Highlights

Performance Trends

Year-end ratings continued to show weaknesses in many critical social services, and the number of programs with lower ratings than a year ago is a concern. Further, the total number of programs rated green was down from a year ago. However, the number of programs rated red for FY24 was down as well, and performance in both the Early Childhood Education and Care Department and the Health Care Authority, which both had reds across the board in FY23, showed improvement. The state continues to see strong performance in the courts and judicial agencies and in the Transportation, Economic Development, Tourism, and Energy, Minerals and Natural Resources departments.

Among the findings in the quarterly report cards:

Education

Public Education Department, page 7. Reading proficiency posted a third consecutive year of growth while math proficiency remained flat. Achievement gaps remain unchanged. High school graduation rates also remain flat, although at-risk students have closed the gap in recent years. Chronic absenteeism rates are dropping but remain higher than prepandemic levels, and college remediation rates are worsening after several years of improvement.

Higher Education Institutions, page 10. New Mexico has fallen behind other states in the proportion of the population holding a bachelor's degree or higher. New Mexico ranked 29th in the proportion of the population with at least a bachelor's degree in 2006 but fell to 41st in the nation by 2022. The low rate of bachelor's degree attainment comes at a time when the state has made significant investments in higher education and now ranks third in the nation for state funding per student. The combination of increased investment and low graduation has led to large differences in the cost per degree attained. For example, the cost per award at New Mexico State University-Alamogordo is nearly $100 thousand, while the cost is $15 thousand at Central New Mexico Community College.

Child Well-Being

Early Childhood Education and Care Department, page 13. Many of the annual measures related to prekindergarten and early learning readiness declined compared to previous years. Within the state's early childhood system, prekindergarten has previously proven to be the most effective in improving long-term educational outcomes. The state must maintain quality outcomes in prekindergarten to support school readiness. Additionally, at the close of FY24, enrollment in childcare assistance had increased to around 29 thousand, with an average annual cost per child of $10,379.

Children, Youth and Families Department, page 16. Repeat child maltreatment worsened in FY24, with 15 percent of children who were victims of substantiated maltreatment experiencing another incident within 12 months. In FY23, the rate was 13 percent. While caseworker turnover within Protective Services improved during part of the year, the year ended at 34 percent. Several indicators of time-to-permanency for children and youth in CYFD custody continue to fall short of performance targets. Only 73 percent of youth in Protective Services custody over the age of 12 were placed in the least restrictive environment, 12 percent below the performance target and 18 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 and hiring new Protective Services staff.

Health

Health Care Authority, page 20. The state's Medicaid program improved on some of its performance for the fourth quarter, including infant well-child visits and the care of people with diabetes. The department reports on several measures on a calendar year basis. For well-child visits, each Medicaid managed care organization discussed a strategy to improve these measures, such as social media campaigns, text messages encouraging parents to schedule them, and regular provider meetings. In previous quarters, HCA directed MCOs to incentivize providers that offer after-hour and weekend appointments for Medicaid members to receive child wellness visits, including immunizations.

Behavioral Health Collaborative, page 23. In the fourth quarter of FY24, the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days improved over the prior year but was 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 (DOH) reported mixed results in performance across the agency at the close of FY24. The Facilities Management Program reported 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. DOH reported significant delays in executing tobacco cessation program contracts, resulting in reduced FY24 performance. In FY24, a total of 3,059 adults in New Mexico used the NM Quitline for tobacco cessation services, lower than in previous years. Of those enrolled in the program nearly 44 percent reported having one or more chronic health conditions and 55 percent reported having one or more behavioral health conditions.

Economic Development

Economic Development Department, page 29. The Economic Development Department met or exceeded most performance targets for FY24 with exceptions in number of jobs created through agency's efforts and facilitated by the New Mexico Partnership. The agency reported creating 3,523 jobs this fiscal year, approximately 18 percent of total nonfarm jobs created in the state. In FY24, EDD awarded $30.5 million in Local Economic Development Act funding to 14 companies. EDD also approved $35.9 million of Job Training Incentive Program funding to train 2,359 employees, awarding and training more than double compared to FY23. The Outdoor Recreation Division awarded a total of $11.3 million of Trails+ and outdoor equity funding.

Tourism Department, page 32. The Tourism Department met or exceeded most performance targets for FY24. In FY24, the agency awarded $907 thousand to 59 communities to support beautification and litter reduction efforts and $462 thousand to 35 local events through its Tourism Event Growth and Sustainability Program. The department awarded $3.4 million to 46 partners through the cooperative program to support marketing initiatives that align with the New Mexico True brand.

Workforce Solutions Department, page 34. New Mexico continues to have a low labor force participation rate. 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 39. In FY24, the Department of Public Safety (DPS) focused on workforce improvements, implementing pay increases for state police officers and dispatchers, and reducing vacancies. The agency made significant strides in law enforcement operations, with the State Police conducting numerous traffic enforcement and criminal investigations, including a notable increase in arrests. DPS also advanced its crime reporting capabilities by increasing the percentage of agencies reporting through the National Incident-Based Reporting System (NIBRS). In the first full year of operations, the Law Enforcement Certification Board reduced the time needed to adjudicate misconduct cases.

Corrections Department, page 43. The Corrections Department made progress in several key areas during FY24. It reduced vacancy rates for correctional and probation officers, improved the participation in educational programs within prisons, and managed to stabilize prison populations, especially among women, despite an overall slight increase in recidivism rates. Additionally, the department saw improvements in apprehension rates for absconders and successfully enhanced its rehabilitation efforts with a record number of high school equivalency graduates among inmates

Courts and Justice, page 46. Positive performance trends within courts and justice seen throughout FY24 have largely continued. Courts reached the performance target for clearance rates while also reducing their time to disposition (the duration a court takes to resolve a case from when it is filed until it is concluded). District attorneys decreased average attorney caseloads, especially in districts with chronic recruitment and retention issues. The Public Defender Department maintained positive adjudication rates despite issues with recruiting and retaining attorneys, especially contract attorneys. Specialty courts are being utilized more than before, but capacity is significantly less than prepandemic levels, due to administrative decision based on multiple factors, possibly needing capacity expansion if utilization trends continue. Cybersecurity incidents continue to plague the judiciary with the Administrative Office of the District Attorneys and the Public Defender Department experiencing separate incidents in FY24.

