful overdose reversals in the harm reduction program	3,420	3,025	3,200	678	676	619	R
Percent of preschoolers ages nineteen to thirty-five months indicated as being fully immunized	66%	69%	66%	71%	74%	73%	G
Number of community members trained in evidence-based suicide prevention practices	New	775	700	404	216	357	G
Program Rating	R	Y					Y

Epidemiology and Response

The Epidemiology and Response Division (ERD) is dedicated to monitoring health, disseminating health information, preventing disease and injury, promoting healthy behaviors, responding to public health events, preparing for health emergencies, and providing emergency medical, trauma, and vital records services to New Mexicans. The program's performance metrics focus on improving health status, reducing substance use deaths, and preventing suicide. Despite these efforts, the program has consistently fallen short of meeting its key performance targets.

The federal Centers for Disease Control and Prevention recommend concerted action to stop the increase of newborn syphilis cases and continues to sound the alarm about the consequences of a rapidly accelerating epidemic of sexually transmitted infections in the United States. Syphilis during pregnancy can cause tragic outcomes, like miscarriage, stillbirth, infant death, and lifelong medical issues. Newborn syphilis occurs when mothers do not receive timely testing and treatment during pregnancy. New CDC data reveal that more than 3,700 babies were born with syphilis in 2022, which was more than 10 times the number in 2012. The increase in newborn syphilis follows rising syphilis cases among women of reproductive age combined with social and economic factors that create barriers to high-quality prenatal care.

Budget: $64,501.3 **FTE:** 363.0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis	New	294	300	59	45	61	R
Percent of death certificates completed by bureau of vital records and health statistics within ten days of death	50%	53%	64%	56%	58%	53%	R
Percent of hospitals with emergency department based self-harm secondary prevention programs	5%	2.7%	7%	2.5%	2.5%	2.5%	R
Rate of persons receiving alcohol screening and brief intervention services	54%	25%	73%	NA	NA	NA	R
Program Rating	R	R					R

Scientific Laboratory

The Scientific Laboratory Division (SLD) provides a wide variety of laboratory services to programs operated by numerous partner agencies across New Mexico. The activities of SLD in support of state agencies are mandated in statute and are essential for the successful mission of the programs it supports. The program met its targeted performance.

Budget: $17,089.7 **FTE:** 138	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within fifteen calendar days	New	86%	80%	95%	94%	96%	G
Program Rating	G	G					G

Facilities Management

The Facilities Management Division (FMD) supports the mission of the Department of Health (DOH) by offering mental health, substance abuse, long-term care, and physical rehabilitation programs. These services are provided in both facility and community-based settings, serving as a safety net throughout New Mexico. FMD oversees six healthcare facilities and one community program, catering to individuals with complex medical conditions or behavioral health support needs. However, the occupancy of licensed beds in facilities statewide remains significantly below target levels. Lower than anticipated revenues combined with high personnel and contract costs continue to strain the program's finances.

Budget: $191,130.7 **FTE:** 1,913.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of medication errors causing harm per one thousand patient days within identified categories	0.2	0	1	0	0	0	G
Percent of medical detox occupancy at Turquoise Lodge Hospital	69%	76%	80%	90%	53%	68%	R
Percent of medication assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital	73%	100%	85%	100%	100%	100%	G
Percent of patients educated on medication assisted treatment options while receiving medical detox services	89%	83%	100%	100%	100%	100%	G
Percent of patients eligible for naloxone kits who received the kits	83%	52%	90%	100%	100%	100%	G
Percent of licensed beds occupied	52%	47%	80%	56%	53%	56%	R
Percent of eligible third-party revenue collected at all agency facilities	93%	89%	93%	80%	85%	95%	G
Program Rating	R	Y					Y

Developmental Disabilities Supports

The Developmental Disabilities Supports Division (DDSD) administers a system of person-centered community supports and services that promotes positive outcomes for all stakeholders. DDSD is the primary state agency that funds community services and supports for people with disabilities and their families in New Mexico.

Budget: $204,041.7 **FTE:** 192	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of adults between ages twenty-two and sixty-two served on a developmental disabilities waiver (traditional or mi via) who receive employment supports	9.8%	9.5%	27%	8.6%	8.5%	8.5%	R
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)	85%	90%	86%	92%	91%	92%	G
Percent of developmental disabilities waiver applicants who have a services plan and budget in place within ninety days of income and clinical eligibility determination	96%	87%	95%	85%	67%	77%	R
Program Rating	R	Y					Y

Health Certification and Oversight

The Health Certification Licensing and Oversight Division ensures healthcare facilities, community-based Medicaid waiver providers, and community support services deliver safe and effective healthcare and community services in accordance with laws, regulations, and standards of practice.

Budget: $20,335.7 **FTE:** 203	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
CMS: Percent of nursing home survey citation(s) upheld when reviewed by the Centers for Medicare and Medicaid Services and through informal dispute resolution process	88%	97%	90%	88%	100%	100%	G
IDR: Percent of nursing home survey citation(s) upheld when reviewed by the Centers for Medicare and Medicaid Services and through informal dispute resolution process	57%	51%	90%	88%	83%	66%	R
Percent of abuse, neglect, and exploitation investigations completed according to established timelines	95%	95%	95%	95%	72%	83%	R
Program Rating	Y	Y					Y

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

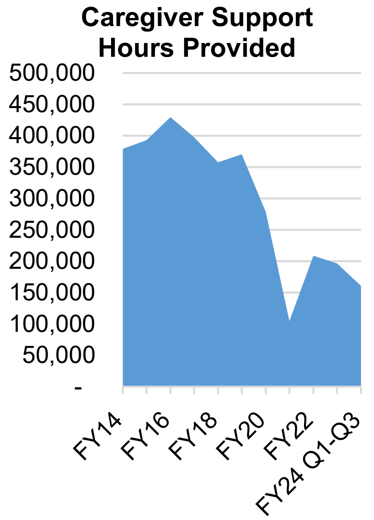
PERFORMANCE REPORT CARD
Aging and Long-Term Services Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

The Aging and Long-Term Services Department (ALTSD) reported some improvement in performance during the third quarter of FY24. The department's mission is to serve older adults and adults with disabilities so they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

Consumer and Elder Rights



Source: ALTSD

During the second quarter of FY24, the Aging and Disability Resource Center (ADRC) received 8,136 calls, averaging 132 per day. This volume is consistent with the end of FY23 but remains lower than pre-pandemic levels. During this quarter, the ADRC operated with an average of nine FTE counselors. One counselor is specifically dedicated to handling appointments, walk-ins, callbacks, and overflow. Currently, the ADRC has one vacant FTE. The most common topics of inquiry include assistance with Medicaid, Medicare, senior centers, and Covid-19.

Budget: $5,185.7 **FTE:** 48	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator	52%	81%	90%	73%	76%	76%	R
Percent of calls to the Aging and Disability Resource Center that are resolved in a single contact	New	New	90%	73%	76%	76%	R
Percent of customers satisfied with the outcome of their call to the Aging and Disability Resource Center	New	New	90%	96%	96%	96%	G
Percent of residents who remained in the community six months following a nursing home care transition	86%	98%	90%	99%	99%	99%	G
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	81%	84%	92%	83%	88%	100%	G
Percent of facilities visited monthly	32%	52%	40%	70%	36%	73%	G
Percent of ombudsman complaints resolved within 60 days	99%	100%	99%	98%	100%	100%	G
Program Rating	R	R					Y

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

Adult Protective Services

The Adult Protective Services Program (APS) began reporting on repeat maltreatment substantiations within six months of a previous substantiation of abuse or neglect in FY21. This performance measure assists the state in assessing the effectiveness of the program in preventing maltreatment. In the third quarter of FY24, for the first time the program continued to report an instance of repeat self-neglect. Additionally, the program reported an increase in the number of investigations and may reach annual targeted performance. The program met the performance target for priority investigations, making face-to-face contact quickly.

Budget: $14,408.8 **FTE:** 128	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	5,550	6,863	6,150	2,013	1,752	1,982	G
Percent of emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	100%	99%	99%	98%	G
Percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	0%	0%	2%	0%	0%	.9%	G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	180	409	180	111	103	111	G
Percent of contractor referrals in which services were implemented within two weeks of the initial referral	60%	72%	80%	71%	74%	64%	Y
Number of referrals made to and enrollments in home care and adult daycare services as a result of an investigation of abuse, neglect, or exploitation	238	147	400	63	53	64	G
Percent of priority two investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed time frames	98%	99%	98%	99%	99%	99%	G
Percent of consumers for whom referrals were made, that accessed services and remained in a community setting for six or more months.	New	New	90%	95%	94%	95%	G
Program Rating	R	R					G

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

Aging Network

The Aging Network is on track to meet targeted performance for the hours of caregiver support for FY24, previously the program had struggled to meet pre-pandemic levels. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. The department reported the number of hours of caregiver support were 17,561 hours of respite care, 19,075 of adult daycare, 16,833 hours of homemakers, and 1,303 hours of other support services. Additionally, in FY22 and FY23, the federal government allowed flexibility to include grab and go meals in the home-delivered meals category which significantly increased the reported number of meals. In FY24 this flexibility ended with the expiration of the pandemic emergency.

Budget: $45,535.0 **FTE:** 18	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of older New Mexicans receiving congregate and home-delivered meals through Aging Network programs that are assessed with "high" nutritional risk	15%	17%	17%	20%	19%	20%	G
Number of hours of services provided by senior volunteers, statewide	733,910	472,250	745,000	78,485	92,942	137,681	R

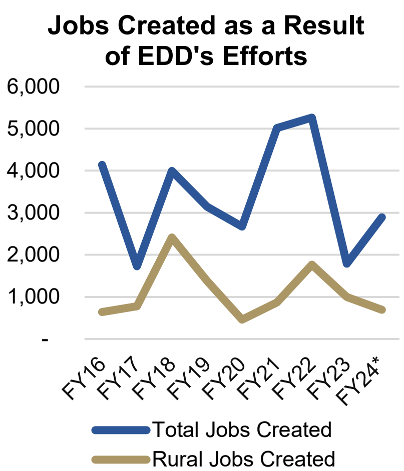
Number of outreach events and activities to identify, contact, and provide information about aging network services to potential aging network consumers who may be eligible to access senior services but are not currently accessing those services	802	764	800	348	209	235	G
Number of meals served in congregate and home-delivered meal settings	4,443,066	4,105,279	4,430,000	989,097	952,998	1,002,562	R
Number of transportation units provided	136,426	223,938	300,000	67,601	62,826	63,667	R
Number of hours of caregiver support provided.	167,701	196,246	167,000	55,380	50,730	54,773	G
Program Rating	R	R					Y

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

PERFORMANCE REPORT CARD
Economic Development Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

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



*Only includes first, second, and third quarters of FY24.

Source: EDD

Projects Approved for LEDA Awards
Third Quarter FY24

Company	Jobs	Private Invest-ment (in millions)	LEDA (in thousands)
Calgon Carbon Corp.	16	$94	$150
Vana LLC	12	$2.60	$90
Turnkey Venture Inc.	222	$11.80	$400
Cinelease Studios	12	$95	$6,700
Sanchez Farms	2	$0.90	$150

Source: EDD

New Mexico added 11.2 thousand jobs in the third quarter of FY24, a year-over-year growth of 1.8 percent. This fiscal year, New Mexico added 29.4 thousand jobs, with the highest growth occurring in the first quarter. The Economic Development Department (EDD) reported creating 424 jobs this quarter through the Local Economic Development Act, Job Training Incentive Program, MainStreet, and New Mexico Partnership. The agency's efforts in the third quarter anticipate bringing in an additional $266.3 million in private and follow-on investment. The department is on track to surpass performance targets for most measures in FY24. The film division had a slow start this fiscal year, but film activity has resumed and increased significantly due to the resolution of nationwide strikes.

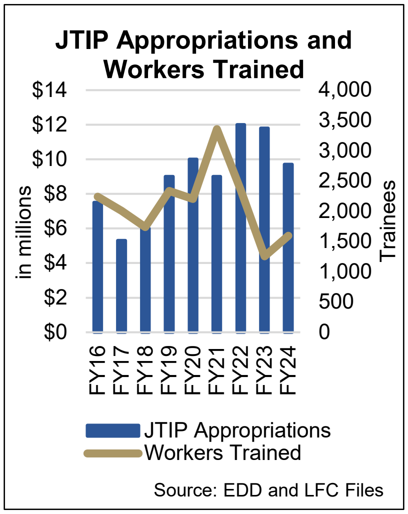
Economic Development

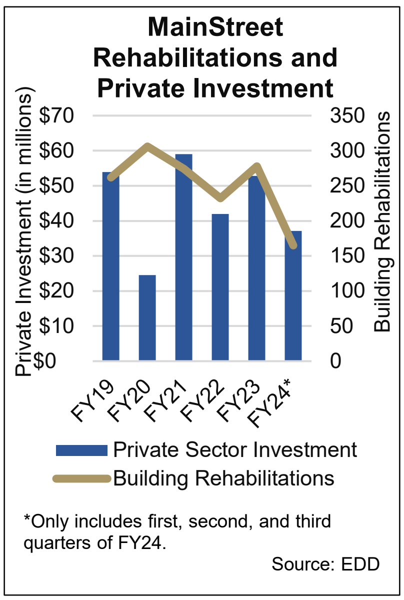
Job Creation. In the third quarter of FY24, EDD reports creating 424 jobs. So far, the agency has created 2,893 jobs in FY24, which is 1,200 jobs short of their target, but the agency anticipates meeting the target. Of the 424 reported jobs, 319 were in rural communities, such as Clovis, Bloomfield, Roswell, Estancia, and Santa Teresa. The average wage of jobs created is $58.2 thousand. The agency assisted 17 companies in the third quarter with programming, grants, and incentives.

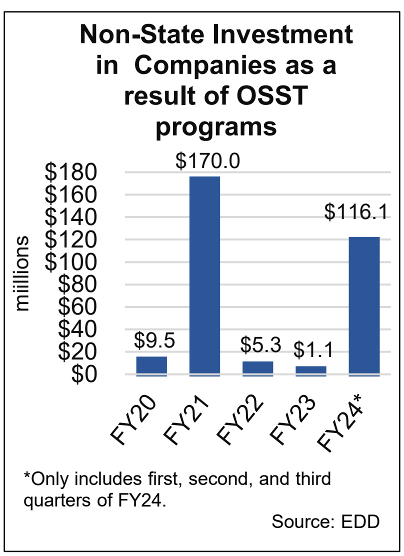
Local Economic Development Act. In the third quarter, EDD committed $7.5 million in Local Economic Development Act (LEDA) funding to five different projects. Those projects intend to invest $204 million over the extent of their agreement—roughly a 27-to-1 ratio of private investment per LEDA dollar. Overall, LEDA projects announced in the third quarter could result in 264 jobs. The average wage of these jobs is $44,973, while the cost per job is $28,371, a 57 percent increase compared to the previous quarter's cost per job of $18,056. As of March 2024, the LEDA fund had a balance of $81.9 million, a decrease of 2.5 percent compared to the previous quarter.

Job Training Incentive Program. In the third quarter, 18 companies and 326 trainees were approved by the Job Training Incentive Program (JTIP) board, of which 92 are in rural areas. Of the total trainees, 85 are high-wage positions, of which 32 are urban, with annual salaries greater than $60 thousand, and eight are rural, with annual salaries greater than $40 thousand. Additionally, three internships and 98 incumbent workers will receive upskills training through Step-Up. The Film Crew Advancement Program (FCAP), one of the two JTIP for film and multimedia programs, approved 11 production companies to train 63 crew members. The average annual salary for the JTIP trainees in the third quarter is $80,585, and the cost per job is $24,395. As of March 2024, the JTIP fund had a balance of $36.8 million.

New Mexico Partnership. New Mexico Partnership did not create any jobs in the third quarter. The agency notes that it had anticipated announcing three projects this quarter, but all projects were delayed due to staffing issues, timeline shifts, and issues with raising local funding. However, the agency anticipates announcing these projects in the final quarter of FY24. These three projects could create 300 jobs in the next three to five years in Hobbs, Lea County, and Gallup. This quarter, the New Mexico Partnership conducted two site visits—one in Hobbs that is in the process of applying for industrial revenue bonds and another in Albuquerque for which New Mexico is one of the three finalists.







Additionally, New Mexico Partnership generated 15 prospective companies—businesses that have identified real estate, labor requirements, and have expressed interest in a potential site in New Mexico. The typical site selection process lasts 24 months.

Budget: $16,991.7 **FTE:** 55	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of jobs created due to Economic Development Department efforts	5,263	1,790	4,000	2,161	308	424	G
Number of rural jobs created due to Economic Development Department efforts	1,766	996	1,320	230	149	319	R
Number of jobs created through business relocations facilitated by New Mexico Partnership	64	165	2,250	1,835	160	0	G
Number of jobs created through the use of LEDA funds	3,447	1,092	3,000	1,920	172	264	G
Average wages in excess of cost per job for projects funded through LEDA	$55,690	$39,870	$27,500	$40,408	$27,759	$16,601	G
Dollars of private sector investment in MainStreet districts, in millions	$42	$52.9	$25	$24.7	$3.5	$9	G
Number of building rehabilitations assisted by the MainStreet program	232	278	200	70	47	41	G
Number of workers trained by JTIP	2,355	1,255	2,000	817	450	326	G
Average hourly wage of jobs funded by JTIP	$23.67	$29.02	NA	$30.34	$25.78	$39.92	G
Dollars of follow-on investment in technology-based companies as a result of OSST programs, in millions	$5.2	$1,062	$2	$64.4	$0.3	$51.4	G
Program Rating	G	Y					G

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

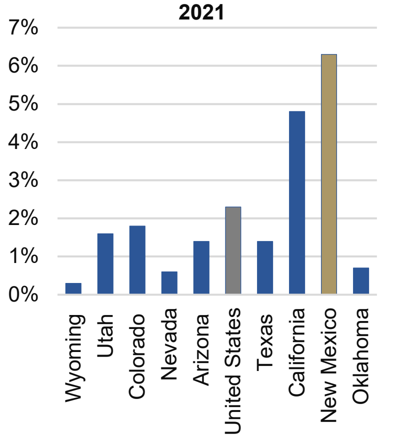
Outdoor Recreation

Trails+ Outdoor Infrastructure Grants. In March 2024, the agency awarded $1.6 million to 12 additional recipients in the third round of Trails+ grant program. These projects expect to create 29 seasonal, part-time, and full-time jobs over the next 24 months. Additionally, the Trails+ funding helped leverage $1.6 million in private and regional matching funds to support jobs and infrastructure investments.

Outdoor Equity Fund. In March 2024, the agency awarded $975 thousand to 33 organizations in the third and final round of Outdoor Equity Fund. The grants ranged from $5 thousand to $40 thousand and will reach 8,879 youth. Awarded projects include $40 thousand to Impact Outdoors to host free workshops, $40 thousand to La Plazita Institute for their outdoor classroom program, and $20 thousand to SheJumps for no-cast camps for underserved youth.

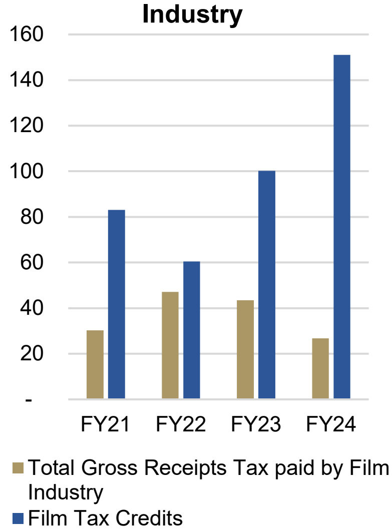
PERFORMANCE REPORT CARD
Economic Development Department
Third Quarter, Fiscal Year 2024

Value Added by Research and Development Sector as a Percent of GDP
2021



Value added is contribution of an industry to gross domestic product. It is calculated by subtracting intermediate inputs from the gross output of the industry.
Source: U.S. Bureau of Economic Analysis

Film Tax Credits and GRT Paid by Film Industry



Source: EDD and Film Office

Budget: $1,175.1 **FTE:** 4	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of new outdoor recreation jobs created by Outdoor Recreation Division*	173	411	NA	250	38	29	G
Number of outdoor recreation conservation and access projects funded and/or led by Outdoor Recreation Division*	44	44	NA	26	12	53	G
Number of youth to benefit from outdoor education programs, including outdoor equity fund grants*	21,904	12,221	NA	20,892	6,498	8,879	G
Program Rating	G	G					G

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

Film

Film production in New Mexico increased significantly during the third quarter due to the resolution of the nationwide film strikes. Production slowly restarted in the second quarter but fully resumed in the third quarter. In the third quarter, the film division estimated 200 thousand film and media worker days, up 497 percent from the second quarter, with a median wage of $69,634. The division also estimated $446 million in direct spending by film industry productions, the largest estimated spending in one fiscal year reported by the division and 470 percent higher than the second quarter. Direct spending by the film industry resulted in $22.1 million in gross receipts tax in the third quarter. The estimated tax credits paid out in FY23 are $100.2 million, which includes $27.2 million from the film partner tax credits. For FY24, the estimated payout is $151.1 million.

Budget: $1,708.50 **FTE:** 8	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of film and media worker days, in thousands	668	533	320	1.4	33.6	200.8	Y
Estimated direct spending by film industry productions, in millions	$855.43	$794.11	$530	$0.83	$78.26	$446	Y
Total wages paid by film industry productions to New Mexico residents, in millions	$157.06	$152.26	$100	$0.40	$8.62	$53.8	Y
Median wages paid by film industry productions to New Mexico residents	$61,069	$73,860	$54,080	$71,258	$66,664	$69,634	G
Total gross receipts taxes paid by film industry productions, in millions	$47.10	$43.41	$25	$0.05	$4.59	$22.1	G
Program Rating	G	G					Y

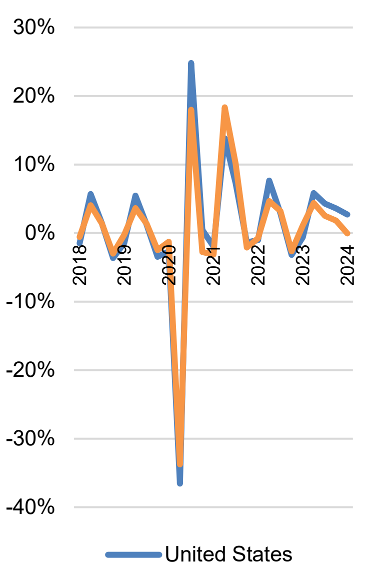
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Tourism Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

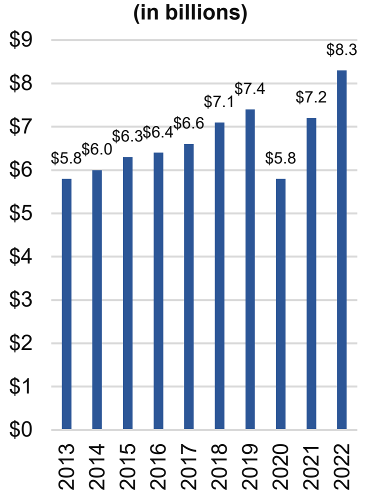
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Percent Change in Leisure and Hospitality Employment



Source: US Bureau of Labor Statistics

Total Visitor Spending in New Mexico (in billions)



Source: Tourism Department

The Tourism Department (TD) is on track to exceed or meet most performance targets for FY24. The only exception is the number of meetings or events conducted with tribes and pueblos, for which the agency is currently hiring a tribal tourism development officer. The agency has completed awarding all grants for the fiscal year and has started preparing for FY25.

Marketing and Promotion

Workforce. In the third quarter of FY24, New Mexico's leisure and hospitality sector lost approximately 1,500 workers, decreasing by 0.5 percent to a current total of 99.4 thousand workers compared the third quarter of FY23. The marginal decline indicates the stabilization of employment levels in these sectors towards pre-pandemic norms. Previous quarters saw significant increases in leisure and hospitality employment as the state recovered from pandemic-related layoffs. However, overall, employment in leisure and hospitality is expected to be slightly higher this fiscal year compared to the previous one. Leisure and hospitality employment represents 10.6 percent of the state's total employment.

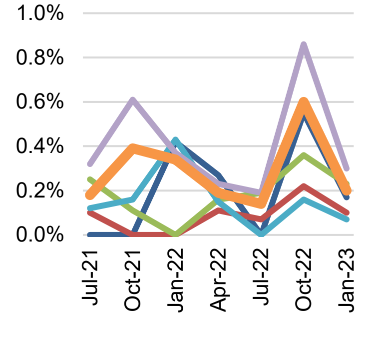
Media and Engagement. The agency secured 25 media mentions in the third quarter, equating to $3.8 million in advertising value equivalency and 436 million impressions. A notable article was published in January 2024 from the *New York Times* that highlighted New Mexico as a destination for affordable travel. The article generated $1.28 million in advertising value equivalency.

Budget: $21,305.8 **FTE:** 14	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Year-over-year change in New Mexico leisure and hospitality employment	19%	4.6%	3%	5.4%	5.5%	-0.5%	G
Open email rate of NM True eNewsletters	New	27%	18%	21%	24%	29%	G
Amount of earned media value generated in millions	$5.2	$16.4	$2	$9.9	$8.3	$3.8	G
Program Rating	Y	G					G

Tourism Development

The program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants.

The program administers the Tourism Event Growth and Sustainability (TEGS), Destination Forward, and Clean and Beautiful programs, and has already received applications for all three programs for FY25. The Clean and Beautiful program received 71 applications for FY25 and will start awarding funds early in the fiscal year. In FY24, the program awarded $907 thousand in grant funds to 59 communities—the highest amount awarded since the beginning of the program. Of the funding, 75 percent is allocated to rural communities. Awarded projects include a pollinator garden in Angel Fire, Pecos River clean up in Carlsbad, rain garden in Santa Fe, and a water tank mural



at Elephant Butte Lake State Park. Destination Forward received 34 applications, a significant increase from the 16 applications in its inaugural year in FY24. In FY24, Destination Forward awarded 10 tourism-related infrastructure projects with awards ranging from $50 thousand to $500 thousand. Awarded projects for Destination Forward include preservation of historic buildings in Bayard, zoo signage in Clovis, and downtown improvement in Roswell.

The department is off track to meet the target for number of meetings with tribe and pueblos. In FY23, the agency's tribal liaison increased engagement with tribal communities but has since needed to rehire the position. The agency is in the process of hiring a tribal tourism development officer to serve as the liaison and ensure compliance with the State Tribal Collaboration Act.

Budget: $3,134.30 **FTE:** 20	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of meetings or events conducted with Native American tribe and pueblos	23	50	70	14	17	8	R
Number of participants in New Mexico True certified program	401	433	400	448	460	468	G
Program Rating	G	G					Y

New Mexico Magazine

New Mexico Magazine generated $64.9 thousand in advertising revenue, marking a 29 percent decrease from the previous quarter and a 38 percent decrease from the first quarter of FY24. However, the department pointed out that combining the print edition for January and February impacted quarterly revenue. The January and February edition showcased winners of the 2023 photo contest, while March's edition highlighted motor lodges across the state.

Budget: $3,322.30 **FTE:** 10	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Advertising revenue per issue, in thousands	$137	$146	$75	$106	$92	$65	G
Program Rating	G	G					G

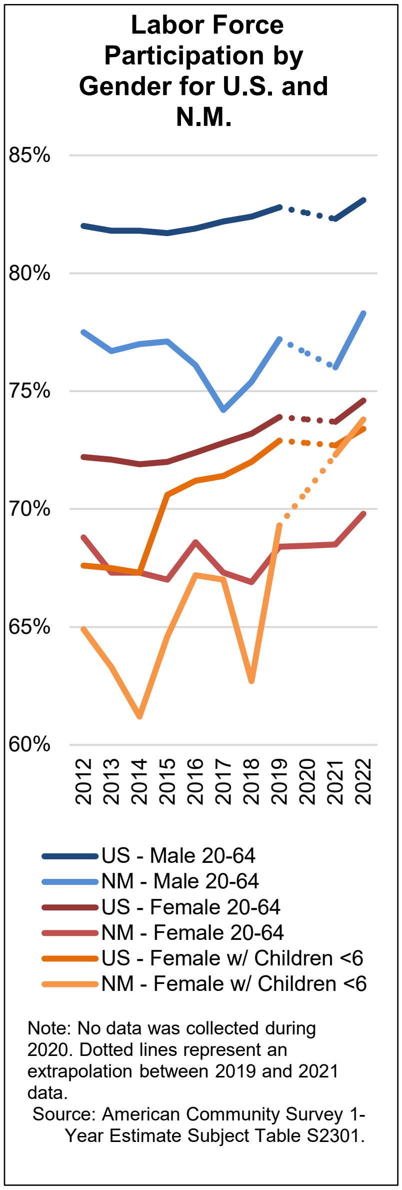
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Workforce Solutions Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

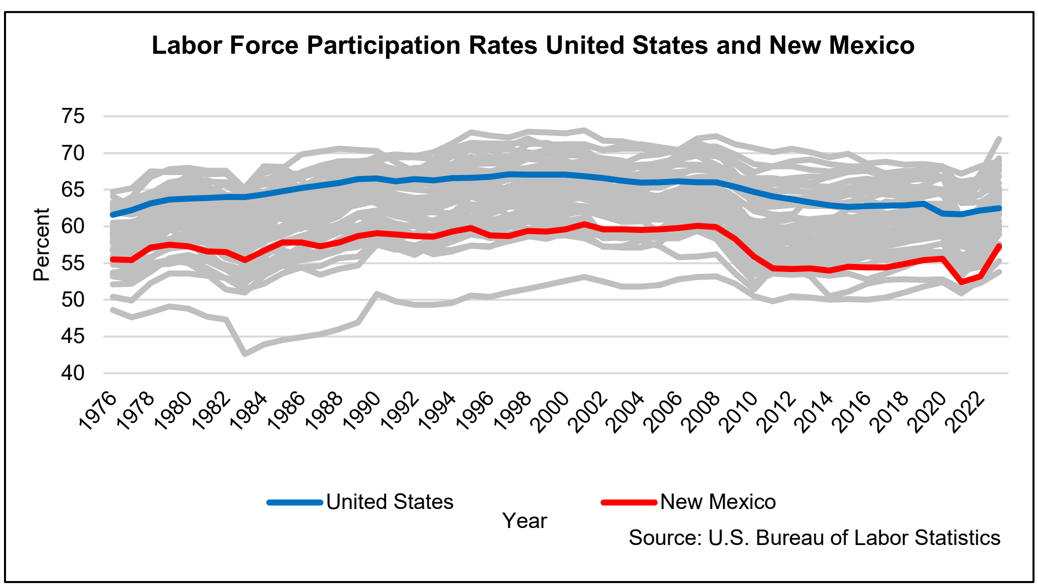
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

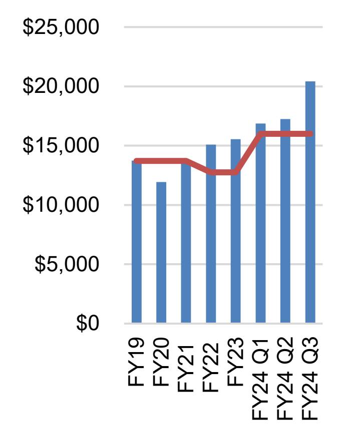
While the state's unemployment rates have recovered to prepandemic levels, the share of the state's working age population participating in the labor force is persistently low. As of April 2024, the state's seasonally adjusted unemployment rate was 3.8 percent, a small decline from the December 2023 rate of 4 percent. WSD reported the state added 9,100 non-farm jobs between April 2023 and April 2024. However, New Mexico's 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 because a large portion of the economy is working or looking for work, and a high LFPR reflects a larger labor pool, making it easier to find workers.



In April 2024, the state's LFPR was 57.2 percent, up from the pandemic low of 54 percent in April 2020 but a small decline from the rate of 57.3 percent measures in December 2023. The state would need an estimated 40 thousand additional individuals between ages 20 and 54 working or looking for work to meet the national average. New Mexico needs to develop strategies focused on bringing these people into the labor force. According to the Workforce Solutions Department (WSD), the unemployment gap in New Mexico, or the difference between the number of job openings in the state and the number of unemployed people, was roughly 23,774 in April 2024, meaning there are roughly 24 thousand more jobs than people looking for work.

In FY23, the department received $10 million in nonrecurring special appropriations for reemployment services, case management, and youth reemployment and apprenticeships. The department primarily used these appropriations for the Be Pro Be Proud initiative, which aims to engage youth and young adults in the trades through a truck with trade industry simulators, the placement of career counselors in 15 high schools across the state, and pre-apprenticeship programs. Through the third quarter, WSD reported a total of 4,769 visitors participated in the mobile Be Pro Be Proud workshop on over 50 tour stops. As of December 2023, 367 participants had completed pre-apprenticeship programs. Looking to the future, WSD should begin tracking the impact of participation in these programs on subsequent participation in the workforce and other outcomes.





Employment Services

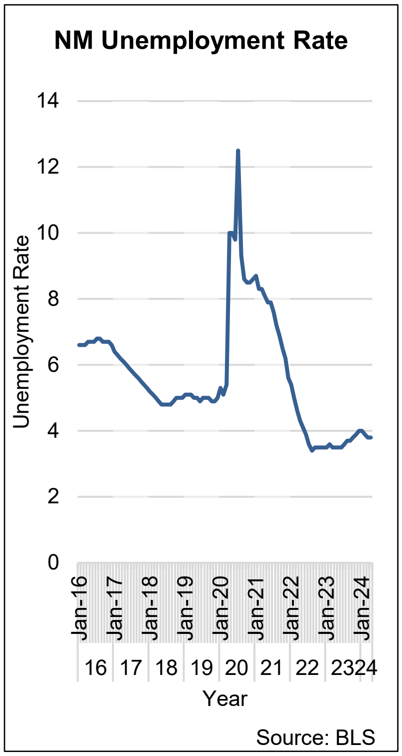
The Employment Services Program plays a key role in addressing the low LFPR and is a central player in developing a plan to bring more working-age adults into the labor force. The program oversees the state's network of Workforce Connections Offices and operates several programs related to the federal Workforce Innovation and Opportunities Act (WIOA). The April 2024 LFC evaluation concluded workforce connections centers are underutilized and have limited impact on employment outcomes. In the third quarter, Connections office utilization did increase by roughly 2,000 users. To increase the state's labor force participation, WSD will need to find ways to reach people who are not coming into their offices.

WSD has increased the number of participants in registered apprenticeship programs, a pathway to increasing workforce participation in the trades, exceeding the agency's target. WSD reports an increased demand for new apprentices in building and construction programs.

Budget: $32,756.4 **FTE:** 368	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Adults							
Average six-month earning of individuals entering employment after receiving employment services in a Connections Office	$15,076	$15,547	$16,000	$16,874	$17,254	$20,416	G
Individuals receiving employment services in a Workforce Connections Office	60,116	50,041	25,000 per quarter	16,293	15,562	17,589	R
Individuals accessing the agency's online Job Seeking portal	106,659	63,024	125,000	22,125	18,339	20,600	R
Unemployed individuals employed after receiving employment services in a Workforce Connections Office	51%	61%	60%	61%	66%	70%	G
Unemployed individuals who have received employment services in a Workforce Connections Office, retaining employment after six months	54%	63%	60%	54%	67%	64%	G
Average change in six-month earnings of working individuals after receiving employment services in a Workforce Connections Office	$2,032	$4,616	$2,000	$2,789	$2,374	$3,310	G
Audited apprenticeship programs deemed compliant	50%	66%	75%	75%	NA*	100%	G
Apprentices registered and in training	1,883	2,273	2,000	2,567	2,594	2,540	G
Veterans							
Average six-month earnings of unemployed veterans after receiving employment services in a Workforce Connections Office	$18,801	$19,323	$19,000	$17,040	$18,945	$20,010	G
Recently separated veterans entering employment	48%	51%	60%	49%	53%	51%	Y
Unemployed disabled veterans entering employment after receiving employment services in a Workforce Connections Office	46%	50%	60%	49%	59%	45%	Y

Recently separated veterans retaining employment after six months	47%	51%	60%	50%	46%	47%	R
Program Rating	G	Y					Y

*WSD reported no audits were conducted in Q2 because of staff turnover



Unemployment Insurance

New Mexico's unemployment rate has dropped to below prepandemic levels and was 3.8 percent in April 2024, according to the federal Bureau of Labor Statistics. Unemployment benefit claims have dropped below prepandemic levels as well. In April 2024, roughly 9,200 New Mexicans received unemployment insurance benefits. The department reports falling short of the FY24 target for several unemployment insurance claims determination metrics and attributes performance to cleaning up older pandemic claims and decreased staffing. However, even when pulling out the backlogged claims, only 52 percent of determinations and first payments are made within the target timeline.

Budget: $16,567.40 **FTE:** 164	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Eligible unemployment insurance claims issued a determination within twenty one days from the date of claims	35%	36%	80%	35%	29%	25%	R
First payments made within 14 days after the waiting week	52%	61%	87%	63%	62%	64%	R
Accuracy rate of claimant separation determinations	65%	51%	75%	63%	19%	23%	R
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	7:19	16:31	9:00	14:55	17:47	13:20	R
Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Cetner to file a weekly certification, in minutes	9:30	14:54	11:00	17:16	14:19	15:06	Y
Program Rating	Y	Y					R

Labor Relations

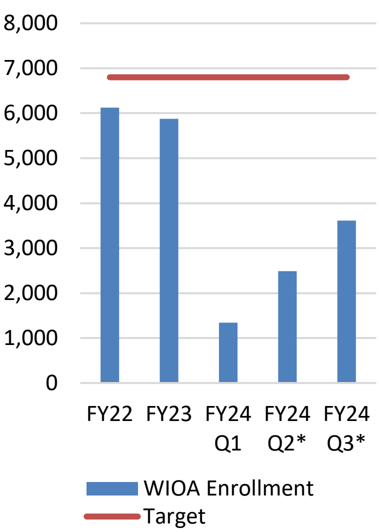
In 2021, the Legislature passed the Healthy Workplaces Act, requiring to employers provide sick leave, and WSD is required to investigate complaints related to the act, which has significantly increased investigations. In November 2023, the Labor Relations Division received an adverse ruling in the case of *Olivas v. Nair* in the First Judicial District, which ruled the program must issue wage and hour determinations in 85 percent of decisions within 120 days of receipt. To meet the conditions of the ruling, the Legislature appropriated $1.8 million to WSD to hire additional staff in FY25, and the department should have the resources to increase staffing and improve time to determinations in the coming fiscal year.

Budget: $4,352.7 **FTE:** 45.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average number of days for the Human Rights Bureau to investigate a claim and issue a determination	New	187	250	203	214	203	G

Discrimination claims investigated and issued a determination by the wage and hour bureau within one year	New	New	75%	100%	100%	100%	G
Total public works projects inspected and public works payroll audited within one year	New	New	80%	113%	106%	97%	G
Wage and hour violation claims investigated and issued a determination by the wage and hour bureau within two hundred days	New	New	90%	20%	23%	25%	R
Average number of days for the wage and hour bureau to investigate a claim and issue a determination	New	New	175	365	365	365	R
Program Rating	Y	G					Y

Program Support and Workforce Investment

Number of Enrolled Participants in WIOA Training Programs



* Quarterly total (cumulative)
Source: WSD

WSD also implements programs through the local workforce boards related to the federal Workforce Innovation and Opportunity Act (WIOA), which aims to help job seekers access employment, education, training, and support services to succeed in the labor market and to help employers meet their workforce needs. The federal Workforce Innovation and Opportunities Act (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 measure targets. However, the department noted a decrease in WIOA participants, attributing the decrease to a decline in Workforce Connections Centers traffic and the availability of scholarships and other subsidized funding opportunities to support workers seeking education and training. The number of youth receiving services and registering in the online Career Solutions tool includes youth who attended the Be Pro Be Proud trades simulator, resulting in the department far surpassing the performance target.

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 lowest fifth percentile over the last five years. As WSD is meeting most of the performance measure targets currently, the state should consider increasing these targets in the future.

Budget: $ 44,512.1 **FTE:** 113	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Youth Unemployment							
Youth who are employed in the state	71%	63%	70%	73%	76%	70%	G
Youth receiving services and registered in the online Career Solutions tool	1,453	4,337	3,000	9,645	10,606	15,951	G
WIOA Programs							
Participants who are in unsubsidized employment during the second quarter after exit from a WIOA program	74%	76%	77%	81%	88%	78%	G
Median earnings of participants who are in unsubsidized employment during the second quarter after exit from a WIOA	$8,341	$8,701	$8,500	$8,670	$9,305	$9,587	G

Participants who are in unsubsidized employment during the fourth quarter after exit from a WIOA program	76%	76%	78%	78%	80%	78%	G
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	70%	63%	70%	73%	76%	70%	G
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	70%	67%	70%	65%	67%	74%	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%	69%	70%	67%	68%	73%	Y
Number of adult and dislocated workers receiving supplemental services of WIOA as administered and directed by the local area workforce board	New	3,423	2,863	3,127	2,823	2,737	G
Number of enrolled participants in WIOA training programs	6,125	5,872	6,800	1,342	1,149	1,118	R
Re-Employment Programs							
Reemployment Services and Eligibility Assessment program participants exhausting unemployment insurance benefits	58%	41%	47%	44%	46%	48%	Y
Reemployment Services and Eligibility Assessment program participants reemployed	35%	49%	54%	56%	57%	56%	G
Program Rating							Y

PERFORMANCE REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2024

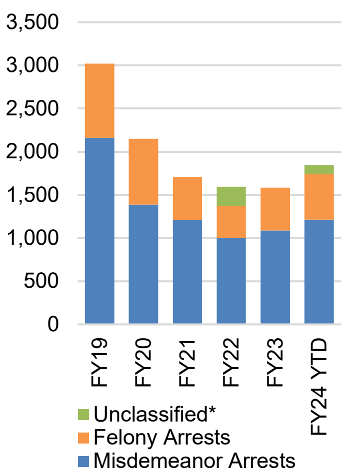
ACTION PLAN

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

The Department of Public Safety (DPS) made progress toward implementing programmatic and structural changes outlined in its FY24 budget. Having received funding for pay increases to appropriately pay state police officers based on their years of service, increase dispatcher pay, and reduce vacancies, DPS partnered with the State Personnel Office to begin implementing these changes. The agency also continued to add staff for the new Law Enforcement Standards and Training Council and the Law Enforcement Certification Board. Workforce issues are pervasive across the criminal justice system, leading to reduced enforcement of crimes and slower case adjudications. DPS worked to reduce vacancies in several key areas while working with the Department of Finance and Administration to begin rolling out funding from the law enforcement protection fund to other law enforcement agencies throughout New Mexico.

Law Enforcement Program

Average Quarterly NMSP Arrests
FY19 to FY24 YTD



*Due to a change in reporting methodology, some arrests not initially classified as felony or misdemeanor are reported as unclassified.

Source: DPS

The State Police (NMSP) continued to reduce the incidence of crime and fear of crime in New Mexico by conducting enforcement activities, partnering with other law enforcement agencies, and investigating criminal activity throughout the state.

Operations. The Law Enforcement Program improved actionable data and intelligence related to crime by implementing a new records management system (RMS) and is integrating multiple agencies' RMS' into its intelligence-led policing project. NMSP is also working to hire additional data analysts who do not require a law enforcement certification to improve the speed and accuracy with which it processes and disseminates information to criminal justice partners and other agencies.

NMSP began reporting on clearance rates for crimes investigated by the criminal investigations bureau, broken out by the type of crime, for the first time. Although cases can take multiple quarters, sometimes several years, from assignment to closure and clearance, this will provide a helpful window into agency operations and efficiency.

Manpower. State Police averaged 636 officers in FY23, with an 11.9 percent overall vacancy rate and an 11.5 percent vacancy rate among positions supported by the general fund. For FY24, DPS received a $2 million appropriation to increase state police officer pay, which has allowed the agency to properly place personnel in the correct pay rank step based on their years of service. NMSP projects it will end FY24 with 645 commissioned officers, up 2.5 percent from the end of FY23. However, a wave of retirements (15) and a handful of separations (four) led to an increase in the vacancy rate for the end of the third quarter, which now sits at 12.9 percent, up from 10.2 percent in the second quarter.

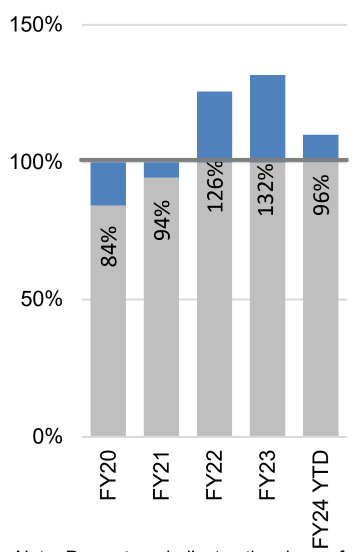
Budget: $156,488.3 **FTE:** 1072.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Motor Vehicle Safety							
Number of data-driven traffic-related enforcement projects held	2,074	4,142	2,600	1,171	799	966	G
Number of driving-while-intoxicated saturation patrols conducted	2,805	2,588	3,000	814	541	907	Y
Number of driving-while-intoxicated arrests*	1,450	1,641	N/A	575	471	660	
Number of New Mexico State Police misdemeanor and felony arrests*	6,375	6,340	N/A	1,979	1,580	1,975	

State Police Force Strength

PERFORMANCE REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2024

Budget: $156,488.3 **FTE:** 1072.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of commercial motor vehicle safety inspections conducted	102,972	114,539	90,000	27,104	37,089	37,985	G
Number of commercial driver and vehicle out-of-service violations issued*	New	16,831	N/A	2,757	4,613	4,802	
Number of motor carrier safety trainings completed*	24	41	N/A	3	3	3	
Number of proactive special investigations unit operations to reduce driving-while-intoxicated or alcohol-related crimes*	488	1,088	N/A	310	604	351	
Investigations							
Number of investigations conducted by criminal investigation bureau agents*	592	390	N/A	74	129	113	
Percent of total crime scenes processed for other law enforcement agencies*	66%	49%	N/A	9%	42%	42%	
Number of drug-related investigations conducted by narcotics agents*	860	458	N/A	79	123	164	
Number of illegally possessed firearms seized as part of criminal investigations*	180	90	N/A	17	8	32	
Number of violent repeat offender arrests by the fugitive apprehension unit*	219	230	N/A	73	78	106	
Clearance rate of crimes against persons investigated by the criminal investigations bureau*	New	New	N/A	24%	27%	41%	
Clearance rate of crimes against property investigated by the criminal investigations bureau*	New	New	N/A	10%	21%	12%	
Clearance rate of crimes against society investigated by the criminal investigations bureau*	New	New	N/A	12%	13%	20%	
Clearance rate of homicide cases investigated by the criminal investigations bureau*	New	New	N/A	33%	30%	36%	
Total cases investigated by the New Mexico State Police*	New	1,832	N/A	495	624	1,253	
Other Law Enforcement Activity							
Percent of total New Mexico State Police special operations deployments for other law enforcement agencies	28%	35%	N/A	33%	33%	38%	
Number of crisis intervention cases handled*	21	283	N/A	69	49	136	
Number of community engagement projects in counties with populations less than 100 thousand	125	198	N/A	25	32	28	
Number of governor-ordered special deployment operations conducted*	3	3	N/A	1	2	2	
Number of man-hours spent on governor-ordered special deployment operations*	26,508	4,746	N/A	2,622	3,224	1,656	
Recruitment and Retention							
Graduation rate of the New Mexico state police recruit school*	54%	66%	N/A	N/A	61%	N/A	

Percent of Forensic Cases Completed



Note: Percentage indicates the share of total forensic cases received that were completed.