Natural Resources

Energy, Minerals, and Natural Resources Department, page 51. The Energy, Minerals and Natural Resources Department (EMNRD) received another tranche of state and federal funding as it increased activity across several divisions. EMNRD exceeded several of its performance targets, training a record number of firefighters and maintaining a nearly 100 percent coal mine inspection rate. The Oil Conservation Division issued a near record number of violations and conducted nearly 40 thousand oil and gas well inspections. While these positive results are laudable, new targets and measures should be considered to better monitor progress.

Office of the State Engineer, page 54 Due to the U.S. Supreme Court's summer 2024 decision in favor of the United States in *Texas v. New Mexico*, which rejected the states' proposed settlement agreement, the Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) will continue to spend significant time and resources working with the Attorney General to re-navigate settlement negotiations. Additionally, negotiations continue in the Colorado River Basin with implications for New Mexico's delivery obligations. New Mexico's cumulative debt under the Rio Grande Compact remained within acceptable margins of decline, though the trend toward continued increases in the debt should be monitored.

Environment Department, page 56. The majority of the Environment Department's (NMED) regulatory programs demonstrated positive gains in FY24. Further, NMED's vacancy rate, which at one point was as high as 25.6 percent this fiscal year, has now been reduced to 21.5 percent. The results from the Water Protection Division's Drinking Water Bureau, where the percent of New Mexican's being served safe and health drinking water has dropped by 7 percent over three years, is largely fueled by increased levels of regulation from the EPA and not by systems falling out of compliance. One of the few programs to lag behind the positive trend seen in the majority of NMED's programs, the Hazardous Waste Bureau, continued to be unable to meet the target of inspecting 15 percent of hazardous waste facilities. Despite this outlier, NMED used the significant investment by the Legislature to address its staffing and retention issues and has reversed the trend of lagging regulatory programs.

General Government

General Services Department, page 59. 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 63. Despite a significantly higher headcount of state employees, vacancy rates for classified employees remain stubbornly high, largely due to an increase in the number of positions. Turnover among new employees remains high. The State Personnel Office has prioritized reducing the time it takes agencies to fill vacant positions, with the time falling to 58 days and with some agencies completing the process in as little as 19 days.

Taxation and Revenue Department, page 64. TRD reached its targets on 10 out of 13 of its performance measures. Fiscal year 2024 assessments totaled $163.6 million, $1.5 million is in protest, and $16.5 million has been abated, leaving a collectible balance of $145.8 million, of which $70.4 million, or 48.3 percent, has been collected. The target was to maintain the collection of collectible audit assessments at 60 percent, which the agency did not meet. During FY24, the Motor Vehicle Division (MVD) significantly reduced waiting times, and outperformed its performance measure targets for customer's average waiting time in Q-Matic equipped offices and call centers. The Property Tax Division collected and distributed $10.8 million to counties with delinquent properties and recovered 17.1 percent of total delinquent properties. Performance declined slightly compared to FY23, but the division still exceeded both targets.

Infrastructure

Department of Transportation, page 67. The department reported deterioration in the quality of New Mexico's roads between 2022 and 2023, although most roads and bridges remain in fair or better condition. 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 410 fatalities in FY24.

Information Technology Projects, page 70. Project statuses for all reported agency IT projects remain steady. The Department of Public Safety closed out its computer-aided dispatch project within budget. The Medicaid management information system replacement at the Health Care Authority reports a new total project cost of $830 million, with $530 million in nonrecurring and $300 million in recurring funds. The Children, Youth, and Families Department's child welfare system is expected to have functionality at the end of 2025, with a project closeout date of late 2027.

Investments

Fund Performance, page 82. The value of New Mexico's combined investment holdings grew by $1.5 billion quarter-over-quarter, to an ending balance of $82.71 billion. For the year, funds increased by $10.7 billion, or 15 percent. Over the last five years, the state's combined investment holdings grew $30.3 billion, or 57.7 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 the one-year period for the peers 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	FY23	FY24	
Early Childhood Education and Care Department			
Family Support and Intervention	R	Y	↑
Early Education, Care, Nutrition, and PreK	R	Y	↑
Policy, Research, and Quality	R	G	↑
Children, Youth and Families Department			
Protective Services	R	R	
Juvenile Justice Services	R	Y	↑
Behavioral Health Services	Y	Y	
Public Education Department			
Department Operations	R	Y	↑
Department of Health			
Public Health	R	Y	↑
Epidemiology and Response	R	R	
Scientific Laboratory	G	Y	↓
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	N/A	
Adult Protective Services	Y	N/A	
Aging Network	R	N/A	
Health Care Authority			
Medical Assistance	R	Y	↑
Income Support	R	R	
Child Support Enforcement	R	Y	↑
Behavioral Health Collaborative			
Behavioral Health	R	Y	↑
Courts and Justice			
Administrative Support	Y	G	↑
Special Court Services	Y	G	↑
District Attorneys	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	G	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	G	↑

Department/Program	FY23	FY24	
State Engineer			
Water Resource Allocation	G	Y	↓
Interstate Stream Commission	Y	G	↑
Litigation and Adjudication	G	G	
Environment Department			
Water Protection	Y	Y	
Environmental Protection	R	Y	↑
Environmental Health	R	Y	↑
Resource Protection	R	Y	↑
Economic Development Department			
Economic Development	Y	Y	
New Mexico Film Office	G	G	
Outdoor Recreation	G	G	
Tourism Department			
Marketing and Promotion	G	G	
New Mexico Magazine	G	G	
Tourism Development	G	G	
Workforce Solutions Department			
Employment Services	Y	Y	
Unemployment Insurance	Y	R	↓
Labor Relations	G	Y	
Program Support and Workforce Invest.	N/A	Y	
General Services Department			
Risk Management Funds	Y	R	↓
Group Health Benefits	R	R	
Facilities Management	R	Y	↑
State Purchasing	G	G	
Transportation Services	Y	Y	
State Printing	G	G	
State Personnel System			
Human Resource Management	Y	Y	
Taxation and Revenue Department			
Tax Administration	R	Y	↑
Compliance Enforcement	G	Y	↓
Motor Vehicle	G	Y	↓
Program Support	R	G	↑
Property Tax	G	G	
Department of Transportation			
Project Design and Construction	G	Y	↓
Highway Operations	G	G	
Modal	R	R	
Program Support	G	G	

Programs with a Rating Upgrade	19	
Programs with a Rating Downgrade	9	
		FY23
Total FY24 Green Ratings	23	28
Total FY24 Yellow Ratings	34	29
Total FY24 Red Ratings	7	12

Public Education Department

Preliminary statewide scores from the Public Education Department (PED) for the 2023-2024 school year and corrections to previously reported assessment data now suggests students have improved in reading for a third consecutive year under the new Measures of Student Success and Achievement (MSSA) statewide assessment. Math performance continues to stagnate. High school graduation rates have stalled; however, graduation rates for Native American students, students with disabilities, and English learners have grown more rapidly over the last few years—narrowing the gap between them and their peers.

As fourth and eighth graders take the National Assessment of Educational Progress (NAEP) in winter 2024, the state should compare whether changes in NAEP results from 2022 are aligned with recent trends in the MSSA test. NAEP scores will affect New Mexico's national education ranking, and any alignment with MSSA results will help the state benchmark progress reliably—particularly in light of the transition away from the PARCC test and disruptions caused by the Covid-19 pandemic.

Student Outcomes

Reading and Math. Fourth and eighth grade reading scores appear to be improving, and math scores are flat. PED notes reading proficiency rates across most grade levels have grown for a third consecutive year, while changes in math proficiency rates vary by grade level. Of particular concern are noticeable dips in reading performance for second and third graders—likely due to lost learning time during their first years of schooling. Additionally, math proficiency rates show improvement up to 30 percent until sixth grade before plummeting to 11 percent in 11th grade. This trend has remained consistent for the last three years, indicating a more systemic issue is driving the decline in secondary math scores.

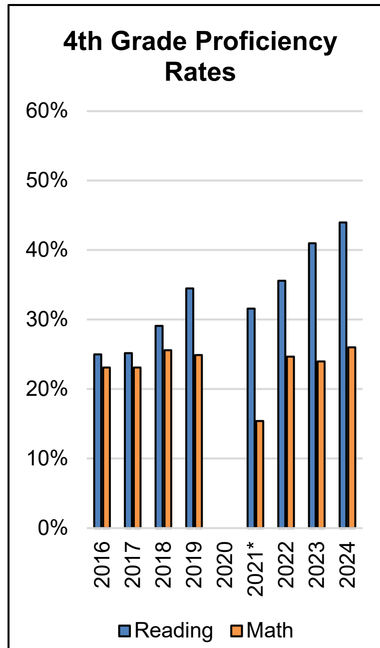
Despite improvements in reading scores over time, the achievement gap between at-risk students identified in the *Martinez-Yazzie* education sufficiency lawsuit and their peers remains nearly identical to the gap prior to the pandemic. These gaps also remain the same on math scores. While research shows additional learning time through prekindergarten programs and extended school years can help close this gap, the state's attempts to incentivize or mandate more time have resulted in uneven extensions of instructional time statewide. To date, the agency reports 61 percent of submitted FY25 calendars have at least 180 classroom days for students.

Budget: $4,126,185.9 **FTE: N/A**

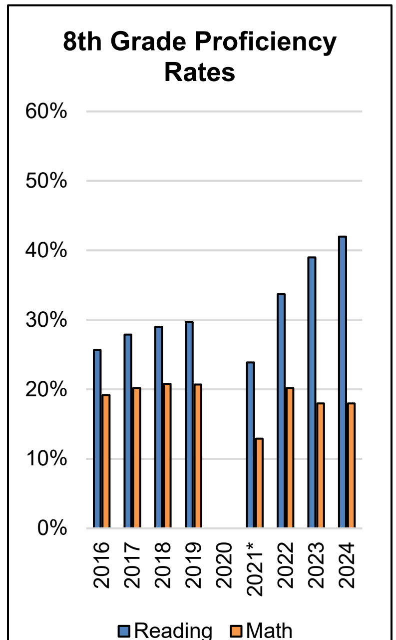
	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Reading proficiency (4th grade)	35.6%	41%	37%	44%	G
Math proficiency (4th grade)	24.7%	24%	37%	26%	R
Reading proficiency (8th grade)	33.7%	39%	37%	42%	G
Math proficiency (8th grade)	20.2%	18%	37%	18%	R
High school graduation rate (4 year)	76.2%	76.7%	80%	Not reported	R

ACTION PLAN

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

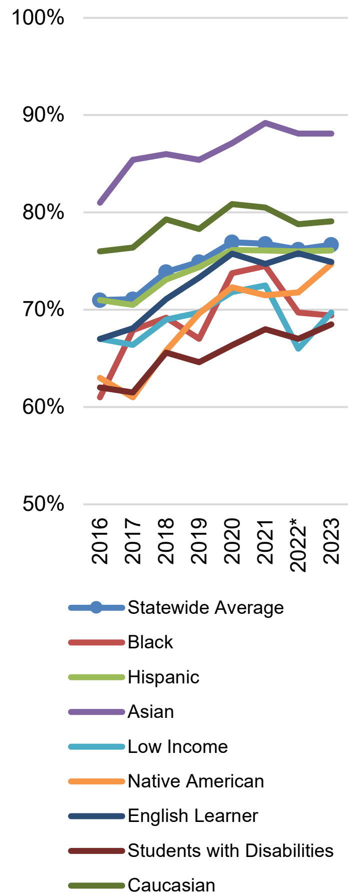


*Not a representative sample; change from PARCC to MSSA test in 2021
Source: PED



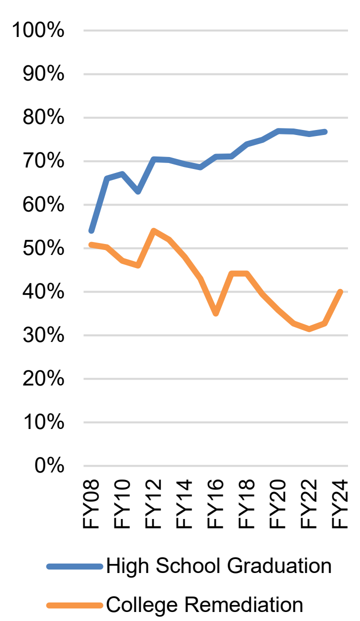
*Not a representative sample; change from PARCC to MSSA test in 2021
Source: PED