Budget: $156,488.3 **FTE:** 1072.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Turnover rate of commissioned state police officers*	10.87	7.08	N/A	1.73	1.23	3.02	
Vacancy rate of commissioned state police officers*	12%	12%	12%	10%	10%	13%	
New Mexico state police transportation inspector vacancy rate*	11%	7%	8%	8%	11%	11%	
New Mexico state police dispatcher vacancy rate*	37%	36%	27%	27%	18%	23%	
Program Rating	R	G					G

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

Statewide Law Enforcement Support Program

The Statewide Law Enforcement Support program made steady progress toward fulfilling its performance goals for FY24. DPS worked with multiple other law enforcement agencies to validate and begin reporting to the National Incident-Based Reporting System (NIBRS), including bringing NMSP into the reporting system. Finally, the Law Enforcement Academy (LEA) began supporting the newly created standards and training council and law enforcement certification board.

Crime Reporting. DPS reports the percentage of law enforcement agencies reporting to NIBRS climbed from 63.8 percent in FY23 to 75 percent in FY24. This will help public safety and judicial agencies make more data-driven decisions and allow New Mexico to come off the list of states for which the FBI has been unable to estimate crime data. Lack of reporting had previously made it impossible to accurately understand crime trends in the state because 2021 marked the first year the FBI's national crime statistics relied solely on information provided via NIBRS.

NIBRS Reporting

DPS is required to collect and report crime data from all law enforcement agencies but has not publicly reported this data as it transitions to the National Incident Based Reporting System (NIBRS) required by the FBI. Unfortunately, many law enforcement agencies are not yet reporting through NIBRS. As of September, 74 percent of the state's 130 law enforcement agencies were reporting to the system, which covered 86 percent of the population.

Law Enforcement Academy. In addition to conducting training for both law enforcement officers and dispatchers, including for the largest incoming class of cadets in state history, the academy worked to support the newly established Standards and Training Council as it creates administrative rules related to training requirements, curricula, and methods, professional development programs and performance standards for law enforcement and public safety dispatchers. LEA brought on a new director to who has spent time working in conjunction with the Standards and Training Council to update the training curriculum and hire staff. The academy is also working to finish it's buildout of a new training track and complete several deferred maintenance projects in between academy classes.

Law Enforcement Agencies NOT Reporting

Agency Name
Bernalillo Police Department
Cuba Police Department
Deming Police Department
Estancia Police Department
Loving Police Department
Melrose Police Department
Red River Police Department
Socorro Police Department
Tularosa Police Department
Questa Police Department
NM Highlands University Police Department
Harding County Sheriff's Office
Los Alamos County Sheriff's Office
Roosevelt County Sheriff's Office
Taos County Sheriff's Office

Source: DPS

Law Enforcement Certification Board. Since the beginning of the fiscal year, the board has worked to develop and implement a publicly available database containing outcomes of misconduct investigations that result in the dismissal, denial, suspension, or revocation of a police officer or public safety dispatcher certification. The board began filling the several of the newly created staff positions, of which 75 percent are currently vacant. The board is responsible for issuing certifications for all law enforcement officers and dispatchers and for receiving, investigating, and adjudicating allegations of misconduct among the approximately 8,000 licensed individuals statewide.

Forensic Laboratory. The newly opened forensic lab in Santa Fe saw its vacancy rate climb to 45 percent, up from 40 percent due to several resignations. However, the agency finalized the forensic scientist pay plan with the help of the State Personnel Office and is currently advertising for and interviewing scientists. The laboratory noted a significant increase in qualified applicants since the recent pay plan implementation.

Budget: $33,100.3 **FTE:** 212	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Crime Reporting							
Number of crimes against persons reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	3,045	18,815	N/A	6,330	5,923	5,246	
Number of crimes against property reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	15,286	44,272	N/A	12,027	13,917	11,126	
Number of crimes against society reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	1,614	12,350	N/A	3,861	2,205	1,850	
Number of expungements processed*	New	500	N/A	103	54	107	
Percent of law enforcement agencies reporting to the National Incident Based Reporting System*	New	63.8%	75%	75%	75%	78%	G
Percent of IT help requests received from other agencies*	New	19.4%	N/A	26.3%	24.7%	22.3%	
Law Enforcement Academy							
Percent of non-state police cadets who graduated from the law enforcement academy through certification by waiver*	98%	100%	N/A	100%	100%	0%	
Percent of non-state police cadets who graduated from the basic law enforcement academy*	73.3%	76%	N/A	N/A	76.3%	N/A	
Graduation rate of telecommunication students from the law enforcement academy*	97.6%	100%	N/A	100%	100%	100%	
Law Enforcement Certification Board							
Percent of complaint cases reviewed and adjudicated annually by the New Mexico Law Enforcement Certification Board*	130.3%	76.3%	N/A	33.3%	76.9%	38.7%	
Number of complaint cases adjudicated*	86	74	N/A	5	20	12	
Number of complaint cases received*	66	97	N/A	15	26	31	
Average age of outstanding complaint cases at the close of the fiscal year, in days*	New	212	N/A	174	242	252	
Average time to adjudicate complaint cases, in days*	New	1,141	N/A	248	409	277	
Number of certifications issued	New	565	400	66	170	154	G
Forensics Laboratory							
Percent of forensic cases completed	125.6%	129.4%	100%	109.9%	92.4%	85.5%	G
Number of sexual assault examination kits not completed within 180 days of receipt of the kits by the forensic laboratory	0	0	0	4	46	113	R
Forensic scientist and forensic technician vacancy rate*	25%	29.6%	N/A	39.6%	39.6%	45.3%	
Program Rating	R	G					Y

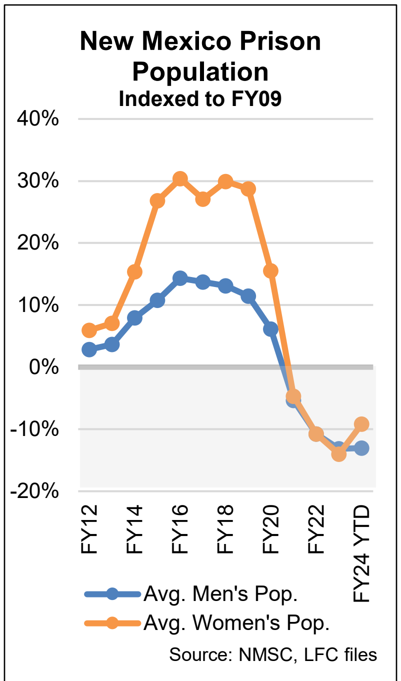
*Measure is classified as explanatory and does not have a target.

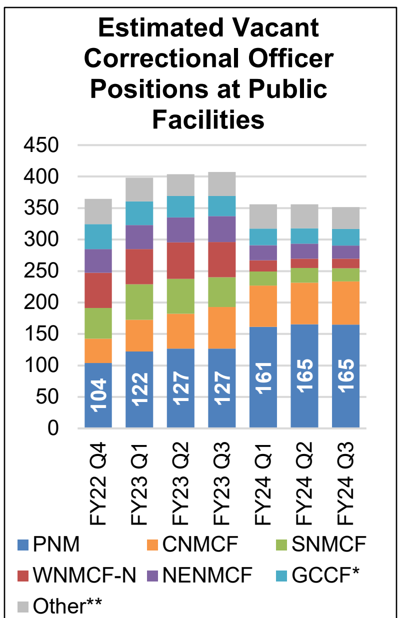
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Corrections Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

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





*GCCF was not publicly operated until partway through FY22 Q2.
**Includes RCC, SNMCF, and WNMCF-S; WNMCF-S was not publicly operated until partway through FY22 Q3.

Source: SPO Organizational Listing Report

Corrections Department

The Corrections Department (NMCD) demonstrated notable strides in the third quarter of FY24. The agency successfully reduced vacancy rates and turnover among correctional officers and saw a decrease in recidivism for participants in some of the drug abuse programming. The agency continued the trend of improving the percentage of people in prison participating in education programming; however, varying rates of completion in other programming signal need for improvement. NMCD continued to reduce vacancy rates among probation and parole officers but saw the average number of cases per officer rise. Prison populations increased slightly and appear to be leveling off after several years of consistent decline.

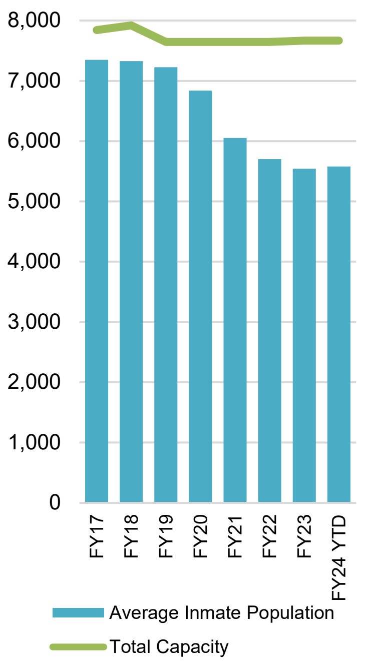
Inmate Management and Control

The state's inmate population has plunged since 2018, falling more than 23 percent between FY19 and FY24. Recent increases in admissions for new offenses suggest the population is likely to stabilize in the near future. The New Mexico Sentencing Commission's August 2023 prison population projection estimated total prison populations would average 5,398 over FY24, but actual data shows average populations of approximately 5,579, a 0.6 percent increase from FY23. This increase was primarily due to a 1 percent increase in the men's inmate population between the end of the second and third quarter; women's populations are projected to fall an average of 2.1 percent between FY24 and FY25, but the commission anticipates womens prison populations will rise during FY25 as more individuals are charged in the 2nd Judicial District and these cases resolve.

Staffing. Low populations enabled NMCD to adjust facility occupancy to align with staffing levels, despite high vacancy rates.. However, this has not been possible at all facilities. About 26.5 percent of the agency's total positions were unfilled as of April 1, and public and private correctional officer vacancies declined to approximately 28 percent and 30 percent, respectively, for FY24. Vacancy rates have declined notably at several facilities, with vacancies at the Southern New Mexico Correctional Facility decreasing 3 percent between July 2023 and April 2024 and vacancy rates at the Northeast New Mexico Correctional Facility decreasing 3 percent in the same period. The most notable reduction occurred at Roswell Correctional Center, with a 15 percent decrease in vacancies since July.

Budget: $292,538.7 **FTE:** 1,857	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Staffing							
Vacancy rate of correctional officers in public facilities.	29.2%	32.3%	20%	30.5%	30.5%	28.3%	R
Vacancy rate of correctional officers in private facilities	31.6%	33.8%	20%	34.8%	33.7%	30.4%	R
Percent turnover of correctional officers in public facilities*	15.8%	12.2%	N/A	5.8%	2.3%	4.6%	
In-House Parole							
Average number of male inmates on in-house parole	66.9	59.6	65	40.3	30.3	39.7	G
Average number of female inmates on in-house parole	6.4	3.9	5	3	1	1	G

NMCD Population and Facility Capacity

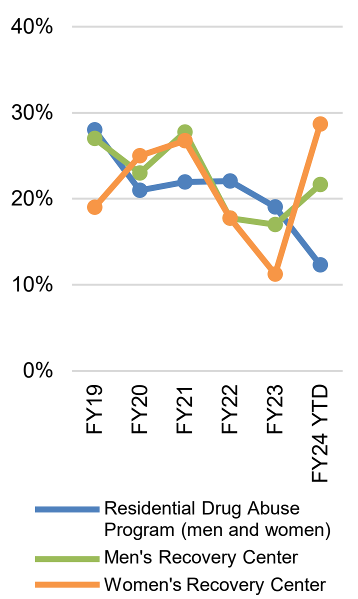


Source: NMSC, LFC files.

Budget: $292,538.7 **FTE:** 1,857	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Prison Violence							
Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	4	7	12	4	5	4	Y
Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment	4	4	3	1	0	1	G
Health							
Percent of random monthly drug tests administered to at least 10 percent of the inmate population that test positive for drug use*	3.2%	1.4%	N/A	1.3%	2.4%	2.1%	
Percent of standard healthcare requirements met by medical contract vendor	95%	99%	98%	99%	99%	99%	G
Percent of inmates treated for hepatitis C with undetectable viral loads 12 weeks post-treatment	90%	85%	95%	78%	82%	72%	R
Percent of HIV positive inmates with undetectable viral loads	81%	100%	95%	100%	100%	100%	G
Prison Operations							
Percent of inmate grievances resolved informally*	82.7%	72.7%	N/A	85.3%	75%	77%	
Number of escapes*	1	0	N/A	0	0	0	
Program Rating	R	Y		Y			Y

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

Recidivism Rates of NMCD Drug Treatment Programs



Source: LFC files, NMCD

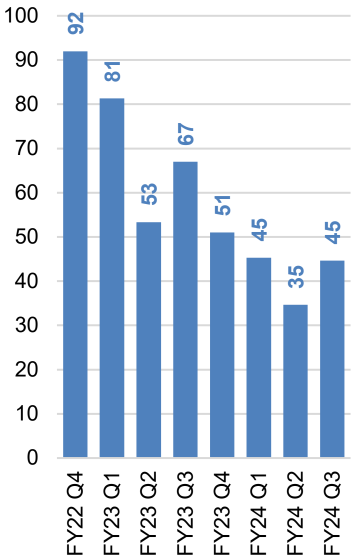
Reentry

Recidivism. The three-year recidivism rate of offenders released from NMCD's custody increased from 36 percent in FY23 to an average of approximately 40 percent in FY24. Recidivism due to new offenses rose from 17 percent in FY23 to 18 percent in FY24. Recidivism rates during FY23-FY26 are expected to reflect lower recovery center populations due to Covid-19, potentially leading to higher recidivism numbers. However, recovery center populations are gradually returning to full capacity, with both the women's and men's recovery centers nearing capacity. The number of individuals enrolled in these programs began to increase in the past few quarters following the resumption of normal court operations and the lifting of Covid-19 restrictions.

Programming. Education programs continue to show positive trends. NMCD had success in maintaining the number of eligible students who have completed adult basic education and who have earned high school equivalency credential. Recidivism rates for individuals who participate in the residential drug abuse program declined compared to previous fiscal years. Notably, recidivism rates for participants in the men's and women's recovery centers decreased significantly, by almost 20 percent, between the second and third quarter.

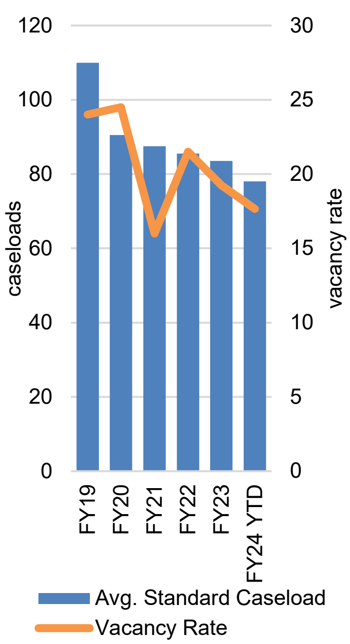
NMCD continues to ramp up its reentry initiatives through its coordination of care model with increased partnerships with community providers to help ensure sustainability for offenders. The agency significantly increased the number of programs reported on its annual program inventory, reporting 34 programs for at the end of FY23 up from 22 in FY22, or an increase in programming of about 54 percent. NMCD continues to increase

Estimated Number of Release-Eligible Inmates Incarcerated Past Release Date by Quarter



Source: NMCD, LFC files

Probation and Parole Vacancies and Caseloads



Source: NMCD

the proportion of funding it directs to evidence- and research-based programs in FY24. However, a recently released study of the inmate classification system used by NMCD cited evidence of over-classification of some inmates based on the availability of services at certain facilities. LFC previously raised concerns about completion rates among participants in certain evidence-based programs which can be effected by the disparate availability of programming at some facilities.

Budget: $22,970.2 **FTE:** 130	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Recidivism							
Prisoners reincarcerated within 36 months	37%	36%	35%	41%	38%	39%	Y
Prisoners reincarcerated within 36 months due to new charges or pending charges	16%	17%	14%	20%	18%	17%	Y
Prisoners reincarcerated within 36 months due to technical parole violations	22%	19%	20%	22%	20%	22%	Y
Percent of sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	0%	4%	3%	4%	0%	0%	G
Graduates from the residential drug abuse program who are reincarcerated within 36 months of release*	22%	19%	N/A	13%	11%	13%	
Graduates from the men's recovery center who are reincarcerated within 36 months*	18%	11%	20%	23%	33%	9%	G
Graduates from the women's recovery center who are reincarcerated within 36 months*	18%	11%	20%	27%	40%	19%	G
Education							
Percent of eligible inmates enrolled in educational, cognitive, vocational, and college programs	45%	51%	60%	46%	53%	63%	G
Percent of eligible inmates who have completed adult basic education*	10%	15%	N/A	48%	56%	54%	
Number of inmates who earn a high school equivalency credential	82	184	145	60	55	62	G
Percent of eligible students who earn a high school equivalency credential	8%	16%	80%	48%	56%	54%	Y
Program Rating	Y	G		Y			Y

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

Community Offender Management

Vacancy rates among probation and parole officers decreased to 16 percent this quarter, down from 19 percent in FY23, while the average standard caseload per officer increased slightly compared to the second quarter. NMCD reports 28 percent of absconders were apprehended in the third quarter, which represented 3 percent improvement from FY23, Research suggests offenders with unstable employment or housing, and those struggling with substance use disorder are more likely to abscond. Efforts to improve coordination of services prior to release to reduce the number of absconders will likely take time.

PERFORMANCE REPORT CARD
Corrections Department
Third Quarter, Fiscal Year 2024

Budget: $37,748.5 **FTE:** 359	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average standard caseload per probation and parole officer	86	83	88	86	72	76	G
Vacancy rate of probation and parole officers	21%	19%	15%	18%	19%	16%	Y
Percent of absconders apprehended	24%	25%	30%	24%	24%	28%	Y
Program Rating	R	Y		Y			Y

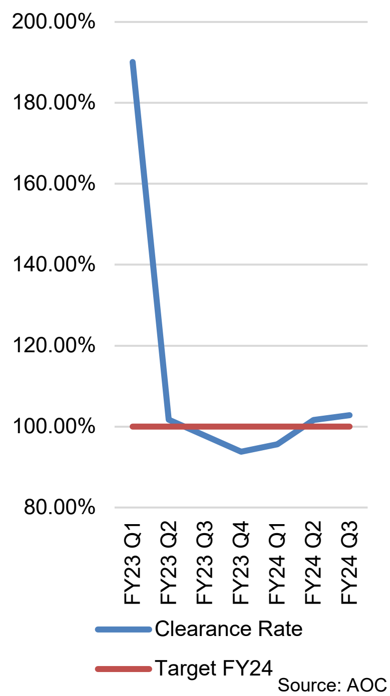
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Courts and Judicial Agencies
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

Average Case Clearance Rate



Source: AOC

Positive performance trends within the judiciary seen in the first two quarters of FY24 have largely continued in the third quarter. Courts increased clearance rates while also maintaining a productive time to disposition (the duration a court takes to resolve a case from when it is filed until it is concluded). The Public Defender Department continued to address recruitment and retention rates while also maintaining positive adjudication rates. District attorneys decreased average attorney caseloads, especially in districts with chronic recruitment and retention issues.

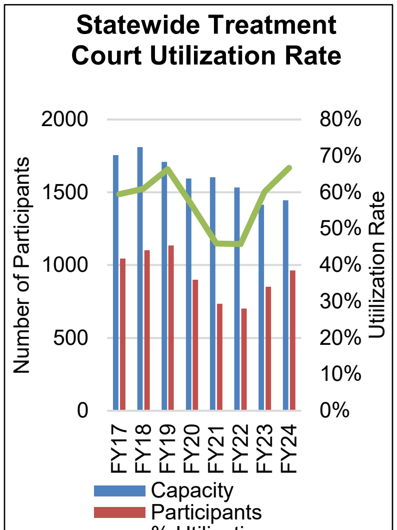
Courts

Administrative Support. The average time to disposition for criminal cases was 220 days, improving by four days from the second quarter and the lowest average for FY24. The improvements seen in performance measures from the first half of FY24 remained steady in the third quarter, courts clearance rates passed 100 percent, increasing 8 percentage points over three quarters for an average 103 percent clearance rate. This increase in the clearance rate indicates courts are addressing their case backlogs. While there is a large drop off in clearance rate from the first quarter of FY23 to now, it is important to note that the courts were dealing with a large case backload from the pandemic. With clearance rates above 100 percent and the time to disposition well below the target, the courts are maintaining their ability to address backlog issues and continue to provide timely justice. The age of pending criminal cases decreased by 11 days from the second quarter to the third, reversing the increase between the first and second quarter resulting in a return to the promising performance of the first quarter. The positive trends through the first three quarters of FY24 are all signs of a healthy and, presumably, improving judicial system. Magistrate courts and the Metropolitan Court continued to perform better than district courts for days to disposition in criminal cases.

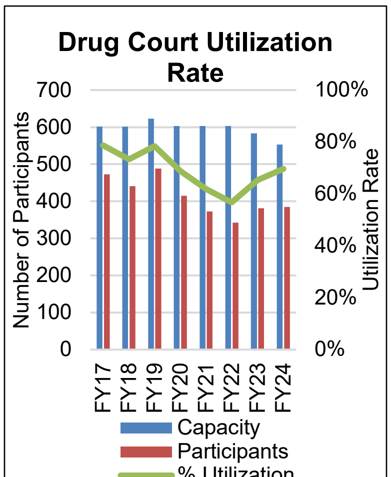
The average cost per juror increased to $70.30 in the third quarter, a reversal of the prior quarter's slight decrease and the highest in four years. The average interpreter cost per session increased to $86.40, up 20 percent from the second quarter. The number of jury trials was 174, down by 39 and 49 trials from the second and first quarter, respectively.