Four-Year High School Graduation Rates



Source: PED

College Readiness



Source: PED

Budget: $4,126,185.9 **FTE:** **N/A**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
College remediation rate	31.4%	38.4%	<30%	40%	R
Chronic absenteeism (elementary)	38%	37.7%	<10%	27.5%	R
Chronic absenteeism (middle)	42%	41.2%	<10%	33.6%	R
Chronic absenteeism (high)	43%	42.9%	<10%	38.5%	R
Students exiting English learner status (elementary)	0.03%	3.9%	10%	0.86%	R
Students exiting English learner status (middle)	3.8%	1.4%	10%	0.6%	R
Students exiting English learner status (high)	0.04%	2.3%	10%	0.53%	R
Teacher vacancies	1,048	690	N/A*	751	R
Share of at-risk funds spent on at-risk services	93%	24.2%	N/A*	83%	Y
Classroom spending in large districts	73%	72.1%	N/A*	71%	Y
Program Rating	Y	R			R

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

Graduation and Postsecondary Success. New Mexico's high school graduation rate for the class of 2023 was 76.7 percent, up slightly from 76.2 percent in 2022. While overall graduation rates have flatlined since 2020, Native American students, English learners, and students with disabilities have improved their graduation rates in recent years, closing the gap between them and their peers. The U.S. high school graduation rate in 2022 was 87 percent. To reach the national graduation rate in 2022, New Mexico would have needed to graduate another 2,344 students. Broken down further, most high schools across the state would only need to graduate about 20 students to meet the national rate.

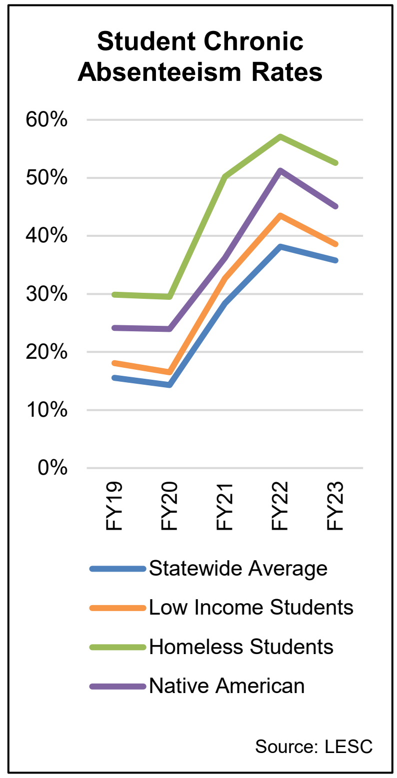
College remediation rates appear to be rising postpandemic but have generally declined over the past decade. The recent remediation spike coincides with sustained graduation rates and low proficiencies in reading and math tests, suggesting a significant number of high school graduates are still not ready for college-level coursework. Students needing college remedial courses are less likely to graduate on time and are more likely to drop out—increasing the odds they will incur debt with no degree and decrease earning potential.

Chronic Absenteeism. The percentage of students missing time in school continues to be alarmingly high postpandemic. Statewide chronic absenteeism rates, or the percentage of students missing 10 percent or more of school days, for FY24 was 32.8 percent, a 6.4 percentage point improvement from the prior year. A 2024 LFC evaluation on student attendance found chronically absent students were 13 percent less likely to be academically proficient and third graders missing 10 percent more of school days were 18 percent less likely to graduate on time with their peers.

New Mexico school personnel identified illness, parent decisions, and lack of student engagement as the primary reasons for student chronic absenteeism, in line with national research. Regardless of the reason for absence, chronic absenteeism in early grades hampers later academic success and affects the pacing of instruction for all students. The evaluation also found the state was not tracking attendance consistently, likely undercounting the number of absences, and at-risk students, particularly Native American and housing insecure subgroups, reported the highest chronic absenteeism rates.

Public Education Department

In FY24, PED hired 35 FTE, decreasing its vacancy rate from 23 percent at the beginning of the year to 13 percent. The department continues to hire more staff to date but in August 2024 saw the resignation of its secretary, making this the fourth change in secretaries at the agency in the last five years. Despite rapid increases in staffing at the department and fiscal bureaus, the agency continues to fall short on several key performance measures—notably the average days to process reimbursements. PED has hired more staff, including a second deputy director, to support the workload in its fiscal divisions for FY25. The expiration of federal pandemic ESSER funding in September 2024 may also alleviate the number of reimbursement requests moving forward.

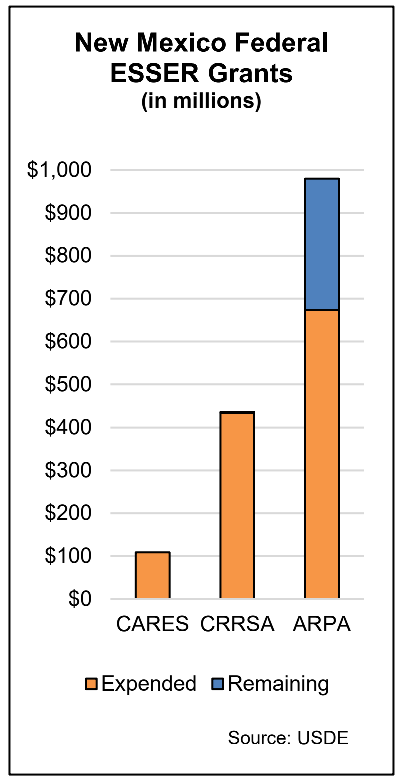


Budget: $22,589.0 **FTE: 354.0**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Average days to process reimbursements	37	38	22	35	R
Average days to process budget adjustments	8	7.2	10	7.8	G
Data validation audits of funding formula	24	12	30	30	G
Students with access to high-speed Internet	91%	60%	100%	79.8%	R
Students with access to a digital device	91%	84%	100%	89.7%	R
Program Rating	R	R			Y