Budget: $16,346.4 **FTE:** 58.5	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Average cost per juror	$56.4	$58.3	$55	$64.5	$63.4	$70.3	Y
Number of jury trials for metro, district, and statewide courts*	574	760	N/A	223	213	174	N/A
Average interpreter cost per session	$64.1	$73.3	$150	$66	$72	$86.4	G
Percent of supervised defendants who make all scheduled court appearances	NEW	74%	N/A	71%	72%	74%	G
Percent of supervised defendants who are not charged with a new offense during the pretrial stage	NEW	80%	N/A	73%	74%	72%	Y
Age of active pending criminal cases in days	524	375	367	295	305	294	G
Days to disposition in criminal cases	145	277	380	221	224	220	G
Cases disposed as a percent of cases filed	101%	120%	100%	96%	102%	103%	G
Program Rating	Y			G	G	G	G

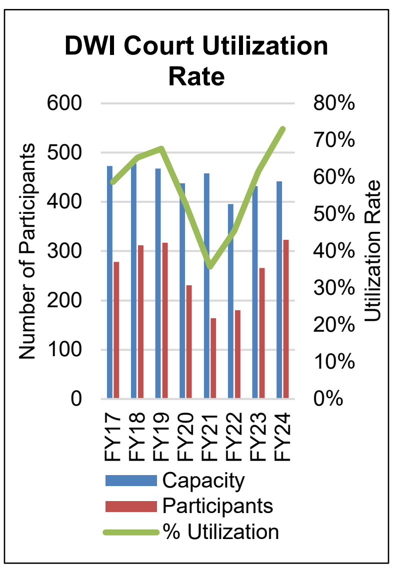
*Measure is classified as explanatory and does not have a target.



Source: AOC



Source: AOC



Source: AOC

Special Court Services. The Legislature has prioritized treatment courts, an evidenced-based practice, in the last several years. While underutilization has continued, third quarter figures show signs of a reversal of past trends and a positive improvement, with 67 percent capacity filled. Additionally, larger judicial districts, like the 2nd, have reached capacity and other districts are nearing capacity. Drug and DWI court recidivism rates have increased and have surpassed FY23 performance but continue to be lower than traditional incarceration practices. While drug court graduation rates remain above the FY23 average, in the third quarter, DWI court graduation rates dropped from 84 percent in the second quarter to 53 percent in the third quarter, reversing the second quarter spike.

The percentage of defendants charged with a new violent crime during the pretrial process increased slightly to 9 percent, but the percentage of defendants who make all their scheduled appearances increased to 74 percent from 72 percent. Both indicate a functioning pretrial system that is protecting the public while also letting the courts provide timely justice.

The number of monthly supervised child visitations and exchanges in the third quarter of FY24 was 2,494, and the number of cases to which CASA (court-appointed special advocates) volunteers were assigned was 399, resulting in total cases surpassing FY23 year-round total and a 40 percent increase over the second quarter. However, the average time to disposition for abuse and neglect cases has remained in the same 150-to-170-day range since FY20, with the first quarter of FY24 being an anomaly.

Budget: $20,208.8 **FTE:** 47.66	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Cases to which CASA volunteers are assigned*	1,448	507	N/A	269	285	399	N/A
Monthly supervised child visitations and exchanges conducted	12,012	11,181	N/A	2,445	2,495	2,494	G
Average time to completed disposition in abuse and neglect cases, in days*	148	153	N/A	137	163	160	N/A
Recidivism rate for drug-court participants	14%	9.8%	12%	8.3%	9.3%	10.7%	G
Recidivism rate for DWI-court participants	6.1%	5.3%	12%	4.8%	6.1%	7.7%	G
Graduation rate for drug-court participants*	59.2%	53.6%	90%	52.8%	56.2%	55.0%	G
Graduation rate for DWI-court participants*	89.5%	78.6%	90%	56.7%	84.8%	53.3%	R
Cost per client per day for all drug-court participants*	$37.10	$40.10	N/A	$30.57	$30.63	$29.33	N/A
Program Rating	Y	Y		Y	G	G	G

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

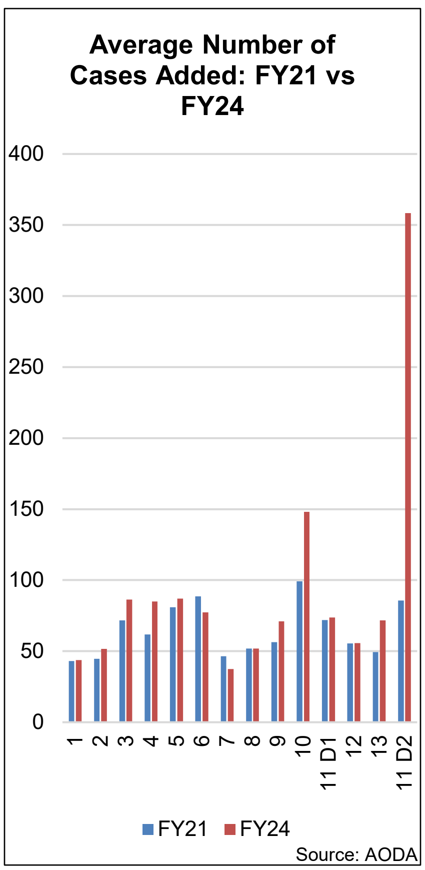
District Attorneys

Recruiting and retaining attorneys continues to be an issue for district attorney offices, especially in rural parts of the state. Statewide, prosecutors and defenders report seeing felonies as an increasing share of their caseloads. The felony heavy caseloads coupled with decreasing share of misdemeanors, require more time per case and may require

Average Attorney Caseload

District	Q2	Q3	% Change
1st	247	247	-0.02%
2nd	532	531	-0.24%
3rd	437	467	6.86%
4th	297	245	-17.62%
5th	308	336	9.19%
6th	269	197	-26.67%
7th	200	177	-11.34%
8th	221	214	-3.29%
9th	208	244	17.25%
10th	787	757	-3.81%
11th d 1	272	258	-5.03%
12th	350	360	2.83%
13th	188	176	-6.24%
11th d 2	5,358	1,675	-68.74%
Average	691	420	-39.17%

Source: AODA



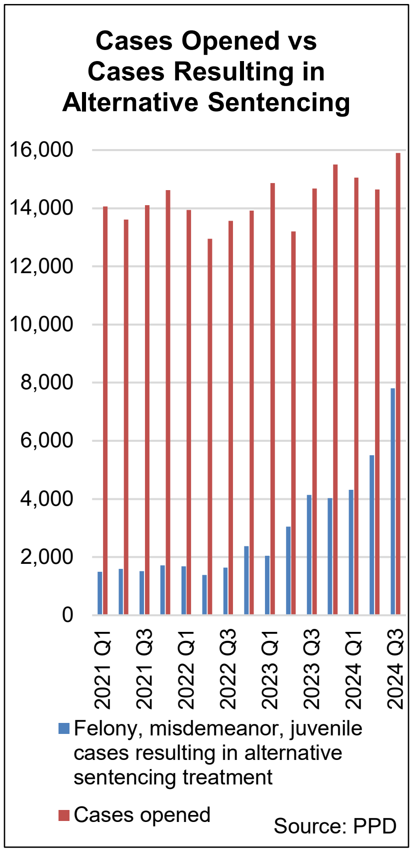
modified measures to fully understand attorney workload. While new performance measures like average attorney caseloads are productive, the makeup of those caseloads is equally important. Until a more complete understanding of district attorneys' workloads and conviction rates based on case type is available, efforts to understand how district attorneys are performing remain opaque.

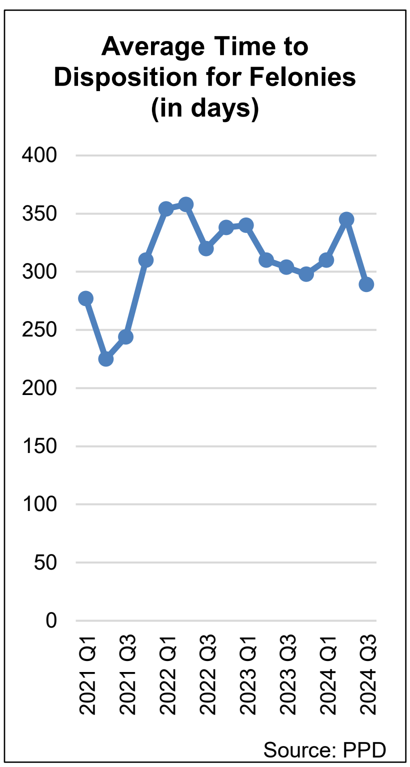
In the third quarter of FY24, the average number of cases added to attorney caseloads decreased to 84, the lowest the average has been since the second quarter of FY23. In both quarters of FY24, the 11th Judicial District Attorney, Division 2, has had the highest or second highest number of added cases. However, in the third quarter of FY24, the 11th District, Division 2, average number of cases added was 240, 454 lower than the second quarter average. This volume of added cases is still too high for the agency to handle. Hindered by a lower level of attorney retention, it presents a worrying reality for the agency and its ability to fulfill its statutory duty.

In FY24, district attorneys began reporting average attorney caseloads, which will help discern trends in prosecution caseloads. The newly reported average attorney caseload numbers should be approached with caution, the data does not distinguish the types of cases in a caseload causing the measure to be misinterpreted because of lack of context, i.e. a district attorney may have a higher caseload, but mostly non-complex cases that can be handled efficiently. The average attorney caseload number for Division 2 of the 11th district, previously 5,358, decreased in the third quarter. The average caseload for Division 2 is now 1,675, 3,683 less and a 69 percent decrease. This number should still be viewed with worry, high caseloads certainly influence the agency's ability to administer swift and certain justice.

Budget: $103,928.4 **FTE:** 1,032	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average number of cases added to attorney caseloads	92	89	200	94	110	84	
Number of Cases Referred for Screening*	60,503	58,603	N/A	15,436	14,495	15,796	
1st District	4,731	4,105	N/A	1,253	1,015	1,125	
2nd District	19,039	16,434	N/A	4,591	5,176	5,545	
3rd District	4,365	5,174	N/A	1,394	1,269	1,090	
4th District	1,812	1,914	N/A	575	408	548	
5th District	6,584	6,147	N/A	1,682	1,374	1,741	
6th District	2,610	2,593	N/A	648	575	523	
7th District	1,654	1,796	N/A	384	307	422	
8th District	1,544	1,683	N/A	421	366	378	
9th District	2,513	2,412	N/A	628	519	630	
10th District	661	683	N/A	166	119	159	
11th Division I.	4,955	5,133	N/A	1,280	1,046	1,137	
11th District Div. II	2,327	2,172	N/A	360	346	359	
12th District	2,459	2,678	N/A	556	538	513	
13th District	5,836	6,139	N/A	1,498	1,437	1,626	
Program Rating	G	G					

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





Public Defender

Like other criminal justice partners, the Public Defender Department, PDD, has struggled with recruiting and retaining legal professionals in rural areas. However, in the first three quarters of FY24, the agency has demonstrated an ability to tackle both issues. The agency reported a vacancy rate of 11.3 percent, an encouraging sign. However, vacancy rates for attorneys increased by 2.7 percent from last quarter to 18.1 percent. The increase resulted in average cases assigned to in-house attorneys increasing to 87 cases. While this increase is not a big jump in average cases assigned, it could begin a worrisome trend, as the agency believes the increase of assigned cases will continue.

Like district attorney offices, PDD reports a changing mix of case types, with an increasing share of felony cases and a decreasing share of misdemeanor cases. This results in a more complex caseload that could extend the amount of time an attorney spends on a case and a higher attorney workload. Further, this change in case type to a predominantly felony-weighted caseload should be interpreted with caution, considering the large gap in time to disposition between contract versus in-house attorneys.

The third quarter of FY24 saw improvement for contract attorneys, reporting a 9 percent increase in the percentage of cases that resulted in a reduction of charges. This continues the positive development seen throughout FY24, already surpassing the performance measure's target. Contract attorneys' percentage of the caseload remains steady at 33 percent, and the number of felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment increased by 42 percent. Performance on average time to disposition for felonies declined in the second quarter but improved in the third quarter, amounting to a 16 percent decrease in time to disposition. In-house attorneys saw a 25 percent decrease, while contract attorneys improved by 16 percent.

Budget: $72,159.1 **FTE:** 496	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	44%	58%	65%	58%	74%	75%	G
In-house attorneys	45%	62%	65%	61%	77%	77%	G
Contract attorneys	41%	47%	65%	49%	66%	71%	G
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	7,090	13,260	5,000	4,320	5,500	7,811	G
In-house attorneys	5,333	9,774	4,000	3,341	3,818	5,279	G
Contract attorneys	1,837	1,000	1,000	979	1,682	2,532	G
Cases assigned to contract attorneys*	34%	37%	N/A	34%	35%	33%	N/A
Average time to disposition for felonies, in days*	336	324	N/A	310	345	289	N/A
In-house attorneys*	308	268	N/A	206	270	203	N/A
Contract attorneys*	363	380	N/A	414	421	374	N/A
Cases opened by Public Defender Department *	54,362	58,253	N/A	15,058	14,646	15,900	N/A
In-house attorneys*	33,637	36,775	N/A	9,988	9,383	10,436	N/A
Contract attorneys*	20,725	21,478	N/A	5,246	5,263	5,464	N/A
Program Rating	Y			G	G	G	G

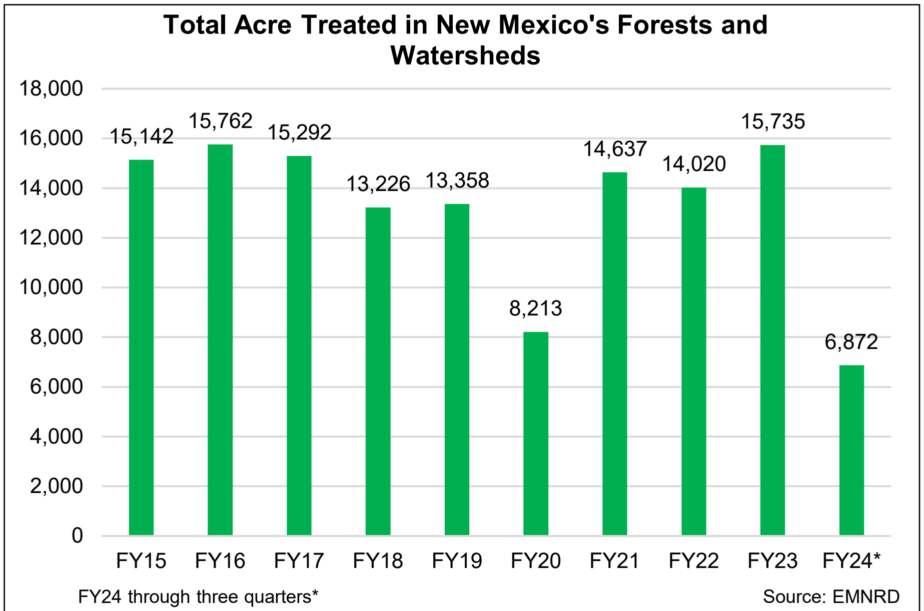
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Energy, Minerals and Natural Resources Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

The record revenue the Energy, Minerals and Natural Resources Department (EMNRD) received from state and federal funding in FY24 has been met with increased activity and consistent or improving performance measures across nearly all the agency's divisions. State Parks and the Oil Conservation Division either continued the progress seen from previous quarters or already reached total FY24 targets in the third quarter. Consideration should be given to moving future targets and finding ways to leverage state and federal dollars to continue the department's progress and growth.



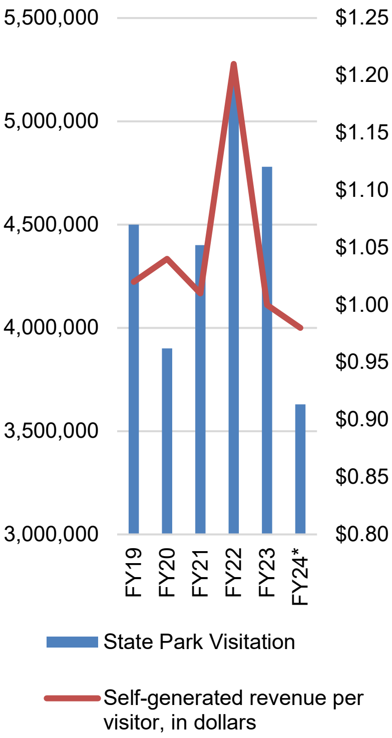
State Forestry

Wildland Firefighter Training. The number of nonfederal wildland firefighters jumped from 688 to 1,132 in the third quarter, continuing a positive trend that brings the total to within 400 of the FY24 target. Due to high winter precipitation in courses held through the state, the department was able to host 50 wildland firefighting training courses across the state. This was coupled with increased federal funding from state fire assistance grants.

However, the department warned training participation numbers could dwindle because federal agencies with firefighting capacity increased their pay and compensation packages. The department also noted these federal increases could potentially depress the state and nonfederal agency's ability to train, recruit, and retain wildland firefighters.

Forest and Watershed Treatment. The State Forestry Division (SFD) reported a significant decrease in the number of acres treated for forests and watersheds, from 4,945 in the second quarter of FY24 to just 880 in the third quarter, an 82 percent decrease. This large decrease was attributed to multiple factors: First, heavy snowpacks in the Pecos, Jemez, Rio Chama, and Upper Rio Grande basins limited access to roads and forest for treatment. Second, the average per-acre cost of forest and watershed restoration increased to close to $2,000. Finally, adding contractors to the state financial system was backlogged. SFD also warned this issue could possibly spill into fourth quarter numbers and hinder the department's ability to accomplish its restoration efforts in the Hermits Peak/Calf Canyon fire burn scar.

Budget: $28,828.2 **FTE:** 92	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	883	1,554	1,500	0	668	1,132	Y
Number of acres treated in New Mexico's forest and watersheds.	14,020	15,735	14,500	1,023	4,945	880	Y
Program Rating	Y	G					Y



Energy, Conservation and Management Division

As of the conclusion of the third quarter, the Energy, Conservation and Management Division (ECMD) had received 1,007 applications for the solar market development tax credit, decreasing roughly 30 percent from the previous quarter. Of these, 65 applications were returned due to incompleteness, while 942 were successfully approved for processing. ECMD also received 59 applications for the energy conserving products credit and 219 applications for the sustainable building tax credit. The division is working to make improvements to its online application portal.

In late 2022, ECMD applied for grid modernization grant funding from the federal government under the Infrastructure Investment and Jobs Act (IIJA). This grant is expected to bring in more than $35 million to New Mexico over a five-year period, and ECMD was awarded $14.4 million for the program's first two years (FY22-23). The grant requires a 15 percent state match, for which the Legislature appropriated funds in both FY24 and FY25.

Budget: $5,716.8 **FTE:** 27	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of completed applications for clean energy tax credits reviewed within 30 days of receipt	92%	99%	90%	100%	100%	100%	G
Program Rating	G	G					G

State Parks

Visitation to state parks is up by 100 thousand when compared to levels in the same quarter in FY23. While roughly 1 million visitations away from reaching its FY24 total target, growing quarterly visitation rates are a positive sign. SPD continued to reduce its vacancy rate and is working to recruit both permanent and temporary staff to ensure state parks remain a significant draw, supporting New Mexico's outdoor recreation economy.

Additionally, the average amount of self-generated revenue per visitor increased to $1.27, exceeding the FY24 target. If this number remains above this level, a new target should be considered.

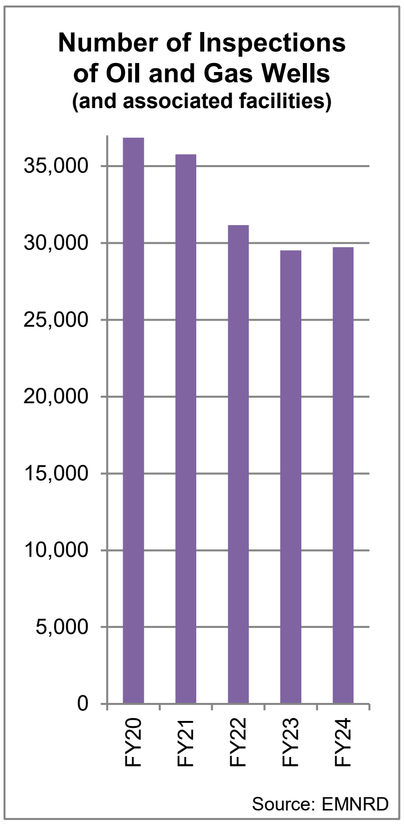
Budget: $38,454.2 **FTE:** 239.66	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of visitors to state parks	5.2 million	4.78 million	4.8 million	2.1 million	775.4 thousand	754.3 thousand	G
Amount of self-generated revenue per visitor, in dollars	$1.01	$1.21	$1.00	$0.72	$0.95	$1.27	Y
Program Rating	G	G					G

Mining and Minerals

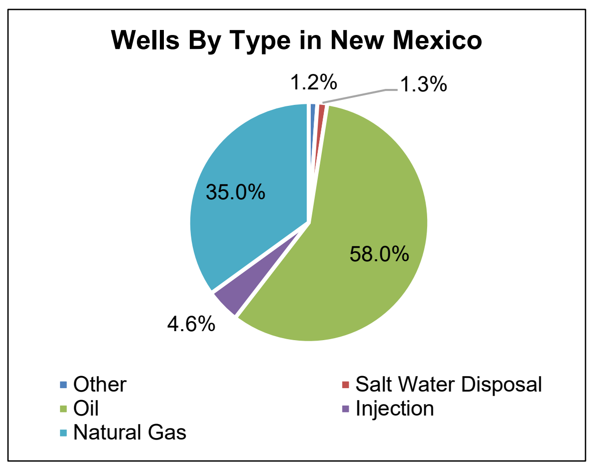
The Coal and Mining Act programs require financial assurance for permitted mines. The coal program has six coal mines, all of which are 100 percent covered by financial assurance. The Mining Act Reclamation Program manages 60 mines, of which 59 have adequate financial assurance posted to cover the cost of reclamation. Together, the programs have a 99 percent compliance rate.

Budget: $13,264.5 **FTE:** 34	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation.	99%	99%	99%	99%	99%	99%	G
Program Rating	G	G					G

Oil Conservation



The Oil Conservation Division (OCD) issued 1,416 violations across the state's oil-producing basins during routine inspections in the third quarter of FY24. OCD increased its pace of inspections after three consecutive years of decline while also implementing a more rigorous inspection protocol and has already surpassed the previous year's total of violations issued after inspections. The division is aggressively hiring inspectors and field staff to increase inspections and compliance this fiscal year. In FY23, vehicle availability was impacted by supply chain issues. OCD is now actively upgrading its vehicle fleet to ensure field personnel have the equipment needed to increase and maintain the rate of inspections. OCD continued to surpass its annual target for plugging abandoned wells. A group of five plugging rigs have been contracted and are working simultaneously. Plugging activity was able to increase due to funding from the federal IIJA and continued state support from the oil reclamation fund. Using the $25 million in federal funds received in FY23, along with commitments by the federal government to continue funding in the future, OCD was able to secure long-term access to multiple plugging rigs and crews, which will increase both the number and rate of well-plugging projects moving forward. With 2,000 orphaned wells identified in New Mexico, the agency's ability to complete these plugging projects at an increasing pace will be critical to protecting public health and safety.



Budget: $55,305.5 **FTE:** 80	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of inspections of oil and gas wells and associated facilities .	35,757	29,522	31,000	8,855	8,368	12,498	Y
Number of abandoned wells properly plugged.	49	76	50	33	45	17	G
Number of violations issued with associated administrative penalties*	3,213	2,552	N/A	969	1,531	1,416	
Program Rating	Y	Y					Y

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

PERFORMANCE REPORT CARD
Office of the State Engineer
Third Quarter, Fiscal Year 2024

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) continue to spend time and resources working to navigate settlement negotiations in the *Texas v. New Mexico* water rights case. On June 21, the U.S. Supreme Court issued a 5-4 opinion against New Mexico, Texas, and Colorado and in favor of the United States. The parties are waiting for the Court's selection of a new Special Master in the case and proceedings and/or settlement negotiations to proceed. OSE and ISC also are actively working with the Upper Basin states to update the Colorado River compact and clarify its delivery obligations. Two competing proposals from the Upper Basin states (Colorado, New Mexico, Wyoming, and Utah) and the Lower Basin states (California, Nevada, and Arizona) will be ruled on by the U.S. Supreme Court.

ISC continued steady water deliveries under the Pecos River Compact while also staying within the acceptable margin for the deficit with the Rio Grande Compact. Further, the number of offers submitted to defendants through its Litigation and Adjudication Program predictably increased, nearly reaching its target. The Dam Safety Bureau exceeded its targeted number of notices issued in dam safety inspections and there are more dams scheduled to be inspected in the fourth quarter. Changes to the target for FY26 could be considered.

ACTION PLAN

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

Water Security Planning Act Update

ISC staff continue to implement the Water Security Planning Act. Staff have held 10 of a total 16 planning events. These events are opportunities for community involvement and engagement and will inform ISC's proposed new planning districts. The remaining six community hearings are in Socorro, Silver City, Las Cruces, Grants, Farmington, and Albuquerque. Further, a new public input portal has been created at the ISC's website, allowing for statewide engagement and for interested parties to view previous meetings. ISC is also working with the Indian Affairs Department, Tribes, Pueblos, and Nations to hold an interim committee to help inform the Water Security Tribal Advisory Council.

Water Rights Adjudication Program

The Water Rights Adjudication Program (WRAP) repeated its average 29 applications per month in the third quarter of FY24. This division also serves as "agency reviewers" for the New Mexico Finance Authority and Water Trust Board and as "cannabis water rights validation reviewers" for the Regulation and Licensing Department. Neither of these additional workloads are reflected in current performance measures, but measures should be considered to better reflect agency productivity.

WRAP is also responsible for populating and maintaining the Water Administration Technical Engineering Resource System and is not on pace to meet the annual target of 21 thousand transactions entered in the database. This is due to staff focusing on completing work in the Gila and Estancia basins, work that requires extensive groundwater domestic filing, meter readings, and changes of ownership.

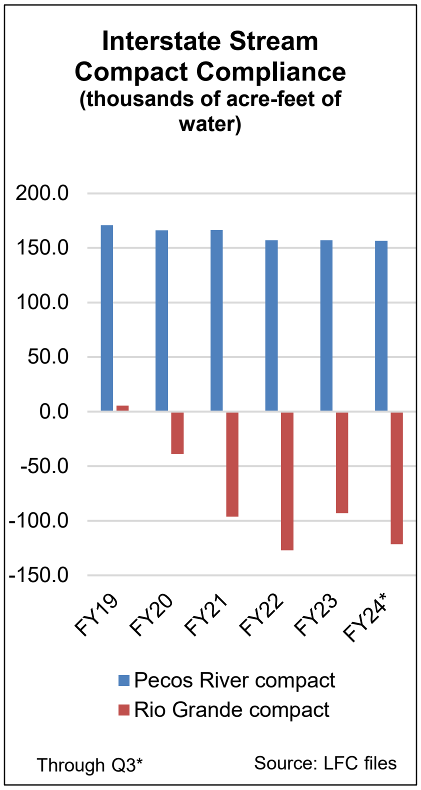
Budget: $18,975.0 **FTE:** 178	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of unprotested and unaggrieved water right applications backlogged*	499	445	N/A	419	423	394	G
Average number of unprotested new and pending applications processed per month	39	37.8	35	36	29	29	Y
Number of transactions abstracted annually into the water administration technical engineering resource system database.	28,665	19,210	21,000	2,939	2,898	3,280	R
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues	61	26	45	2	32	32	G
Program Rating	G	Y					Y

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

PERFORMANCE REPORT CARD
Office of the State Engineer
Third Quarter, Fiscal Year 2024

Interstate Stream Commission

The state's cumulative Pecos River Compact delivery credit remains steady, with the U.S. Supreme Court's Pecos River Master increasing the annual delivery debit to New Mexico by 600 acre-feet, bringing the total to 156,600 acre-feet of water.



New Mexico's Rio Grande Compact cumulative delivery deficit increased from 93,000 acre-feet in the second quarter to 121,500 acre-feet in the third quarter, a 31 percent increase in the deficit. ISC considers a debit of less than 150,000 acre-feet an acceptable target in the short term. This increase in the delivery deficit is due to continued construction on the El Vado Reservoir and New Mexico's accrued debit status, which meant the Middle Rio Grande Conservancy District was unable to store irrigation water in 2023. Of the 120,000 acre-feet of floodwater that was temporarily stored in upstream reservoirs in November, 30,623 acre-feet have been released. Further, Rio Grande channel delivery abilities continue to be deficient, and projects to maximize river conveyance continue to make slow progress despite significant investments.

Budget: $15,272.2 **FTE:** 54	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Cumulative New Mexico Unit fund expenditures, in millions of dollars*	$22.0	$22.3	N/A	N/A	$22.6	N/A	
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	157.2	156.6	161.6	156.6	156.2	156.6	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet	-127.1	-93	< -150	-93	-93	-121.5	Y
Program Rating	Y	G					Y

*An updated expenditure amount will be reported in quarter four of FY24.

Litigation and Adjudication

The Litigation and Adjudication Program (LAP) anticipated substantial increase in offers during the third quarter proved to be the case, with 118 offers, a 227 percent increase between quarters that will bring it close to its annual target of 300 offers. LAP is also anticipating another large increase in the fourth quarter, with the continuation of efforts to increase the Lower Rio Grande Bureau's productivity.

Data is regularly added to LAP's water right adjudication database, encompassing information from hydrographic surveys to finalized adjudication details. Monthly updates or as-needed entries are made based on field investigations, surveys, and court actions that result in offers.

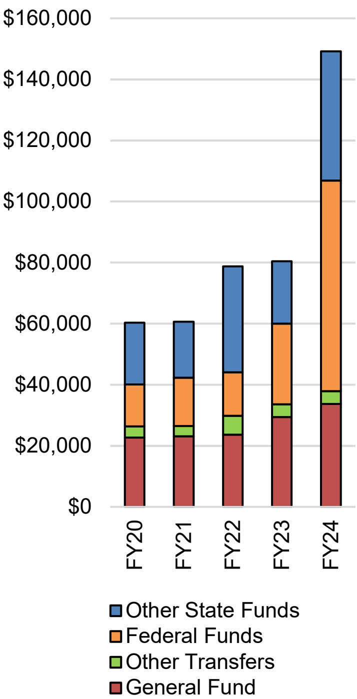
Budget: $8,268.3 **FTE:** 63	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of offers to defendants in adjudications	142	436	300	102	36	118	G
Percent of all water rights with judicial determinations	76.5%	76.7%	76%	76.7%	76.8%	77%	G
Program Rating	G	G					G

ACTION PLAN

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

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, many of the Environment Department's (NMED) regulatory compliance programs continually struggle to meet their targets. These results are further compounded due to recruitment and retention issues at all levels of the agency. To address staffing, some NMED programs are collaborating closely with the State Personnel Office to reclassify certain positions to make them more competitive with the private sector. Despite this, NMED's vacancy rate increased from 20.9 to 25.6 percent in the third quarter. While the Legislature has invested significantly in expanding personnel, the agency's recruitment and retention of key staff continues to be a challenge.

NMED Appropriations by Funding Source
(in thousands)



Source: LFC files

Water Protection

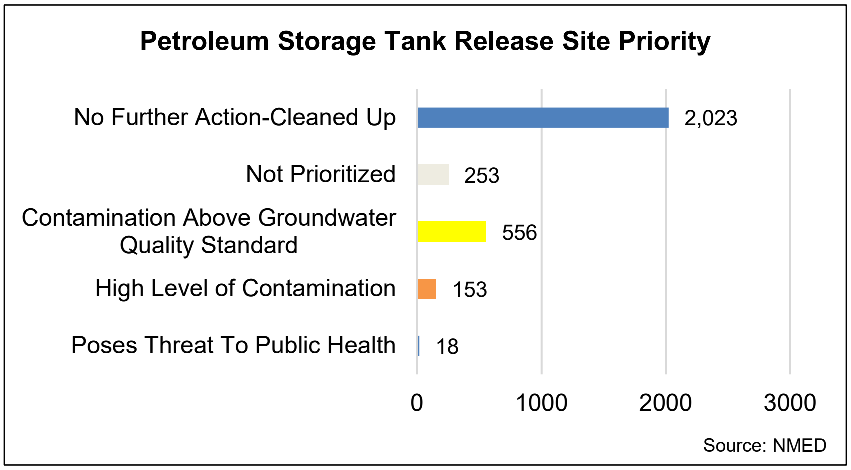
The Water Protection Division (WPD) continues to assist communities seeking to develop internal capacity to use state and federal funding for infrastructure improvement and water resource management. The Surface Water Quality Bureau completed one permittee inspection of the 20 required annually in the third quarter, not including inspection reports still in progress at the end of the quarter. NMED believes obtaining authorization to take over the U.S. Environmental Protection Agency's oversight of discharge elimination systems and continuing to ramp up development of a state surface water discharge permitting program will significantly improve the WPD's ability to protect the state's water resources. The bureau has filled 3 FTE to develop a permitting program using two special appropriations from 2022 and 2023; however, the program has not yet been established. NMED monitors 707 groundwater permits across the state, and conducted inspections on 58, or 8.2 percent. There is currently no regulatory requirement that establishes inspection frequency.

The Construction Programs Bureau (CPB) executed 40 original funding agreements totaling $18.6 million in the third quarter. Thirty of the agreements were for legislative capital outlay, totaling $12.4 million. This measure does not capture NMED's work on projects from programs not managed directly by CPB, such as drinking water state revolving fund and water trust board projects, although many such projects receive extensive technical assistance from the bureau.

Budget: $62,511.4 **FTE:** 191.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of the population served safe and healthy drinking water	97%	89.8%	95%	90.1%	90.5%	89%	Y
Percent of surface water permittees inspected	155%	145%	100%	5%	10%	20%	R
Percent of groundwater permittees inspected	21.1%	18.2%	65%	5.8%	10.3%	8.2%	R
Number of new water infrastructure projects	114	157	115	65	98	40	G
Program Rating	Y	Y					Y

Resource Protection

In the Resource Protection Division, Solid Waste Bureau (SWB) enforcement staff inspected 11 of 45 active permitted solid waste facilities (23.9 percent) in the third



quarter. The bureau has now inspected almost half of the facilities requiring inspection, placing it on track to meet its annual target. SWB reports additional staff are needed to improve the rate of inspections and it continues to work to reclassify existing vacancies to higher-level positions to improve recruitment and retention. Of concern, the existing measure excludes infectious waste generators that make up the majority of the nearly 1,300 total permitted facilities the SWB permits and inspects.

This quarter, the Petroleum Storage Tank Bureau (PSTB) approved no further action (NFA) status for three petroleum release sites, bringing the total number of completed site cleanups to 2,023. NFA status signifies compliance with remediation standards, assuring no significant risk of harm to public health or the environment at the site. PSTB currently has proposed assessments totaling $2 million from the corrective action fund pending approval by the department for proposed work.

In the third quarter, there were 2,488 hazardous waste generators in the state; this number changes frequently. The Hazardous Waste Bureau inspected 20 generators this quarter, a small percentage of the total and an insufficient number to make headway towards its annual goal. This continued trend of minimal inspection is, according to the agency, due to a lack of funding and staff.

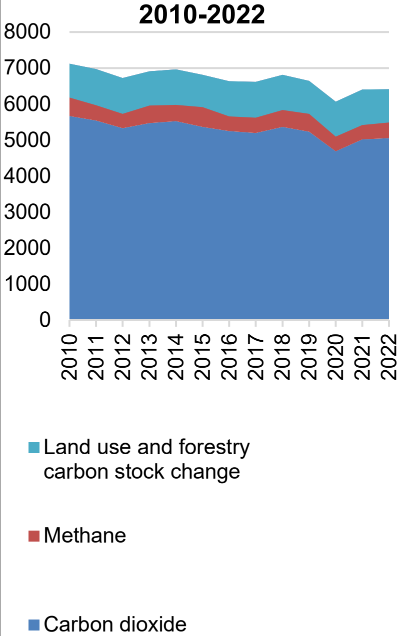
Budget: $18,653.4 **FTE:** 144.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of completed cleanups of petroleum storage tank release sites that require no further action	1,964	2,005	1,976	2,018	2,020	2,023	G
Percent of solid waste facilities and infectious waste management facilities inspected	47%	53.3%	85%	24.4%	22.2%	23.9%	G
Percent of hazardous waste facilities inspected	4%	3.7%	15.0%	0.8%	0.8%	1.1%	R
Program Rating	R	R					Y

Environmental Protection

The Environmental Protection Division's Air Quality (AQB) and Radiation Control Bureaus (RCB) are responsible for enforcing regulatory and compliance measures to protect the environment and prevent harm to human health.

In addition to inspections and monitoring, RCB's work includes assisting nuclear workers who have become ill due to occupational exposures received while working for contractors or subcontractors at U.S. Department of Energy facilities or in the uranium industry.
The Air Quality Bureau took part in joint inspections with the Environmental Protection Agency in April and is working on alternative strategies to focus its resources on facilities that have histories of violations, mainly oil and gas facilities. AQB's

New Mexico Greenhouse Gas Emmissions by Gas 2010-2022



Source: US Environmental Protection Agency Greenhouse Gas Inventory Data

compliance and enforcement section is actively involved in recruiting new inspectors. The inspections unit now has a manager and a supervisor with four inspectors; one left this quarter. Currently, only one inspector has more than two years of experience in air inspections, the minimum needed to be considered fully trained.

Budget: $18,320.1 **FTE:** 121.8	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of ionizing and non-ionizing radiation sources inspected	12.6%	15%	85%	5.6%	4.4%	4.6%	R
Percent of air emitting sources inspected	20.5%	33.3%	25%	7.8%	6.6%	6.5%	G
Percent of the population breathing air meeting federal health standards	98.4%	99.9%	95%	98.3%	100%	99%	G
Program Rating	R	R					Y

Environmental Health

The Environmental Health Division (EHD) continued to administer the state hemp extraction and manufacturing program, ensuring public health protection while supporting the growth and sustainability of the cannabis industry. EHD is also responsible for working to prevent workplace injuries and fatalities, avoiding unnecessary risks to public health from commercially prepared foods, regulating septic tanks, and ensuring the safety of public pools and spas.

The Occupational Health and Safety Bureau conducts thousands of inspections annually and targets workplaces with the greatest expectations of noncompliance but sees only 1 percent of all workplaces each year and suspects a much higher percentage of workplaces are out of compliance at any given time. The bureau must continuously refine its strategy for targeting the highest-risk workplaces. In the third quarter, the food safety program fell short of reaching the percentage needed to reach its annual target.

Budget: $ 16,219.3 **FTE:** 156.0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of employers that did not meet occupational health and safety requirements for at least one standard compared with the total number of employers	63.5%	64%	55%	73.2%	52.3%	60.7%	Y
Percent of restaurants and food manufacturers inspected	90.2%	80%	90%	20.8%	20.2%	21.5%	Y
Percent of new or modified liquid waste systems inspected	82.1%	86%	85%	91.9%	90.6%	89.5%	G
Program Rating	R	R					Y

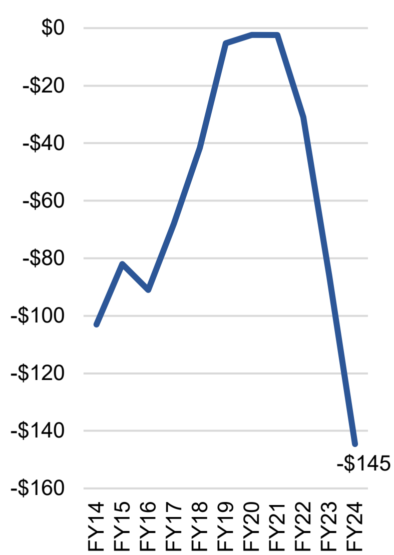
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
General Services Department
Third Quarter, Fiscal Year 2024

ACTION PLAN

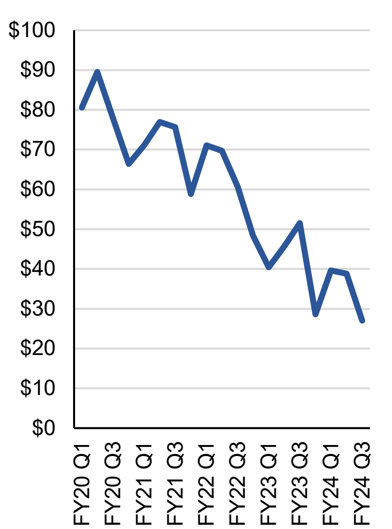
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Net Position of Major Risk Funds
(in millions)



Source: GSD and LFC Files

Public Liability Fund Cash Balance Oct. 2020 through April 2024
(in millions)



The General Services Department (GSD) reports continued deterioration of funds managed by the Risk Management Division, driven by large civil rights claims against several state agencies and institutions of higher education. GSD is reporting the state's public liability fund is projected to close the fiscal year with only a small percentage of liabilities in cash reserves. Special appropriations to ensure the solvency of the fund were approved by the Legislature but will only cover a portion of the fund's losses.

Risk Management Funds

The department's Risk Management Division oversees the state's shared risk pools, including the public property fund, the workers compensation fund, and the public liability fund. Overall, the financial position of the three funds, determined by dividing the current assets by the current liabilities, is 33 percent, down from 78 percent at the end of FY22, but the larger driver of losses is the state's public liability fund, which has only 8 percent of anticipated liabilities in reserve, well short of the 50 percent target. Projected assets are short of projected liabilities by $145 million, with the public liability fund reporting a shortage of $124 million. The public property fund remains well above the 50 percent target, and the workers' compensation fund remains slightly above target.

A one-time cash infusion of $20 million, approved by the Legislature during the 2024 session, will help rebuild cash reserves, which stood at $38 million in January 2024. But large settlements from a few agencies, notably the Children, Youth and Families Department and the Corrections Department, have driven significant losses for the fund that will need to be recovered in future years.

Agencies with Highest Settlement Costs

FY24 through Third Quarter

Agency	FY24 Liability Premium	Total Settlement Amount	# of Settlements	Settlements over $100K	Settlements over $250K
Children, Youth and Families	$2,409,500	$11,790,089	8	4	4
UNM Health Sciences	$8,867,000	$6,769,332	21	18	9
Corrections Department	$3,586,400	$3,432,250	25	12	3
Department of Transportation	$4,982,300	$1,548,161	91	3	1
New Mexico State Univ.	$1,331,900	$991,269	6	2	2
Other Agencies	$19,164,300	$3,803,269	61	52	23

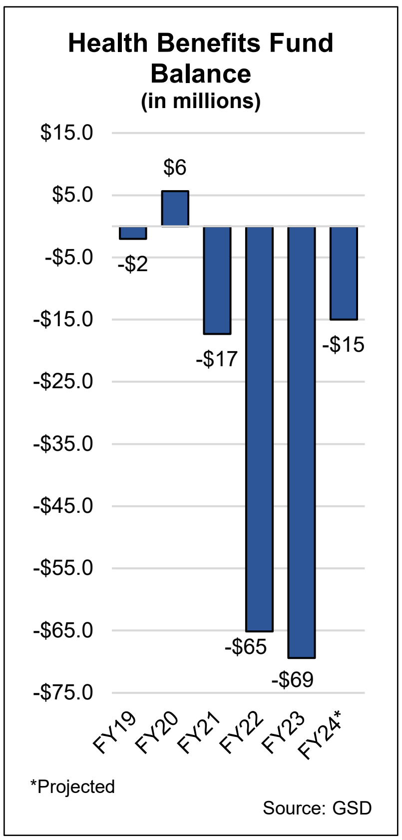
Source: New Mexico Sunshine Portal

Budget: $104,024.9 **FTE:** 0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Projected financial position of the public property fund*	443%	215%		184%	220%	251%	G
Projected financial position of the workers' compensation fund*	6%	56%		63%	60%	61%	G
Projected financial position of the public liability fund*	66%	42%		33%	7%	8%	R
Program Rating	G	Y		Y			R

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

Employee Group Health Benefits

In FY24, the Risk Management Division of GSD operates the state's self-insured group health benefits pool, providing health coverage to employees of the state, local governments, and some higher education institutions, but the program will transition to the Health Care Authority beginning in FY25. The employee group health benefits program has been operating at a deficit since FY21, with the Legislature allocating more than $175 million in general fund appropriations to backfill loses caused by a multi-year premium holiday. Revenue projections from GSD show, despite $140 million special appropriation, the fund will likely end FY24 with a deficit. Although the amount is uncertain because the final revenue and expenditure totals are not yet available, the balance could be as low as negative $15 million. Additionally, total recurring revenue for the fund was well short of total expenses in FY24, posing a significant challenge for the Health Care Authority, even with a 10 percent rate increase scheduled to go into effect in FY25.



GSD reports per-member-per-month cost decreased by 5.9 percent in the first quarter after modest growth in FY23. Rising costs puts additional pressure on the system, which is already unable to meet expenses with current revenue. A cost-containment strategy alone will not enable the department to close the funding gap in the absence of premium increases that recognize the true costs of the current plan.

Additionally, the percentage of workers purchasing health coverage continues to fall—from 81 percent in FY21 to 79 percent in FY23. Participation could continue to fall as premiums increase to recognize costs, with most of the losses likely to come from relatively healthy and lower cost individuals. The state may need to consider health plan alternatives, such as high deductible plans, which other public employers have used to moderate premium costs.

Budget: $363,142.2 **FTE:** 0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Change in average per-member-per-month total healthcare costs	5%	3%	5%	13.2%	7.8%	-5.9%	R
Annual loss ratio for the health benefits fund	118%	118%	98%	Annual Measure			
State group prescriptions filled with generic drugs	87%	83.6%	85%	No Report	82.3%	88.6%	R
Number of visits to the Stay Well Health Center*	4,540	7,375		1,666	2,124	2,071	R
Percent of eligible state employees purchasing state medical insurance*	80%	78.5%		Annual Measure			
Year-end fund balance of the health benefits fund, in millions*	-$65.1	-$61.2		No Report	$-126.6	No Report	R
Program Rating	R	R					R

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

Facilities Management

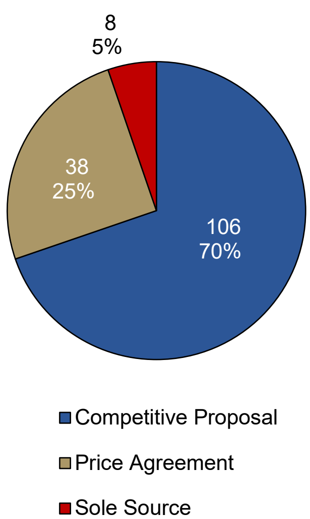
The Facilities Management Division (FMD) is responsible for maintaining 6.8 million square feet of state-owned and leased space. FMD reports only 68 percent of scheduled preventive maintenance activities were completed on time due to a lack of maintenance staff. On-time completion of capital projects also fell short of the target.