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

Federal and State Resources. Of the $1.5 billion from three rounds of federal ESSER funding, New Mexico has spent about 80 percent of the total aid package, including fully expending the first two rounds of awards and nearly 69 percent of the third round authorized through the American Rescue Plan Act (ARPA). To date, school districts and charter schools have spent $674 million of ARPA dollars, meaning nearly $300 million is left to spend by September 30, 2024. About one-third of the remaining unspent funds are at the largest school district, Albuquerque Public Schools. However, PED must request an extension of the liquidation deadline on behalf of all schools if the state needs an additional 14 months to spend down any ARPA funds. The agency plans to request an extension for the liquidation period once more data on spending needs is obtained.



In addition to ESSER aid, school districts and charter schools continued to grow unrestricted cash reserves, carrying over balances of $656 million from FY24. Statewide cash balances grew by $33 million, or 5 percent, from the prior year and continue to represent 17 percent of program cost.

Higher Education Institutions

New Mexico has long recognized the importance of higher education in improving incomes for citizens and spurring innovation and growth in the economy and made significant investments in higher education funding. The state became a national leader in providing affordable college tuition with enactment of the legislative lottery scholarship in 1996 and again led the nation in providing tuition-free college with the creation of the opportunity scholarship in 2022.

New Mexico higher education institutions reversed a decade-long trend of enrollment declines in 2022 and enrollment again increased in fall 2023.

The increasing enrollment trend is encouraging as New Mexico has fallen behind other states in the proportion of the population holding a bachelor's degree or higher. According to the U.S. Federal Reserve, New Mexico ranked 29th in the proportion of the population with at least a bachelor's degree in 2006 but fell to 41st in the nation by 2022. In 2006, 25.3 percent of the population had a bachelor's degree or higher, while that proportion increased to 30.5 percent in 2022.

New Mexico leads the nation in associate degrees, certificates, and certifications, but lags the nation significantly in bachelor's degree holders. Crucially, younger New Mexicans are less likely to have postsecondary education than the working-age population as a whole. Fifty-one percent of New Mexicans age 25-64 have postsecondary education compared with 54 percent nationally. However, only 49 percent of New Mexicans age 25-34 have postsecondary education versus 56 percent nationwide.

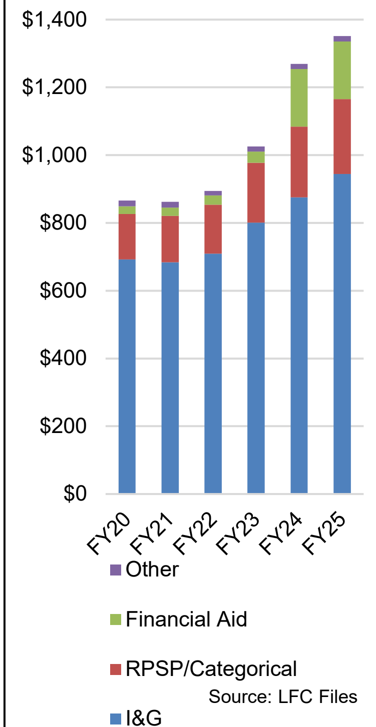
	Age 25-34		Ages 25-64	
Highest Education Level	**U.S.**	**N.M.**	**U.S.**	**N.M.**
Grad/Professional	12%	9%	14%	13%
Bachelor's	28%	19%	23%	17%
Associate	9%	10%	9%	10%
Certificates & Certifications	8%	11%	8%	11%
Some College, No Credential	12%	17%	11%	11%
HS Grad/Credential	24%	27%	25%	26%
No HS Diploma/Credential	7%	8%	10%	12%
Post Secondary	**56%**	**49%**	**54%**	**51%**
Secondary or Less	**44%**	**51%**	**46%**	**49%**

Source: Lumina

Graduation and Retention

Graduation rates at four-year New Mexico higher education institutions significantly lag the nation with 47 percent of students graduating within six years of beginning a bachelor's degree program, compared with a national graduation rate of 59 percent. While difficulties in scheduling and maintaining a full-time course load may slow graduation, low student retention is likely the largest factor contributing to low graduation rates; only 71 percent of first-time, full-time students are retained to the second year, 10 percent less than the national average

General Fund Higher Education Spending (in millions)



Source: LFC Files

Six-Year Graduation Rates

Institution	2013	2022
ENMU	28.8%	41.3%
NMHU	18.4%	25.5%
NM Tech	44.2%	55.0%
NMSU	43.3%	50.9%
Northern	15.1%	39.6%
UNM	48.3%	51.7%
WNMU	17.0%	31.1%
N.M. Average	**41.2%**	**47.1%**

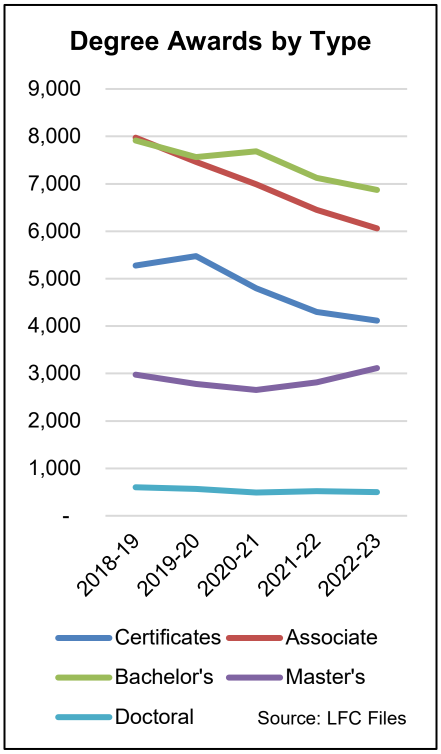
U.S. Average	**55.0%**	**58.9%**

Source: IPEDS

Full-Time Retention Rates

	2018	2022
ENMU	62%	62%
NMHU	52%	63%
NM Tech	76%	75%
NMSU	74%	72%
Northern	41%	53%
UNM	74%	72%
WNMU	64%	62%
U.S. Avg.	**81%**	**81%**

Source: IPEDS



of 81 percent. The 2022 retention rate is higher than it was during the pandemic, but it is nearly exactly even with the 2018 rate.