Budget: $19,550.7 **FTE:** 148	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Capital projects completed on schedule	93%	87%	90%	92%	89%		G
Preventive maintenance completed on time	59%	70%	90%	59%	68%	72%	R
New office leases meeting space standards			91%				R
Amount of utility savings resulting from green energy initiatives, in thousands*	$85	$-38.2		$59	$126	$98	
Program Rating	R	R		R			Y

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

GSD continues to report 100 percent of leases meet adopted space standards; however, previous reports have indicated most of the leases were exempt from the standard recommendation and not counted in the total. Previous reports have included the number of leases below standard and the number of leases exempt, but for the third quarter, GSD altered reporting to include only the total number of leases. Given this trend, 100 percent of new leases are unlikely to have met the recommended space standard, but it is uncertain how many were over this threshold.

Statewide Professional Services Contracts >$500,000, FY23



Source: LFC Files

The state has yet to realize projected cost savings from the green energy initiatives, with the department reporting a loss of $38.2 thousand in FY23. In August 2019, FMD began a $32 million project to reduce energy use in state facilities, estimated to save at least $1.4 million per year, with guaranteed savings of $1.1 million. However, in the first half of FY24 the department reports cost savings of only $185 thousand. The department does report significant energy savings over the FY18 baseline of 2.6 million kilowatt hours in the second quarter, resulting lower greenhouse gas emissions of 1,886 metric tons.

State Purchasing

The program reports 76 of 77 executive agencies had designated chief procurement officers, and the agency met targets for procurement completion. In the third quarter, the awards from invitations to bid were not completed within the targeted timeframe, with only 53 percent of bids awarded withing 90 days, well below the target of 90 percent. Although this is a new measure, performance in both the first and second quarter were below performance targets and the agency has not yet developed an improvement action plan for this item.

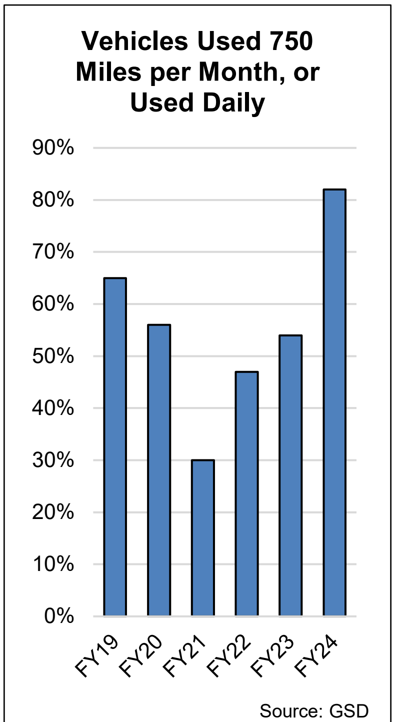
State agencies increased their reliance on price agreements for purchasing services: monthly reports from the GSD's Contracts Review Bureau show a quarter of professional services contracts valued at more than $500 thousand were purchased using a price agreement rather than through a competitive proposal. Generally, those price agreements require vendors to pay a fee to state purchasing for inclusion on those price lists. The agency reports only 14 percent of vendors have completed required payments for purchases made from statewide price lists, the deadline for submitting such payments was after the agency's quarterly reporting date. As a result, the reported 14 percent, while far below the performance target, is understandable. The agency should update quarterly performance reports to reflect the most recent complete information, providing a better metric for performance reporting.

Previous LFC evaluations included recommendations to repeal some widely used purchasing exemptions that circumvent competition and adding guardrails to the use of statewide price agreements. To date, recommended changes to the Procurement Code remain unaddressed.

Budget: $2,919.3 **FTE:** 29	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Agencies with certified procurement officers	100%	96%	98%	98%	98%	98%	G
Procurements completed within targeted timeframes	88.5%	87%	80%	81.5%	88%	84%	G
Revenue generated through pricelist purchases, in thousands*	$3,803	$4,641			Annual Measure		
Percent of estimated payments from vendor sales	99%	99%		13%	8%	14%	R
Percent of invitations to bid awarded within 90 days	NEW	NEW	90%	76%	18%	53%	R
Average number of days for completion of contract review	4	3	5	5.5	1.5	1.3	G
Program Rating	G	G					Y

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

Transportation Services



State agencies improved their vehicle utilization, with 82 percent of vehicles used daily or for at least 750 miles per month, above the performance target of 70 percent for the first time in recent years. The division's operation could change dramatically in light of the recent executive order transitioning the state's vehicle fleet to zero emission vehicles. Currently, the division does not have performance metrics related to the transition, but the executive order required GSD and the Department of Transportation to develop program benchmarks and progress reporting.

Budget: $11,483.9 **FTE:** 32	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of leased vehicles used for 750 miles per month or used daily	47%	54%	70%	71%	67.4%	82%	Y
Average vehicle operation costs per mile*	$0.55	$0.52	$0.59		Annual Measure		
Program Rating	R	Y		G			Y

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

State Printing

The State Printing Program reported recovery in sales, with strong sales growth in the first half of the fiscal year when compared with sales two years prior. GSD reports an invoice issue caused a small pullback in the third quarter sales, but additional revenue will be recognized in the fourth quarter. State printing sales are benchmarked to the same quarter two years prior because print jobs are often related to the legislative session and can vary based on length of the session. Because of this, sales typically peak in the second and third quarters. The division continues to perform well, with all printing jobs delivered on time.

Budget: $2,732.2 **FTE:** 11	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Revenue exceeding expenditures	21%	7%	5%		Annual Measure		
Percent of printing jobs delivered on time	100%	100%	99%	100%	100%	100%	G
Sales growth in revenue	-2%	29%	10%	38%	38%	-6%	G
Program Rating	G	G		G			G

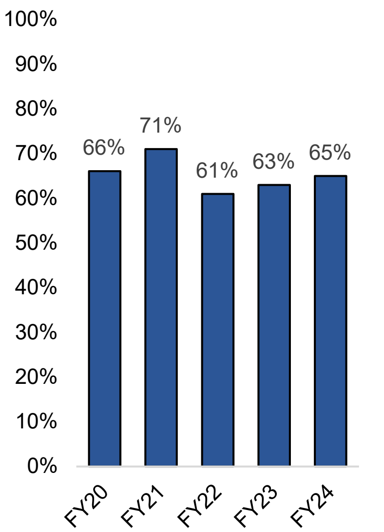
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
State Personnel System
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

New Employees Completing One Year Probation Period



Source: SPO

Agencies with Shortest Time to Fill

Agency	Positions	Days
PERA	5	19
State Auditor	2	19
DFA	2	25
Miners Colfax	2	27
SPO	2	28

Agencies with Longest Time to Fill

Agency	Positions	Days
Homeland Security	2	78
Transportation	56	79
Early Childhood	8	80
Environment	8	104
Health Care Auth.	2	124

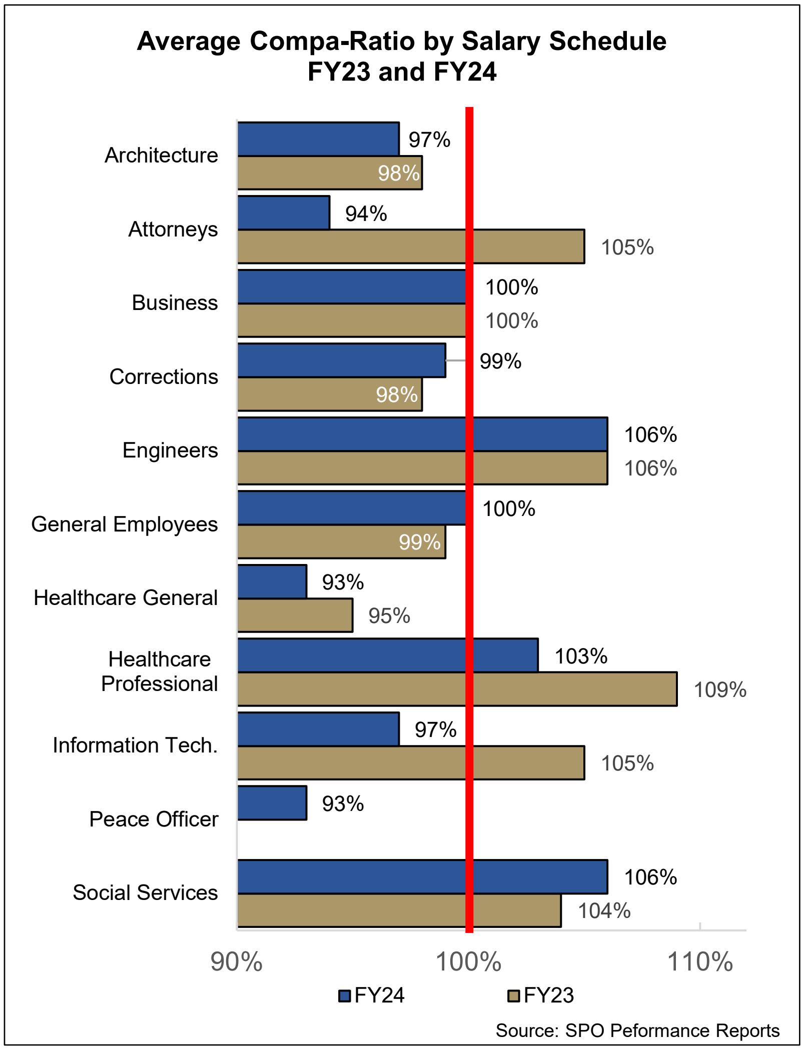
Source: SPO

Recent pay increases and stabilization of the broader job market helped to improve key metrics related to the state's personnel system, but high turnover and the continued growth in the number of positions within state agencies led to continued high vacancy rates. The State Personnel Office (SPO) reports the classified service vacancy rate is 22.1 percent, 20 percent higher than the rate in FY21, but this increase has been primarily caused by significant increases in the number of new positions created. State agencies have been successful at attracting candidates from outside state government. SPO reports 943 new hires in the second quarter, on track for agencies to surpass the FY23 total of 3,100 new employees. However, the state must work on retaining these new employees. SPO's data show only 65 percent of new employees complete their probationary period, meaning if retention patterns do not change almost 1,000 of those 2,700 new hires this fiscal year will not reach one year of employment. To reverse trends, SPO has encouraged agencies to take advantage of resources such as SPO-led management training courses. Research shows positive relationships with managers are key to retaining employees and encouraging a productive workforce.

Budget: $4,715.5 **FTE:** 44	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average number of days to fill a position from the date of posting*	69	66	N/A	62	60	58	Y
Classified service vacancy rate*	22.8%	23.8%	N/A	23.7%	22.7%	22.1%	R
Percent of classified employees who successfully complete the probationary period*	61%	63%	N/A	62%	67%	65%	R
Average classified employee compa-ratio*	105%	98.7%	N/A	100%	100.7%	101.1%	G
Average classified employee new hire compa-ratio*	102%	95.5%	N/A	96.4%	97.6%	98.1%	G
Number of hires external to state government*	2,969	3,109	N/A	1,037	727	943	G
Number of salary increases awarded*	NEW	1,660	N/A	178	120	230	
Average classified service employee total compensation, in thousands*	NEW	$99.8	N/A	$106	$107.9	$108.5	
Cost of overtime pay, in millions*	NEW	$41.1	N/A	$11.6	$10.0	$10.9	
Program Rating	R	Y					Y

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

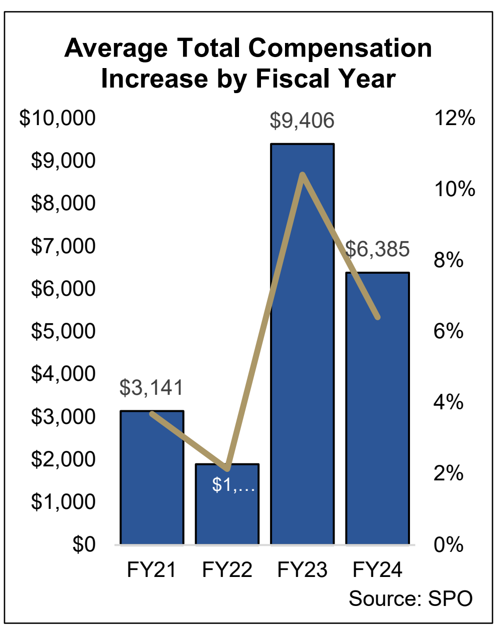
SPO reports agencies have made significant inroads in reducing the time it takes to fill a position. In the first quarter of FY23, SPO reported it took agencies an average of 72 days to fill positions, measured from the date of posting to the extension of an employment offer to the candidate. By the third quarter of FY24, agencies reduced that number to 58 days, a 19 percent drop. SPO has prioritized working with agencies to reduce the time-to-fill metric. Using second quarter data, SPO reports significant variance by agency, with some agencies completing the hiring process in as little at 19 days, while other agencies are taking up to 120 days. Of the 327 positions measured by SPO in the second quarter, about one third (111 postings) were complete in less than 45 days. Another third (110 positions) were completed between 45 and 65 days, while 106 positions took more than 65 days to fill. For calculating this metric, SPO does not include any positions that are posted on a continuous basis and the position is considered filled one a prospective employee has accepted an offer of employment.



Competitive Pay

SPO's quarterly report includes information on the average compa-ratio, or salary divided by the midpoint of the salary range, one possible indicator of salary competitiveness. Between FY22 and FY24 the average compa-ratio for state employees fell to 101 percent from 105 percent. Average compa-ratios for new state employees fell to 98 percent from 102 percent. This indicates new employees are accepting employment offers below the position midpoint, suggesting the salary is more competitive with the broader job market. However, SPO reports some areas continue with high average compa-ratios, including classifications for engineers and social services. Notably, the average compa-ratio for the attorney classification recently fell due to a recent SPO study that adjusted payband and job classifications. The new, simpler structure provides for a wider pay range and fewer classifications, allowing agencies to move employees up the pay scale as they gain experience without requiring the agency to reclassify positions to provide salary increases.

On average, total compensation for state employees topped $108 thousand in FY24, an increase of 8.7 percent from FY23. Based on information from the U.S. Bureau of Labor Statistics, recent increases in New Mexico have been higher than national benchmarks. However, many agency staff report a lack of competitive pay packages as a barrier to filling positions. Part of this perception is due to the relatively high share of total compensation in fringe benefits offered to state employees. State employees receive more than 40 percent of their total compensation through benefits, compared with 30 percent for workers in the private sector, based on national data. While state and local government employees nationally generally receive more of their pay from benefits, New Mexico provides a larger share of compensation through benefits than government employers generally.



Providing competitive compensation packages to state employees is key to improving recruitment and retention. As part of a broader look at the state's personnel system, LFC and the Department of Finance and Administration have undertaken a joint study of the compensation, with a goal of benchmarking the state's salaries and benefits amounts paid by other public entities. The study will also consider ways to restructure and potentially simply the state's classification system, including giving agencies a wider pay range to allow for growth within pay bands as employees progress through their careers.

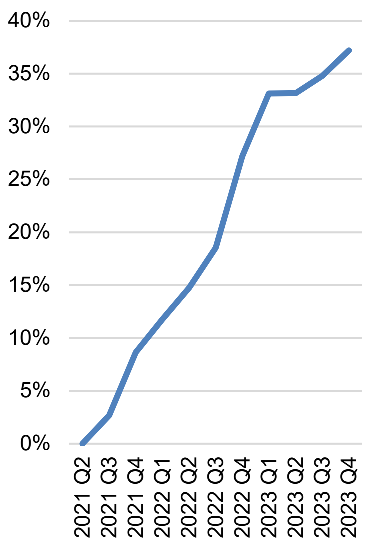
PERFORMANCE REPORT CARD
Department of Transportation
Third Quarter, Fiscal Year 2024

ACTION PLAN

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

With a significant influx in funding made available to the department for road projects in the coming years, the Department of Transportation (NMDOT) will need to maintain strong performance in managing road construction and maintenance projects. Recent legislative investments have improved overall road conditions, with the potential to do much more over the next three years, with the allocation of more than $750 million in nonrecurring funding for transportation projects.

Nationwide Percentage Increase in Highway Construction Costs
(December 2020 through June 2023)



Source: Federal Highway Administration, National Highway

Project Design and Construction

While the department has improved its ability to put projects out to bid as scheduled over the long term, maintaining the high performance benchmark from FY23 will be challenging. While performance appears to have pulled back in the first half of the fiscal year, performance rebounded in the third quarter and remains well above performance targets. Maintaining a consistent project schedule is a key goal of the department and allows the contracting community to appropriately plan for upcoming projects. Additionally, the department has fallen short of its target from on-time completion of projects, with only 81 percent of projects completed on-time in the third quarter.

Budget: $797,989.2 **FTE:** 370	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of projects let to bid as scheduled	77%	98%	75%	88%	92%	100%	G
Percent of final cost-over-bid amount on highway construction projects	-0.2%	1.0%	3.0%	1.6%	-0.8%	-1.5%	G
Percent of projects completed according to schedule	94%	89%	88%	78%	75%	81%	R
Program Rating	G	G		G	G		G

The department reports construction costs have climbed, but the department has typically been able to minimize cost overruns once a bid has been accepted. NMDOT reports costs were under bid amounts by $2.6 million on the 16 projects completed in the third quarter; year-to-date, average project costs are flat with bid amounts.

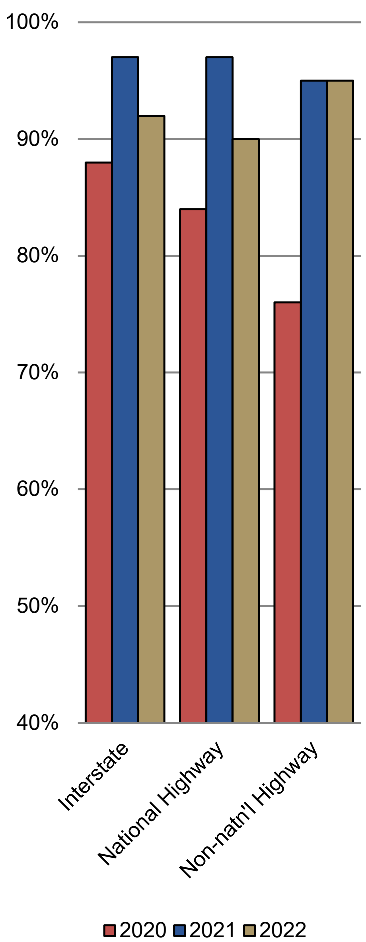
Select Project Put to Bid or on Letting Schedule in FY24 and FY25
(in thousands)

3rd Quarter		4th Quarter		FY25 1st Quarter	
Project	Bid Amounts	Project	Estimated Cost	Project	Estimated Cost
Intersection of US-285 and NM-31, Eddy County	$18,121	NM-39 Improvements, Phase II, Northwest of Logan, Harding County	$13,500	US-380 Corridor, Priority 1 Improvements; Chaves County, east of Roswell	$35,000
I-40 Rehabilitation, Between Tucumcari and San Jon, Quay County	$22,500	I-10 Bridge, over Main Street in Las Cruces, Dona Ana County	$8,408	NM-118, reconstruction between Rehoboth and Church Rock	$20,660
I-10 Pavement Preservation, West of Deming, Luna County	$18,900				

Source: NMDOT Statewide Transportation Improvement Program; bidx.com

Based on published bid information, engineers average estimate of project costs continue to be below received bids, though not by as much as prior years, when cost estimates were off by as much as 30 percent due to rapidly rising construction cost. In the third quarter, the seven projects put to bid had an aggregate cost estimate of $89.4 million. When compared with the low bids for each project, this was $3.2 million, or 3.6 percent below low bid amounts, which totaled $92.5 million.

Percent of Miles Rated In Good Condition



Source: NMDOT

NMDOT's most recent 12 month letting schedule, reporting projects from July 2024 through July 2025 includes 35 projects, with an aggregate construction cost estimate of $481 million.

Highway Operations

The department has already surpassed its annual performance targets for preserving highway pavement due to strong second and third quarter performance. Overall, the number of bridges rated in better than poor condition remains better than the target of 95 percent. Recent changes to federal funding for bridge preservation has given the department access to additional federal funds to remediate the 4 percent of bridges currently listed in poor condition.

Budget: $321,021.5 **FTE:** 1,848.7	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of statewide pavement lane miles preserved.	3,852	4,373	3,500	999	2,025	1,117	G
Bridges in fair condition or better, based on deck area.	96%	96%	95%	96%	96%	97%	G
Program Rating	G	G		G	G		G

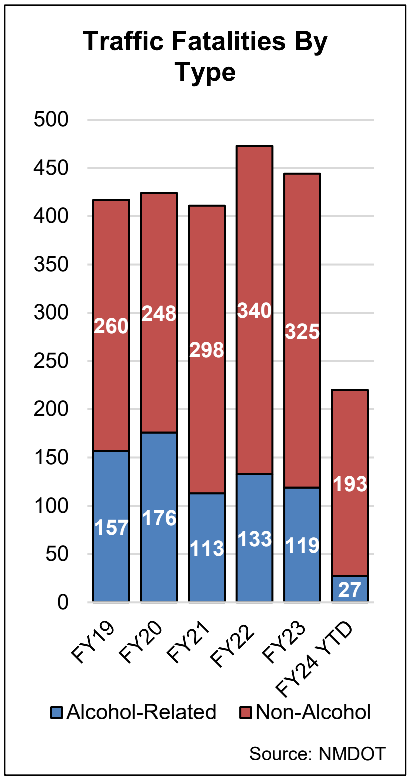
NMDOT assesses all New Mexico roads each calendar year using a pavement condition rating (PCR) score to measure roadway conditions. For calendar year 2022, road condition data shows improvement from 2020, although slightly lower than in 2021. Recently, federal and state governments have provided additional resources for road construction and maintenance activities.

2022 Road Condition Survey	2019 Actual	2020 Actual	2021 Actual	2021 Target	2022 Actual	Rating
Interstate miles rated fair or better	90%	88%	97%	>90%	92%	G
National highway system miles rated fair or better	88%	84%	97%	>86%	90%	G
Non-national highway system miles rated fair or better	85%	76%	95%	>75%	95%	G
Lane miles in poor condition	4,420	6,805	1,451	<5,425	2,824	G
Program Rating	G	Y	G			G

A PCR score of 45 or less indicates a road in poor condition. In 2022, the average PCR score for the state was 65.9, down from 72.1 in 2021 but up from the 2020 score of 54.9.

Modal

NMDOT's modal program, responsible for traffic safety initiatives, aviation, and transit programs, reported traffic fatalities that reflect a broader nationwide trend. To reduce



traffic fatalities, experts point to the need to adopt a "safe systems approach" matching traffic law enforcement with safe roadway design to limit the number of fatalities.

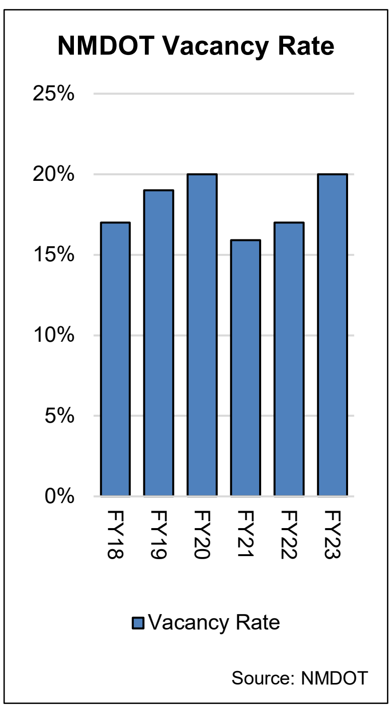
The department is on track to record fewer fatalities in FY24 than in FY23 but will likely still exceed the target level of 400 fatalities per year. New Mexico has among the highest number of motor-vehicle-related fatalities in the country and the highest rate of fatalities for pedestrians involved in motor vehicle crashes. According to the Insurance Institute for Highway Safety, there were 1.79 deaths per 100 million vehicle miles traveled, well above the national average of 1.37 deaths. Were the number of deaths in New Mexico to fall to the national average of 1.37 deaths per 100 million vehicle miles traveled, 114 fewer New Mexicans per year would be involved in fatal crashes.

The number of alcohol-related fatalities remains below target, although initial reports may increase in subsequent quarters as NMDOT receives additional data.

Budget: $84,787.5 **FTE:** 115	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Traffic fatalities	464	444	400	107	113	99	Y
Alcohol-related traffic fatalities	72	119	140	16	13	12	G
Non-alcohol-related traffic fatalities	392	325	250	90	98	87	R
Occupants not wearing seatbelts in traffic fatalities	193	174	140	23	36	37	G
Riders on park and ride, in thousands	100.4	142.1	235	42.3	38.8	41.9	R
Number of pedestrian fatalities	76	100	85	25	33	27	R
Riders on the rail runner, in thousands*	40.9	317.2		160.9	144.9	139.4	
Program Rating	R	R		R	R		R

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

Program



NMDOT reports departmental safety initiatives are reducing workplace injuries, which are on track to fall below the performance target and below the level from FY23. Of the nine employee injuries, only two occurred in a work zone, a significant improvement from FY21 and FY22. The department is undertaking safety initiative to protect workers in construction zones by partnering with the Department of Public Safety to ramp up enforcement of construction zone speed limits. Research has shown a majority of crashes in work zones are speed related and reducing driver speed is key to protecting worker safety. The department's vacancy rate has fallen and remains below the statewide average vacancy rate.

Budget: $56,647.4 **FTE:** 253.8	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Vacancy rate in all programs*	15.9%	17%		19.7%	17%	16%	
Number of employee injuries	35	59	75	8	9	18	G
Number of employee injuries occurring in work zones	11	17	25	1	2	2	G
Program Rating	G	G		G	G		G

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

Project Status Legend

G	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
Y	Project has potential risk to scope, cost, schedule, or deliverables; independent verification and validation (IV&V) or LFC staff has identified one or more areas of concern needing improvement.
R	Significant issues limit success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed.

Status Trend	↗ Overall project status has shown improvement this quarter (example: a project moved from red to yellow)	↘ Overall project status has declined since last quarter (example: a project moved from green to yellow)	⇨ Overall project status remains the same

DoIT-Led Projects

Y ⇨

The **P25 public safety radio project** ($91.2 million; 94.1 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated total cost of $170 million. The agency has 43 confirmed subscribers, including school and local police, fire departments, and other various federal and state safety agencies. Phase two deployment is currently advancing in Albuquerque/Bernalillo County, staying on schedule to finish in 2027.

Y ⇨

2021 legislation created a new **statewide broadband program** ($267.9 million; $12.5 million expended; 50.1 percent remaining) within DoIT and the new Office of Broadband Access and Expansion (OBAE). OBAE has grown to 23 full-time employees (FTE). The agency continues to meet deadlines for state digital equity plan and has extended deadlines for their Connect New Mexico fund applications..

Executive Agency IT Projects

R ↘

The Health Care Authority's (HCA) **child support enforcement system replacement (CSESR) project** ($32.9 million; 46.3 percent expended) aims to replace the legacy child support application. Project cost estimates increased—totaling $76 million, up from $70 million—alongside an expanded timeline through FY27 that has not yet been certified by the project certification committee (PCC), posing risk. The agency reauthorized $10.6 million in unspent balances from previously appropriated funds for FY257.

R ⇨

HCA's **Medicaid management information system replacement (MMISR) project** ($369.4 million; 68.5 percent expended), which started in December 2013, will replace the legacy MMIS application and is supported by a 90 percent federal funding match at a total estimated cost of $418 million. The project has seen substantial delays—estimated to be completed in FY27—and cost overruns. However, HSD continues to submit annual required updates to federal partners alongside the Children, Youth and Families Department. The agency has deployment plans in place for its other modules, but additional cost increases continue to pose a substantial risk to the project.

Y ⇨

The Children, Youth and Families Department's **comprehensive child welfare information system (CCWIS) project** ($54.9 million; 43.6 percent expended) –now the New Mexico Impact Project intends to replace the old family automated client tracking system, or FACTS. The agency did not seek any new appropriations for FY25 but will be asking for money for CCWIS in FY26. Initially expected in 2023, completion is now estimated in 2027. Project costs increased from $45 million to $71 million to now totaling $82 million. The agency does not anticipate a need for an increase in state funding as the new project costs will be covered by federal participation

G

The Corrections Department's (NMCD) **electronic health records project** ($6.7 million; 56.7 percent expended) is intended to replace the existing paper healthcare records system with an electronic based system that will integrate and exchange information across systems. The project is currently adequately funded and will receive $1.925 million in FY25 for project improvements. The end date has changed to September 2024, three months later than the initial planned end date.

G

The Department of Public Safety's (DPS) **records management system (RMS) project** ($7.4 million; 78.2 percent expended) and **computer-aided dispatch (CAD) project** ($3 million; 98.5 percent expended) will provide public safety agencies with a new data repository. The agency has experienced delays to its CAD implementation due to issues with geographic information system (GIS) enhancements but will not incur additional costs from the vendor. Both systems are live as of May 2024.

G

DPS's **intelligence-led policing project** ($5.5 million; 17 percent expended) will implement a new system to incorporate the needed data and analytics functions to generate valuable intelligence to more efficiently direct law enforcement resources in a proactive rather than reactive approach. DPS certified funding at the PCC for continuation of contracts in January 2024. Project risks are being adequately managed.

R

The Higher Education Department's (HED) **longitudinal data system (LDS) project** ($7.5 million; 88.9 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico's education and workforce data for a total estimated cost of $14.1 million. HED expanded the timeline to 2026 to accommodate additional project phases, posing substantial risk. The agency will receive $4.5 million for continuation of the project in FY25.

G

The Regulation and Licensing Department's (RLD) **permitting and inspection software modernization project** ($14.2 million; 74 percent expended) will replace the legacy system Accela for $7.3 million. The Accela project has certified $14.3 million for all phases of the project. The accelerated timeline is regarded as the highest current risk but is not majorly impacting the project. Phase four is on track to end at the end of FY24. The agency was appropriated $2.75 million from the mortgage authority fund for continuation of the project in FY25.

OVERVIEW

Project Phase	Implementation
Start Date	9/27/18
Est. End Date	6/30/24
Revised	6/30/27
Est. Total Cost	$150,000.0
Revised	$170,000.0

Project Description

The P25 digital statewide public safety radio system upgrade project will upgrade and replace public safety radio equipment and systems with digital mobile communications for public safety organizations.

P25 Full Subscribers*
Los Lunas School Police
Office of Superintendent of Insurance
Doña Ana County (Fire and Sheriff)
Rio Rancho Police Department
State Parks
TRD Tax Fraud Investigations Division
City of Santa Fe
Doña Ana County Office of Emerg. Management
BNSF Railroad Police
Peralta
Belen
Valencia County Fire
Department of Transportation
Eddy County (in deployment)
New Mexico District Attorney's Office
Attorney General's Office
Corrections Department
Children, Youth and Families Department
Rio Rancho (in deployment)
Sandoval County (in deployment)
Los Lunas
Tijeras Fire Dept.
U.S. Marshal Service
Bernalillo County
U.S. Bureau of Alcohol, Tobacco and Firearms
New Mexico State University
Albuquerque
Spaceport America
State Police

*Does not include nine interoperability partner organizations

Source: DoIT

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) continues with deployment plans for its public safety radio project, with 43 confirmed agency subscribers, including school and local police, fire departments, and other various federal and state public safety agencies. The agency met its goal of reaching 40 percent state coverage by the end of FY23 and is on track to complete the project in 2027.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	Y	Y	Y	Y	Y	
Schedule	Y	G	G	G	G	
Risk	R	Y	Y	Y	Y	
Overall Rating	Y	Y	Y	Y	Y	

Budget

DoIT was appropriated $10 million in new capital outlay funding for the project during the 2024 legislative session. DoIT has been subsidizing costs for their agencies and will receive $2.8 million in FY25 to continue the radio subsidies for federal and local governments and $10 million in capital outlay.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$91,164.3	$0.0	$91,164.3	$85,806.7	$5,357.6	94.1%

Schedule

The agency is on track with its current deployment schedule, planned through 2027. Phase two deployment is advancing. However, because the project is a multi-year, multi-phase project, funding availability and the potential for deployment delays will continue to play a role in DoIT's ability to maintain its current project schedule.

Risk

The large capital cost and long-term deployment schedule continue to pose some level of risk, which has been manageable as the agency continues to work on various expansion projects. There is potential for deployment delays due to ongoing chain supply disruptions. The P25 advisory committee continues to meet on a regular basis and the agency keeps holding subscriber user group meetings, reducing risk.

OVERVIEW

Project Phase	Planning
Start Date	7/1/21
Est. End Date ***Revised***	Ongoing
Est. Total Cost ***Revised***	TBD

Project Description

The Statewide Broadband Program will support the implementation and expansion of broadband statewide, including uses of funds from the Connect New Mexico fund.

Statewide Broadband Program

Overall Status

The Office of Broadband Access and Expansion (OBAE) released their three-year plan in January 2024. OBAE has signed award agreements for two waves of the Connect New Mexico pilot grant program, and announced awards for wave three, funded with a 2021 $123 million appropriation. The agency continues to meet deadlines for state and federal broadband plans, including submission of the state digital equity plan, but impending staff and leadership changes and several upcoming federal grant deadlines pose risk.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	R	Y	Y	Y	Y	
Schedule	Y	Y	Y	Y	Y	
Risk	Y	Y	Y	Y	Y	
Overall Rating	R	Y	Y	Y	Y	

Budget

The state is expected to receive $675 million through FY27 from federal Broadband Equity, Access and Deployment (BEAD) grant programs, requiring a detailed spending plan. OBAE has fully spent/obligated appropriations for the Navajo Nation ($3 million) and expansion projects in Northern New Mexico and Rio Arriba/Santa Fe Counties ($372.9 thousand and $259.7 thousand).

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$137,680.6	$130,311.9	$267,992.5	$120,865.8	$12,595.4	$134,531.3

[1] State funding includes connect New Mexico and other DoIT funds. Federal funding includes $123 million from ARPA funds, $1.5 million in CARES Act funding, $5 million from the BEAD planning grant, and $745 thousand from Digital Equity grants.

Schedule

Managing a variety of appropriations with different expenditure and reporting deadlines poses risk, but OBAE is using a grant tracking system and hired grant and compliance managers to mitigate risk. OBAE recently submitted its Digital Equity Capacity Grant Program application to the National Telecommunications and Information Administration for $8.67 million.

Risk

OBAE's growth has allowed the office to make progress on awarding connect New Mexico fund dollars and developing needed plans to access new federal funds. However, OBAE expects several staff and leadership changes, which may affect the agency's capacity to administer funds in future quarters, posing risk.

OVERVIEW

Project Phase	Initiation
Start Date	12/18/13
Est. End Date	6/30/19
Revised	6/28/27
Revised	10/30/29
Est. Total Cost	$65,581.9
Revised	$76,700.0

Project Description

The child support enforcement system replacement project (CSESR) will replace the more than 20- year-old child support enforcement system with a flexible, user-friendly solution to enhance the department's ability to comply with and meet federal performance measures.

Child Support Enforcement System Replacement Project

Overall Status

The Health Care Authority (HCA), formerly the Human Services Department, has completed improvements to the system design (refactoring) and upgraded the old system to a new, modern cloud platform (replatforming) in February 2022. Phase two is now underway for a complete replacement of the system with new architecture. The agency onboarded and received federal contract approvals for its project management office vendor and HCA has developed a tentative timeline for planning and implementation, however delays to the expected completion date pose increased risk to the project this quarter.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	Y	R	R	Y	R	
Schedule	Y	R	R	R	R	
Risk	Y	Y	Y	Y	R	
Overall Rating	Y	R	R	Y	R	

Budget

The project continues to cite a total estimated cost of $76 million—up from $70 million—resulting from expanding the project timeline. The agency reauthorized $10.6 million in unspent balances of previously appropriated funds for FY25 for the project's continuation. HCA will go to PCC to request release of funding June 2024.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$13,418.6	$19,448.0	$32,866.6	$15,218.9	$17,647.7	46.3%

Schedule

Managing a variety of appropriations with different expenditure and reporting deadlines poses risk, but OBAE is using a grant tracking system and hired grant and compliance managers to mitigate risk. OBAE recently submitted its Digital Equity Capacity Grant Program application to the National Telecommunications and Information Administration for $8.67 million.

Risk

OBAE's growth has allowed the office to make progress on awarding connect New Mexico fund dollars and developing needed plans to access new federal funds. However, OBAE expects several staff and leadership changes, which may affect the agency's capacity to administer funds in future quarters, posing risk.

OVERVIEW

Project Phase	Implementation
Start Date	12/18/13
Est. End Date	12/30/21
Revised	8/31/26
Revised	1/14/27
Est. Total Cost	$221,167.8
Revised	$346,319.8
Revised	$389,758.7
Revised	$418,317.6

Project Description

The Medicaid management system replacement project will replace the current Medicaid management information system (MMIS) and supporting applications, including the Medicaid information technology architecture, to align with federal Centers for Medicare and Medicaid Services (CMS) requirements.

Medicaid Management Information System Replacement Project

Overall Status

The project administered by the Health Care Authority (HCA), formerly the Human Services Department, experienced several substantial delays and increases to the project budget. After several vendor changes and delays, the agency deployed its system integration platform, currently used for transferring files and other data from the agency's ASPEN system. The new Project Manager started in December. Consolidated Customer Contract Center, parts of Quality Assurance, and parts of Unified Portal have been deployed into production within the last couple of years.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	Y	Y	Y	Y	Y	
Schedule	R	R	R	R	R	
Risk	Y	R	R	R	R	
Overall Rating	Y	R	R	R	R	

Budget

The agency was appropriated $7.4 million in state funds for FY24, with an associated $67.5 million federal match. HCA received $331.9 million from the federal government for project costs so far. However, the agency submitted a new overall project budget totaling $418.3 million—an increase of $28.5 million, or 7.3 percent—posing substantial risk given the continued escalation of costs. HCA requested a release of funds for both modular and non-modular components of the project. The agency reauthorized $46 million in unspent balances of previously appropriated funds for FY25 for the project's continuation. HCA will go to PCC to request release of funding June 2024.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$37,757.6	$331,864.5	$369,480.9	$253,423.2	$116.057.7	68.5%

Schedule

Prior substantial delays in the project and the need for integration with various other agency systems posed moderate risk. The Unified Portal is planned to go live in August 2024. The Benefits Management Module/Provider Management is expected to go-live late October.

Risk

HCA is making progress replacing key project and agency staff for the Unified Portal project. A new project change request was approved to help with integration activities among the Medicaid modules. Additional cost increases continue to pose a substantial risk to the project.

OVERVIEW

Project Phase	Implementation
Start Date	9/1/17
Est. End Date	10/31/22
Revised	6/30/25
Revised	11/05/27
Est. Total Cost	$36,000.0
Revised	$71,068.0
Revised	$71,133.9
Revised	$82,000.0

Project Description

The comprehensive child welfare information system (CCWIS) replacement project—also known as the New Mexico Impact Project— will replace the legacy Family Automated Client Tracking System (FACTS) with a modular, integrated system to meet the federal Administration on Children and Families requirements.

The simplified cost allocation approved by federal partners designates 39.55 percent of total project costs as shared Medicaid costs, eligible for a 90 percent federal match, while the remaining 60.45 percent of costs qualify for a 50 percent federal match from the Administration on Children and Families.

Comprehensive Child Welfare Information System Replacement/New Mexico Impact Project

Overall Status

The Children, Youth and Families Department (CYFD) and other stakeholders are now referring to the comprehensive child welfare information system (CCWIS) replacement project as the New Mexico Impact Project. Risk remains moderate given prior delays and leadership changes, but CYFD is on track for system utilization in 2025 and close- out in 2027.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	Y	R	R	Y	Y	
Schedule	R	R	R	Y	Y	
Risk	Y	Y	Y	Y	Y	
Overall Rating	Y	Y	Y	Y	Y	

Budget

CYFD is receiving new state and federal funds for FY24 and was approved for a simplified federal cost allocation methodology. The total project budget increased from $71 million to $82 million, but the agency does not expect an increase in general fund needs due to an increase in federal participation. The agency on-boarded their Independent Verification and Validation (IV&V) contractor January 2024.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$34,963.1	$11,217.1	$8,800.3	$54,980.5	$23,999.3	$30,981.2

*$9.3 million in prior historical funds are expended, expired, or inactive.

Schedule

The expected end date has been pushed to January 2027. However, the agency has completed its installation of county network hardware, and the statewide Wi-Fi installation and security updates are in progress. The agency is planning for a closeout date in 2027 from PCC with overall training to be completed prior to project closeout.

Risk

There were two open red (high issues) in the third quarter due to the quality of deliverables from the project's DDI vendor, of which one remains open. However, the project manager office continues conducting weekly risk reviews to review mitigation progress to closing risks. Penetration testing for completed Wi-Fi networks has started.

Electronic Health Records Project

OVERVIEW

Project Phase	Implementation
Start Date	7/1/21
Est. End Date	6/30/24
Revised	9/30/24
Est. Total Cost	$6,738.0

Project Description

The electronic health records (eHR) project will replace the existing paper healthcare record system at the Correction's Department to allow systems to integrate and exchange patient information among providers and improve continuity of care for New Mexico's roughly 5,700 inmates.

Overall Status

The Corrections Department (NMCD) has been certified for the implementation phase for the electronic health records (EHR) project in August 2023. The agency is expecting a close-out date of September 2024, with close-out activities planned for October 2024. NMCD will request release of new funding from PCC in July 2024.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	New	G	G	G	G	
Schedule	New	G	G	G	Y	
Risk	New	G	Y	Y	Y	
Overall Rating	New	G	G	G	G	

Budget

During the FY21 funding cycle, NMCD was appropriated $500 thousand to initiate planning and an additional $6.2 million to continue the project in FY22. The agency reauthorized this appropriation balance for FY25. The agency received $1.925 million for cybersecurity and infrastructure improvements, EHR service functionality additions, and staff augmentation expansion to support a two-step implementation process for FY25.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$6,738.0		$6,738.0	$3,827.1	$2,910.9	56.7%

Schedule

Project end date changed from June 2024 to September 2024 NMCD completed a sole source procurement for the professional services component of the project and is holding weekly status meetings which started in August 2023. ESC meetings are held monthly. The agency is expecting a new end date of September 2024.

Risk

The agency continues to make progress on contracting and vendor on-boarding, with meetings and bootcamps being held. The agency is seeing an increase in vacancy rates in their Behavioral Staff, which continues to pose some level of risk. NMCD is working with additional contractors to interface with the agency's offender management system, Health Information Exchange and possibly the Department of Health's EHR system, once built, posing some risk of completing on schedule.

OVERVIEW

RMS

Project Phase	Implementation
Start Date	5/10/16
Est. End Date	6/30/21
Revised	3/1/23
Revised	12/31/24
Est. Total Cost	$7,3813

CAD

Project Phase	Implementation
Start Date	9/23/20
Est. End Date	12/21/21
Revised	10/31/23
Revised	06/30/24
Est. Total Cost	$3,000.0

Project Description

The records management system (RMS) project will replace various nonpayer record storage with an ntegrated records management system. The computer aided dispatch (CAD) project will implement a new dispatch system because the current system is no longer supported.

Records Management System/Computer-Aided Dispatch Projects

Overall Status

The Department of Public Safety (DPS) is pursuing both the records management system (RMS) and computer-aided dispatch (CAD) projects simultaneously, but the agency has divorced the project timelines after going live with RMS in April 2023. NMCD continues to refine interfaces for RMS and, for CAD, the system went live in May 2024 and is on track to closeout end of June 2024.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	G	G	G	G	G	
Schedule	Y	Y	Y	Y	Y	
Risk	G	Y	Y	G	G	
Overall Rating	G	Y	Y	G	G	

Budget

The agency did not request additional funds to support the projects for FY24. DPS expects an additional $2.6 million to be billed for the project after going live with CAD. Both projects are on budget.

Budget Status Overview
(in thousands)

	State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
RMS	$7,381.3		$7,381.3	$5,772.3	$1,609.0	78.2%
CAD	$3,000.0		$3,000.0	$2,965.3	$34.7	98.5%

Schedule

DPS went live with RMS in March 2023 and CAD went live May 2024. The agency's schedule risk remains moderate given these delays, but RMS project activities remain low risk as the agency continues to refine its interfaces. The agency started CAD user training in April 2024, which has been completed.

Risk

Since RMS has been implemented, the risk for that project is low. CAD is on track to close out by the end of FY24. Geographic information system enhancements for CAD have been delivered and align with the agency's needs.

OVERVIEW

Project Phase	Planning
Start Date	4/28/22
Est. End Date	6/30/23
Revised	6/30/25
Est. Total Cost	$6,210.0
Revised	$9,300.0

Project Description

The intelligence-led policing project will integrate collected data from several existing systems into a central repository that will leverage data analytics, artificial intelligence, and data visualization for more efficient and more comprehensive investigations and policing efforts.

Intelligence-Led Policing Project

Overall Status

The Department of Public Safety (DPS) is contracting the New Mexico Institute of Mining and Technology Institute for Complex Additive Systems Analysis (ICASA), Amazon Web Services, and Peregrine, through Carahsoft, for its intelligence-led policing project. The vendors completed assessments on data governance needs and architectural needs for the data repository, to be followed by a proof of concept and create the data repository for DPS data, Albuquerque Police Department, and Eddy County initially.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	New	G	G	G	G	
Schedule	New	Y	Y	Y	Y	
Risk	New	G	G	G	G	
Overall Rating	New	G	G	G	G	

Budget

The agency is receiving an additional $2.2 million in FY24 to continue the planning and implementation phases. The agency reports an anticipated non-recurring cost of $6.2 million for the project with an estimated additional $4.3 million for RFPs and Contracts, with recurring costs over the first five years of $15.9 million. PCC certified $999 thousand for continuation of DPS contracts in January 2024.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$5,585.0		$5,585.0	$997.2	$4,587.8	17%

Schedule

DPS is planning for a data repository to be rolled out at the agency by 2024 with an overall expected completion date of June 2025. The system will be hosted on DPS's AWS tenant, but individual users and agencies can utilize their own data analytics and visualization tools using the data. With a two phased approach, there is potential the project schedule will be revised.

Risk

The agency continues to address data governance concerns with partner organizations and should have additional recommendations for that and other architectural needs after completion of the assessments by the vendor. The agency’s planning to implement a proof of concept prior to implementing the system statewide, which should improve risk and allow for additional testing and training internally prior to full roll out of the system.