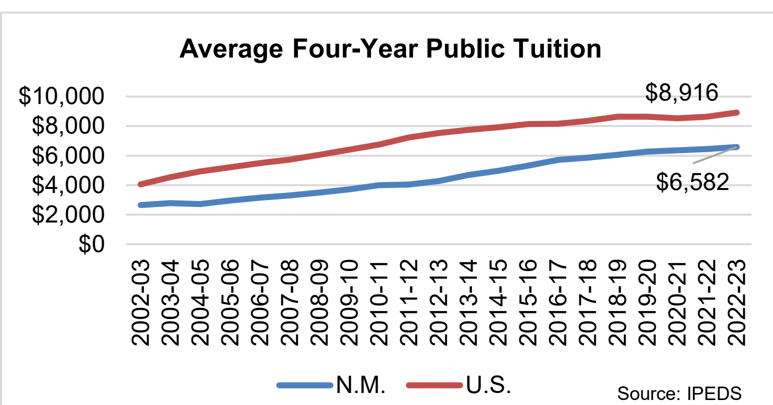
While the creation of new scholarship programs have increased affordability, creating an incentive for students to attend college, data from the Lumina foundation show many of the barriers to completion for *enrolled* students are not financial. Forty-one percent of currently enrolled higher education 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.

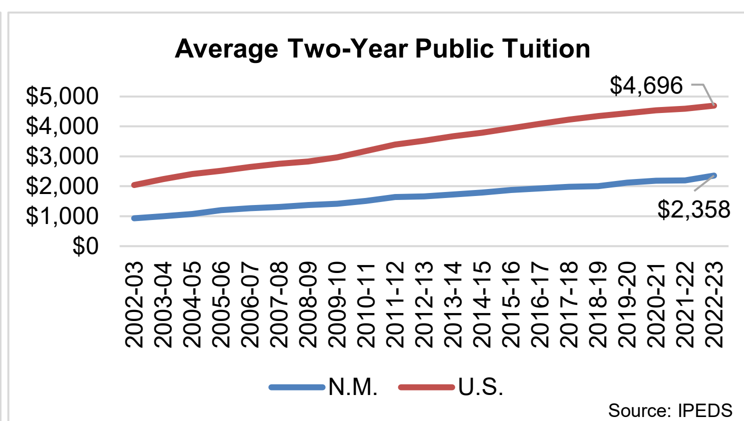
Affordability and Outcomes

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.

Federal data show New Mexico students have average student debt of $34 thousand, ranking 32nd in the nation. However, 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 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.





Cost Per Award
(in thousands of dollars)

Institution	2017-2018 Awards	FY18 I&G GF	Cost Per Award FY18	2022-23 Awards	FY23 I&G GF	Cost Per Award FY23	% Change Awards	% Change I&G Cost
NMT	378	25,523.0	67.5	323	32,904.9	101.9	-14.6%	28.9%
NMSU	3,199	109,438.5	34.2	3,087	139,535.7	45.2	-3.5%	27.5%
UNM	5,626	175,823.2	31.3	4,790	222,243.1	46.4	-14.9%	26.4%
Research	**9,203**	**310,784.7**	**33.8**	**8,200**	**394,683.7**	**48.1**	**-10.9%**	**27.0%**
ENMU	1,245	25,603.1	20.6	1,281	36,273.4	28.3	2.9%	41.7%
NMHU	932	26,046.1	27.9	793	32,697.5	41.2	-14.9%	25.5%
NNMC	174	9,706.9	55.8	191	11,333.7	59.3	9.8%	16.8%
WNMU	696	15,996.9	23.0	766	22,754.2	29.7	10.1%	42.2%
Comprehensive	**3,047**	**77,353.0**	**25.4**	**3,031**	**103,058.8**	**34.0**	**-0.5%**	**33.2%**
ENMU-RO	542	10,985.7	20.3	478	13,246.7	27.7	-11.8%	20.6%
ENMU-RU	73	1,936.1	26.5	79	2,237.2	28.3	8.2%	15.6%
NMSU-AL	110	7,036.2	64.0	81	8,073.9	99.7	-26.4%	14.7%
NMSU-DA	1,162	21,387.3	18.4	1,090	26,244.2	24.1	-6.2%	22.7%
NMSU-GR	93	3,320.1	35.7	83	3,953.2	47.6	-10.8%	19.1%
UNM-GA	290	8,407.1	29.0	326	9,682.8	29.7	12.4%	15.2%
UNM-LA	136	1,710.4	12.6	74	2,121.3	28.7	-45.6%	24.0%
UNM-TA	136	3,274.1	24.1	106	4,265.4	40.2	-22.1%	30.3%
UNM-VA	204	5,135.2	25.2	134	6,418.0	47.9	-34.3%	25.0%
CNM	6,302	52,815.8	8.4	4,491	69,215.7	15.4	-28.7%	31.1%
CCC	576	9,094.1	15.8	476	11,072.4	23.3	-17.4%	21.8%
LCC	142	6,730.9	47.4	114	7,437.3	65.2	-19.7%	10.5%
MCC	100	3,864.2	38.6	260	4,570.1	17.6	160.0%	18.3%
NMJC	313	5,157.9	16.5	348	6,632.1	19.1	11.2%	28.6%
SENMC	164	3,860.0	23.5	105	4,666.5	44.4	-36.0%	20.9%
SJC	1,098	22,555.4	20.5	974	27,395.4	28.1	-11.3%	21.5%
SFCC	887	9,182.8	10.4	495	12,075.4	24.4	-44.2%	31.5%
2-Year	**12,328**	**176,453.3**	**14.3**	**9,714**	**219,307.6**	**22.6**	**-21.2%**	**24.3%**
Grand Total	**24,578**	**564,591.0**	**23.0**	**20,945**	**717,050.1**	**34.2**	**-14.8%**	**27.0%**

Source: LFC Files

Methodology: Total awards from funding formula data. General fund I&G appropraitions as reflected in LFC post session review.

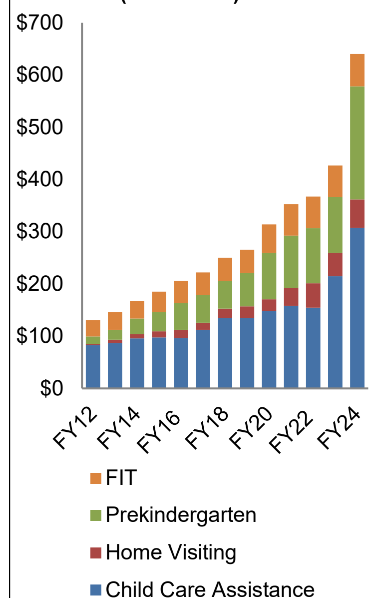
Early Childhood Education and Care

The Early Childhood Education and Care Department (ECECD) added several new measures in FY24 for the support and intervention program. Several of these measures are reported annually at the close of FY24. Many of the annual measures related to prekindergarten and early learning readiness declined compared to previous years. Within the state's early childhood system, prekindergarten has previously proven to be the most effective in improving long-term educational outcomes. The state must maintain quality outcomes in prekindergarten to support school readiness.

ACTION PLAN

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

Recurring Early Childhood Funding History*
(in millions)



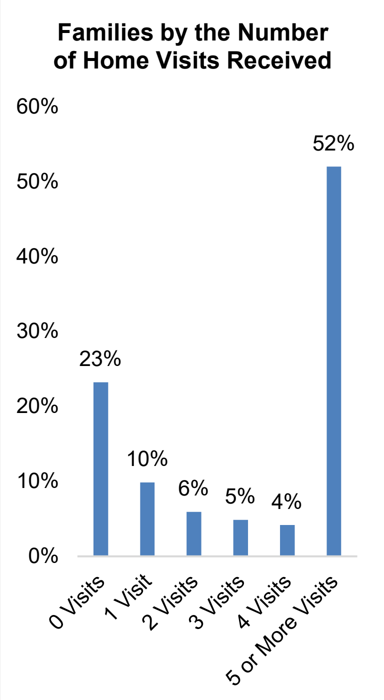
*Note: Federal Head Start program and State K-12 Plus and Early Literacy programs not included

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 402 families in the Medicaid-Funded Home Visiting Program, far short of the performance target of 1,500 and below the previous fiscal year. If implemented well, in combination with other child welfare interventions, certain home visiting models, such as Nurse Family Partnership, Health Families America, and SafeCare Augmented, could help the state reduce child maltreatment.

Budget: $77,212.4 **FTE: 59**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of families enrolled in Medicaid Home Visiting	299	440	1,500	402	R
Average annual number of home visits per family	27	19	12	22	G
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%	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%	82%	G
Percent of women enrolled in Families First who are eligible for Medicaid and access prenatal care by the 28th week of pregnancy	93%	90%	93%	90%	Y
Percent of children making significant improvement annually in social emotional skills, knowledge and skills and appropriate behavior	New	New	75%	Not Reported	R
Percent of women who are pregnant when they enroll in Home Visiting who access postpartum care	93%	90%	90%	81%	R



Budget: $77,212.4 **FTE: 59**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
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%	94%	Y
Percent of Home Visiting families with face-to-face visits, monthly	New	New	NA	91%	G
Percent of families enrolled in Families First by the 28th week of pregnancy	New	New	80%	65%	R
Percent of families enrolled in Home Visiting by the 28th week of pregnancy	New	New	25%	75%	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%	82%	G
Percent of women enrolled in Home Visiting who are eligible for Medicaid and access prenatal care by the 28th week of pregnancy	New	New	80%	93%	G
Percent of women who are pregnant when they enroll in Families First and access postpartum care	New	New	70%	100%	G
Percent of Comprehensive Addiction and Recovery Act families connected to agency services and supports	New	New	55%	41%	R
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%	Not Reported	R
Program Rating	R	R			Y

Expected Reduction in Child Maltreatment by Medicaid Eligible Program
(in order of largest reduction in child maltreatment, then health)

Model	% Reduction Maltreatment Risk	% Improvement maternal or child health
Nurse Family Partnership	5-8%	1%-8%
Healthy Families America	1-3%	1%-4%
Child First	Unknown	10%-12%
Safe Care Augmented	1-3%	-1% to 2%
Parents as Teachers	Unknown	3%
Family Connects	Unknown	Positive impact but unknown % change

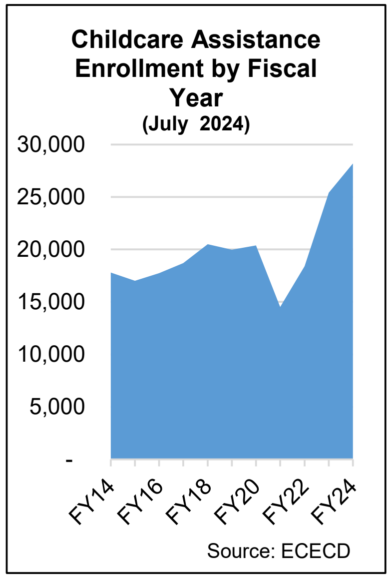
Note: Outcome of interest was maltreatment risk assessment or medical assessment of maltreatment risk. Health is defined as child or adult physical or behavioral health. Source: Title IV-E Prevention Services Clearinghouse

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. At the close of FY24, enrollment has increased to around 29 thousand, with an average annual cost per child of $10,379.