New Mexico Longitudinal Data System Project

OVERVIEW

Project Phase	Implementation (Phase 1)
Start Date	8/27/20
Est. End Date	6/30/24
Revised (Phase 2)	9/20/26
Est. Total Cost	$9,930.0
Revised	$14,100.0
Revised	$16,000.0

Project Description

The New Mexico longitudinal data system project will comprehensively aggregate and match New Mexico's education and workforce data into a single cloud data platform. Partner agencies include the Early Childhood Education and Care Department, the Public Education Department, the Department of Workforce Solutions, and the Division of Vocational Rehabilitation.

Phase 1 will focus on development of infrastructure and foundational policies and establishing shared collection of data sources for integration into RISE NM.

Phase 2 will expand RISE NM through system enhancements, additional data sources, increased access, and expanded research questions through a public-facing portal.

Phase 3 will further expand the number of data source systems and research questions available through RISE NM.

Overall Status

The Higher Education Department (HED) is citing a new budget and schedule changes to accommodate the other project phases, posing risk. HED is nearing the end of phase one and has ingested all 10 data sets from partner agencies. Phase two is scheduled for August 2024. LFC staff report HED cannot pull data from the system, likely due to an inability to validate data.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	G	R	R	R	R	
Schedule	G	R	R	Y	Y	
Risk	Y	Y	Y	Y	R	
Overall Rating	G	R	R	Y	R	

Budget

HED is now citing total project costs of $16 million, posing increased risk. The Public Education Department is using $2.5 million from the grant to create a new K-12 Common Education Data Standards longitudinal data system to serve as the primary source of K-12 data source for the NMLDS. The agency is nearly fully funded for phase one. HED will receive $4.5 million in FY25 for the continuation of the project.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$3,954.3	$3,500.0	$7,454.3	$6,627.4	$546.2	88.9%

Schedule

The project is on track to complete phase one by June 2024, which will then transition the project into phase two in August of 2024, with a completion date of September 2026.

Risk

The project team has developed initial visualizations, but key stakeholders wish to adjust the visualizations, impacting project scope. Security testing and assessment efforts are in progress, but issues with the data warehouse pose risks to the project. Currently, there is no vendor in place for phase 2 of the project, posing some risk for the project overall.

OVERVIEW

Project Phase	Closeout
Start Date	5/23/18
Est. End Date	9/30/23
Revised	6/30/24
Est. Total Cost	$7,297.0 (BCD Phase)
Revised	$9,418.6 (BCD and ABC Phases)

Project Description

The permitting and inspection software modernization project will modernize and replace the agency's existing legacy permitting and inspection software, Accela.

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) has completed all scoped work for Phase three by target of its delivery date of June 30th, 2024, and is currently live in the Salesforce production environment for all its 28 Boards and Commissions Division boards. Phase four of the project, implementing the Alcohol and Beverage Control Division into Salesforce, has also completed all scoped work by its target of its delivery date of June 30th, 2024. Deliverable acceptance for both phase three and phase four has been approved by RLD leadership and is currently working with its vendor to close out all remaining invoices. RLD will formally close the project with the PCC in August.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	G	Y	G	G	G	
Schedule	Y	Y	Y	G	G	
Risk	G	Y	Y	G	G	
Overall Rating	G	Y	Y	G	G	

Budget

RLD has certified $16.6 million for all phases of the project. An additional $2.3 million that was awarded from Laws 2023, Chapter 210, Section 5 (65) because of the December 2022 cybersecurity breach was certified by the PCC in January 2024 PCC.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$16,574.27		$16,574.27	$11,448.2	$5,126.0	69.1%

Schedule

All project activities for phase three and phase four have been completed in advance of the June 30th, 2024 deadline. RLD has worked with their implementation vendor, Kyra, to ensure all tasks were completed as scheduled and to remediate potential slippage

Risk

All project risks have been closed in coordination with RLD leadership and IV&V vendor.

Investment Performance Quarterly Report, Third Quarter, FY24

State investment balances have increased by $11 billion, or 15.8 percent compared with this time last year. Investments benefited from a resilient economy and strong market conditions with forecasters cautiously optimistic for a "soft landing," where inflation eases without the economy tipping into recession. One-year returns were strong for all funds, a notable improvement from the challenging environment throughout FY23. The state's risk-averse allocations generally performed worse than peer funds in the quarter and one-year period amid strong markets.

THIS REPORT details the comparative investment performance of the three investment agencies: the Educational Retirement Board (ERB), the Public Employees Retirement Association (PERA), and the State Investment Council (SIC), which manages the land grant permanent fund (LGPF), the severance tax permanent fund (STPF), and the early childhood education and care trust fund (ECTF).

Agency performance and market environment information are derived from the investment performance reports submitted by PERA, ERB, and SIC.

Investment Performance Highlights

- The value of New Mexico's combined investment holdings grew by $3.6 billion quarter-over-quarter, to an ending balance of $81.15 billion, with across-the-board gains bolstered by contributions of excess oil and gas revenues to the ECTF and the STPF. For the year, funds increased by $11 billion, or 15.8 percent. Over the last five years, the state's combined investment holdings grew $29.9 billion, or 58.2 percent.
- One-year returns were strong for all funds, ranging from 8.2 percent (STPF) to 9.5 percent (LGPF). Average investment returns over the last 10 years ranged from 6.1 percent (PERA) to 7.6 percent (ERB).
- The LGPF, STPF, and ECTF benefited from inflows of oil and gas taxes and royalties. STPF performance is lowered by the allocation to New Mexico investments, which typically provide a lower return. ERB and PERA balances were moderated by benefit payments greater than contributions typical for pension funds.
- All funds met their long-term return targets for the one-year period. ERB outperformed its long-term target in every period and continues to be the top-performing large investment fund in most short- and long-term periods. The STPF only met its long-term target in the one-year period.[1]

Aggregate Value of New Mexico Investment Holdings

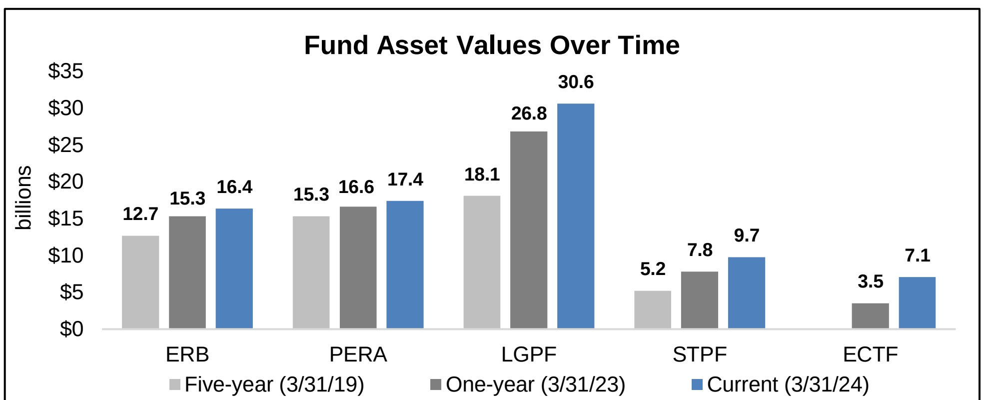
$81.15 billion

Note: does not include general fund investments.

Annual Combined Growth of all Funds

$11 billion
15.8%

Note: does not include general fund investments.



5-Year Annualized Returns

Fund	Returns
ERB	8.29
LGPF	7.73
PERA	6.68
STPF	5.97

[1] The funds' long-term return targets are 7.25 percent (PERA), 7 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

About the Funds

PERA and ERB manage state pension funds that offer members guaranteed life-long monthly benefits after retirement. Both members and employers make contributions. PERA members are New Mexico public employees. ERB members are New Mexico public education employees. The pension funds are invested to generate income that covers the gap between contributions and benefit payments. Pension funds offer a major benefit to state employees and are often cited as a major benefit of a career in the public sector. However, they also represent one of the state's largest long-term liabilities, and the health of the funds is important to monitor.

Pension Fund Agencies

Pension fund investments grew by $1.83 billion, or 5.7 percent, between March 2024 and March 2023. Annualized returns for both funds were above their long-term targets in the one-year period, but only the Educational Retirement Board (ERB) exceeded that target in the three-, five-, and 10-year periods. ERB allocated more of its assets to U.S. equity and alternatives while the Public Employees Retirement Association (PERA) allocated more of its portfolio toward fixed income.

Table 1

Pension Funds Asset Values (net of fees)

Period ending 3/31/2024

	Value as of			
Fund	**3/31/23**	**3/31/24**	**Value Change**	**Percent Change**
ERB	$15,333.3	$16,358.2	$1,024.9	6.7%
PERA	$16,600.6	$17,400.8	$800.2	4.8%
Total	**$31,933.8**	**$33,759.0**	**$1,825.2**	**5.7%**

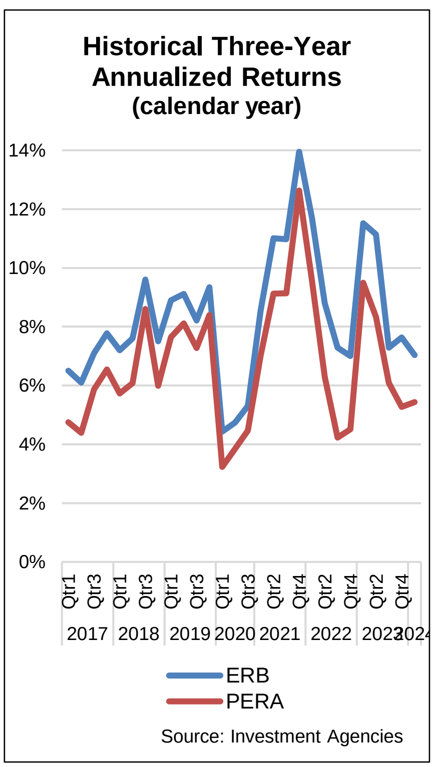
Source: ERB, PERA

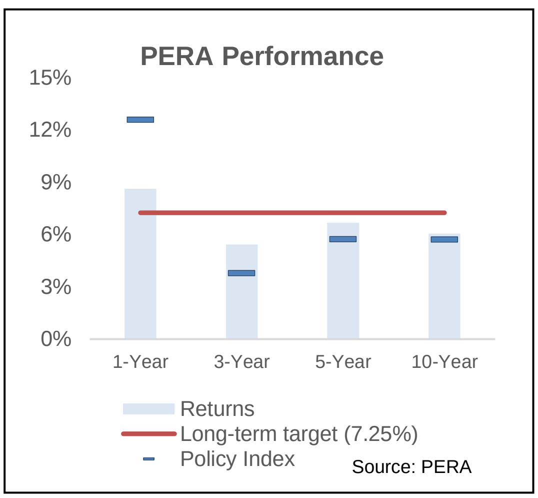
ERB. ERB's annualized returns outperformed the fund's long-term target of 7 percent in each period, and the fund outperformed its policy index, a performance benchmark, in all but the three-year period. The fund's return in the quarter, which is not annualized, was 2.93 percent while the policy index for that period was 3.38 percent. The fund also had the best risk-to-return measures among all investment funds, with the lowest standard deviation, the best Sharpe ratio, and lowest Beta.

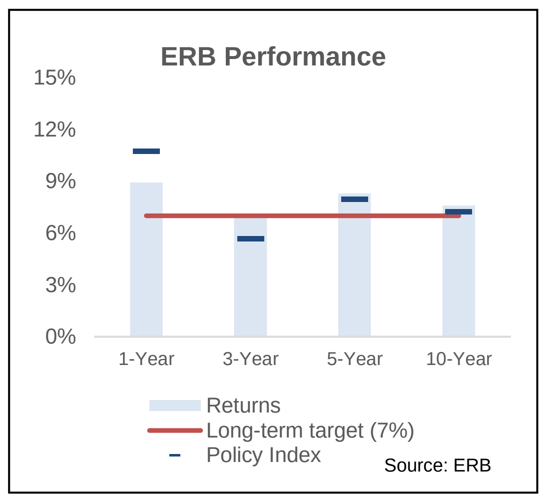
PERA. PERA annualized returns outperformed the fund's long-term target of 7.25 percent only in the one-year period. The fund outperformed its policy index in each period except the quarter and one-year. In the one-year period, the fund's relative performance was 3.96 percentage points below the policy index.

Member Snapshot (2023)			
Type	PERA	ERB	Total
Active	55,725	61,503	117,228
Inactive	28,907	54,756	83,663
Retirees	47,069	54,774	101,843
Total	**131,701**	**171,033**	**302,734**

Source: PERA, ERB







SIC Long-Term Investment Funds

Long-term investment funds, managed by the State Investment Council (SIC), grew by $9.2 billion, or 24.2 percent, between the third quarter of FY23 and the third quarter of FY24. Annualized returns were above the long-term targets of the LGPF and the STPF for the one-year period. SIC has not set a long-term target for the ECTF as of the writing of this report. Asset allocations were similar among funds, although the ECTF had 16 percent of its assets in cash equivalents, the highest of any investment fund and 6 percentage points higher than the fund's target allocation. Large cash balances are likely because of large contributions to the fund in January as well as additional appropriations made from the fund in the last two years.

Table 2

Long-term Investment Funds Asset Values (net of fees)

Period ending 3/31/2024

	Value as of			
Fund	**3/31/23**	**3/31/24**	**Value Change**	**Percent Change**
LGPF	$26,820.5	$30,586.6	$3,766.2	14.0%
STPF	$7,815.7	$9,743.5	$1,927.9	24.7%
ECTF	$3,531.0	$7,061.6	$3,530.7	100.0%
Total	**$38,167.1**	**$47,391.8**	**$9,224.7**	**24.2%**

Source: SIC

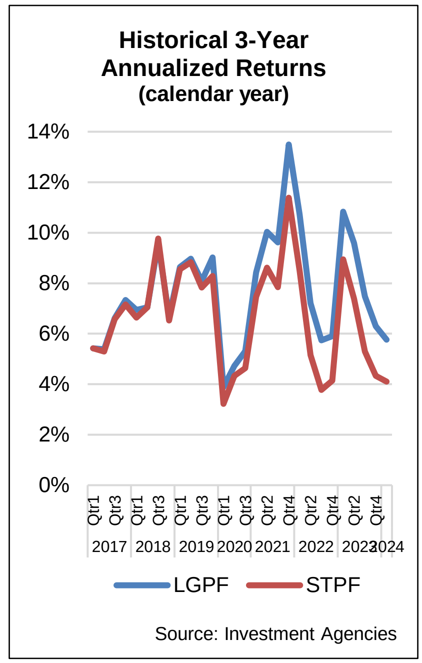
About the Funds

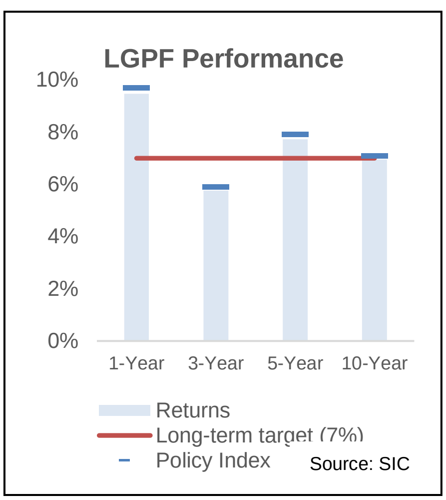
The state's long-term investment funds have a diverse history. The **land grant permanent fund (LGPF)** is a constitutionally protected fund created at statehood to invest proceed from the use of natural resources on state lands. The fund receives royalties from state lands and makes distributions to the general fund earmarked for use in public schools. The **severance tax permanent fund (STPF)** is a constitutionally protected fund that receives severance taxes—taxes levied against the extraction of natural resources—not required for bond maintenance. The STPF makes distributions to the state general fund. The **early childhood education and care trust fund (ECTF)** is a statutorily created fund that receives above-trend oil and gas revenues and supports funding for education and early

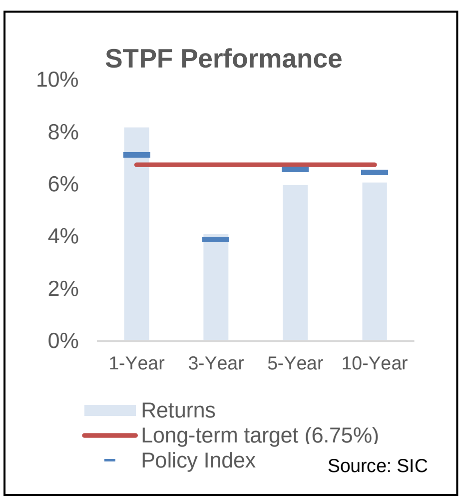
LGPF. The LGPF outperformed its long-term target of 7 percent in the one-year and five-year but missed the target in the 10-year, coming in 0.05 percentage points under. The fund tracked very closely to its policy index, a performance benchmark, for each period. Over the year, the fund distributed $1.3 billion to beneficiaries and received $2.4 billion in revenues, primarily from royalties paid against the value of oil and gas extracted on state lands. Net non-investment cashflows were $1.1 billion.

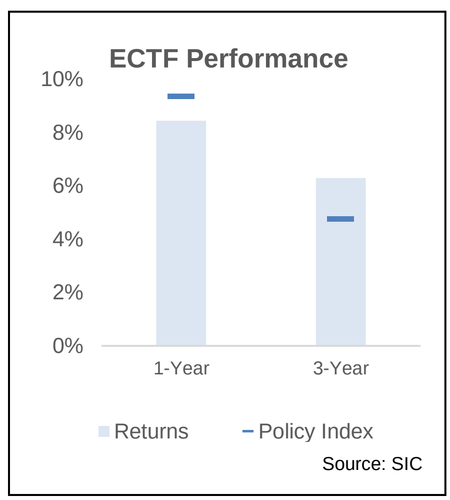
STPF. The STPF underperformed its long-term target of 6.75 percent in the three-, five-, and 10-year periods but surpassed the target in the one-year period. The fund outperformed its policy index in the one-year period and tracked closely with it in all other time periods. The fund distributed $283.7 million to the general fund and received $1.5 billion in oil and gas revenues for a net non-investment cashflow of $1.2 billion.

ECTF. The ECTF tracked closely with other SIC-managed funds, exceeding its policy index in the three-year period. However, the fund was 0.91 percentage points below its policy index in the three-year period. Of all funds, the ECTF had the largest net non-investment cashflow, benefitting from $3.2 billion in oil and gas revenues and distributing $150 million to the general fund from March 2023 to March 2024. Net non-investment cashflow was $3.1 billion.









Risk Profiles, Five Years Ending

Net of Fees Period ending 3/31/2024

Fund	Standard Deviation[1]	Sharpe Ratio[2]	Beta[3]
PERA	8.1	0.7	-
ERB	7.0	1.0	0.3
LGPF	8.9	0.7	0.4
STPF	8.9	0.6	0.4

[1]Measures variability from the mean return; higher is more volatile.

[2]Higher numbers indicate higher return-to-risk level; a good ratio is 1 or better.

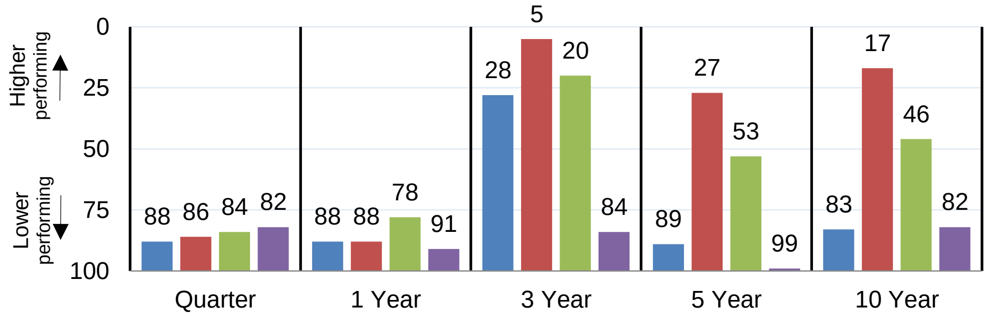
[3]Represents the volatility of the portfolio versus the S&P 500. Beta = 1: portfolio moves with the market. Beta < 1: portfolio is less volatile than market. Beta > 1: portfolio is more volatile than the market.

Source: Investment Agencies

Comparison with Peer Funds

When compared with peer funds greater than $1 billion on a net-of-fee basis, New Mexico's large investment funds performed in the bottom quartile in both the quarter and one-year period across all funds. In general, ERB and the LFPF performed the best compared with other large New Mexico investment funds. In the three-year period, both were in the top 20 percent of peer funds and ERB was in the top 5 percent. The STPF performed poorly compared with peer funds, coming in at the 99th percentile. STPF performance is moderated by the allocation to differential rate New Mexico investments, which typically generate lower returns.

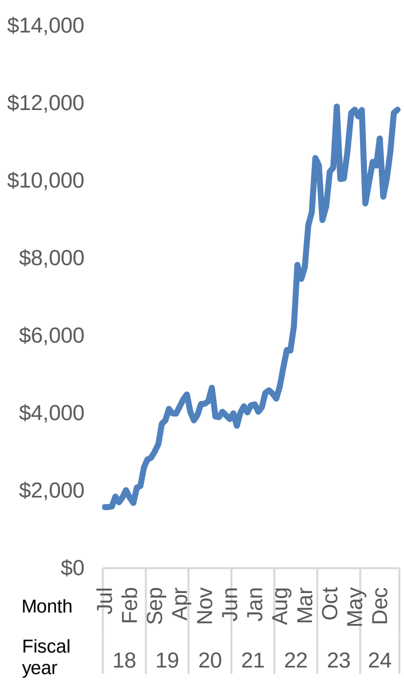
Peer Fund Comparisons



Note: data from period ending March 31, 2024 and covers public funds larger than $1 billion net-of-fees)

Source: InvestorForce Final + Universe Rankings

SGFIP Balances



Note: Balances include both the core and liquidity portfolios.

Source: STO

General Fund Investment Pool

The State Treasurer's Office (STO) acts as the state's bank when receipts are deposited and later pooled into a statewide investment fund, known as the state general fund investment pool (SGFIP). The SGFIP has a liquidity portfolio, structured to meet the immediate cash needs of the state, and the core portfolio, that invests balances not necessary to meet the state's short-term cash flow needs over a longer time horizon.

Table 3

General Fund Investment Pool

Period ending 3/31/2024

	Value as of			
Fund	**3/31/23**	**3/31/24**	**Value Change**	**Percent Change**
GF Core	$5,052.7	$5,502.6	$450	8.9%

Source: STO

Table 4

General Fund Investment Pool – Core Portfolio	**Performance**	
Period ending 3/31/2024	Quarter	1-Year
GF Core	0.38%	3.56%
Benchmark - *ICE BofA 0-5 US Treasury*	0.25%	3.05%
Relative Performance	**0.13%**	**0.51%**

Source: STO

The general fund core portfolio outperformed its benchmark by 0.13 percentage points over the quarter and by 0.51 percentage points over the year. The Federal Reserve raised interest rates over the one-year period to rein in inflation. As a result, the liquidity portfolio was held to a larger percentage of the total pool, to preserve principal and take advantage of reinvestments at higher interest rates. The core portfolio duration was shorter than its benchmark, outperforming as interest rates rose. Over the past quarter, the core portfolio has lengthened duration positioning for a steady to lower path of short-term interest rates.