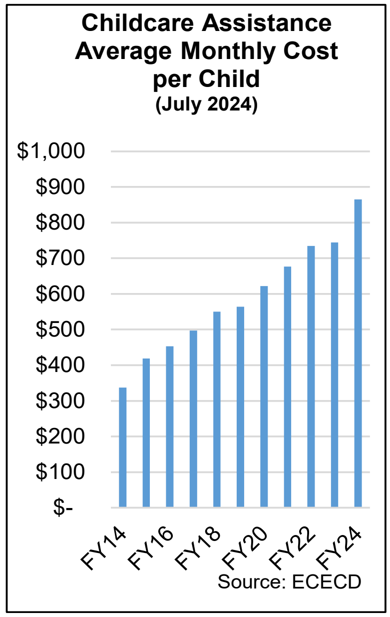
Budget: $542,801.0 **FTE: 156**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	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 kindergarten or higher on the fall observation kindergarten observation tool.	New	New	80%	49%	R



Budget: $542,801.0 **FTE: 156**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Percent of infants and toddlers participating in the childcare assistance program enrolled in childcare programs with four- or five-stars	60%	58%	60%	65%	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%	91%	G
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%	52%	R
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, which are proficient in literacy in kindergarten	NA	60%	75%	51%	R
Average length of time enrolled in months for families receiving childcare assistance	New	New	12	18	G
Percent of children attending full-time childcare, defined as 30 hours or more a week	New	New	72%	73%	G
Percent of enrolled families at or below 125 percent of the federal poverty level	New	New	65%	42%	R
Program Rating	R	R			Y



Policy, Research and Quality Initiatives

The Policy, Research and Quality 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 targeted performance measures.

Budget: $21,101.2 **FTE: 29.5**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Percent of early childhood professionals, including tribal educators, with degrees or credentials in early childhood related fields	NA	Not Reported	50%	77%	G
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system	51%	64%	60%	65%	G
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level	60%	60%	50%	62%	G
Number of infant early child mental health professionals trained and onboarded	New	New	15	15	G
Percent of early childhood professionals receiving support from infant early child mental health consultants	New	New	10%	30%	G
Program Rating	R	R			G

Children, Youth and Families Department

New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of the initial allegation, and in FY24 the state's reported rate of repeat maltreatment worsened to 15 percent. The state has enacted legislation and significantly increased appropriations for evidence-based approaches to reduce and prevent maltreatment, though these strategies have largely not yet been implemented. In FY24, the number of children in foster care increased over FY23, reversing prior trends. The department continues to face challenges recruiting and retaining a professional social worker workforce, though turnover in Protective Services improved in FY24. Other indicators of 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 spending. In FY24 repeat maltreatment increased to 15 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 plan that will be approved by the federal government, though the timeline for re-submission and approval is unknown.

Foster Care. The number of children in foster care in New Mexico steadily declined from FY17 to FY23, when the trend reversed. In FY24, 872 youth entered foster care, and 542 youth exited foster care. The percentage of children who achieved permanency within 12 months has declined since FY22. In addition, 249 youth were placed in short stays, a foster care placement of less than 30 days, a figure that, if counted with foster care entries, would total 22 percent. In June 2024, 2,072 children were in foster care. The department reports restructuring Protective Services to include a team dedicated to foster (resource) family

ACTION PLAN

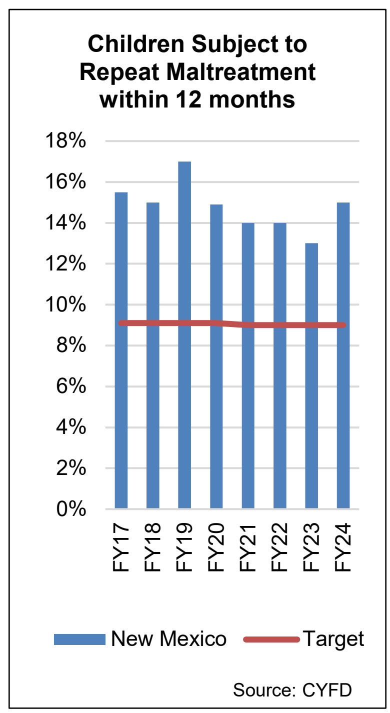
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

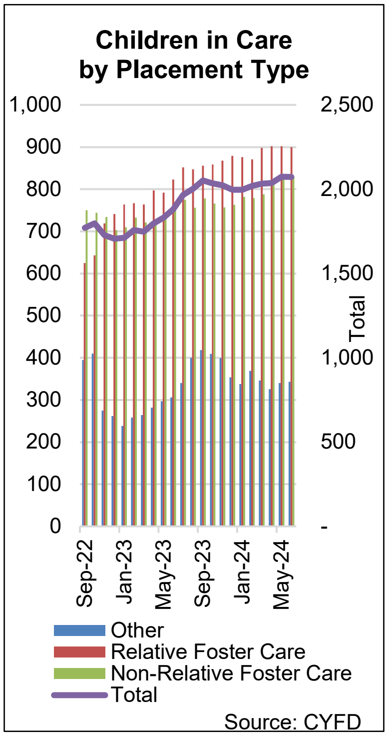
***Kevin S., et al. v. Blalock and Scrase* Lawsuit Settlement**

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.

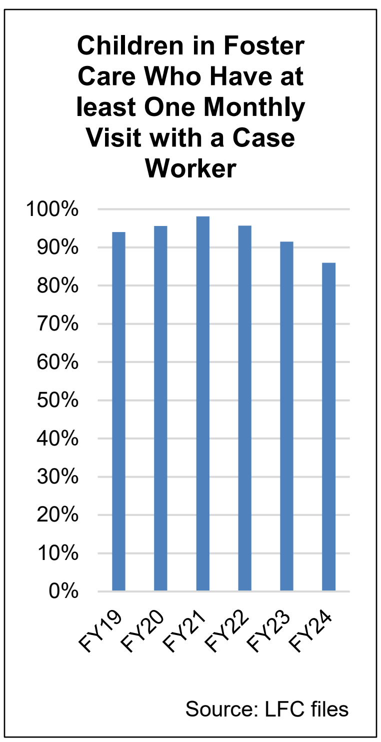
A settlement agreement committed CYFD to improve Protective Services caseloads, increase the number of resource (foster care) and community-based placements, expand access to children's behavioral health services, among other commitments.





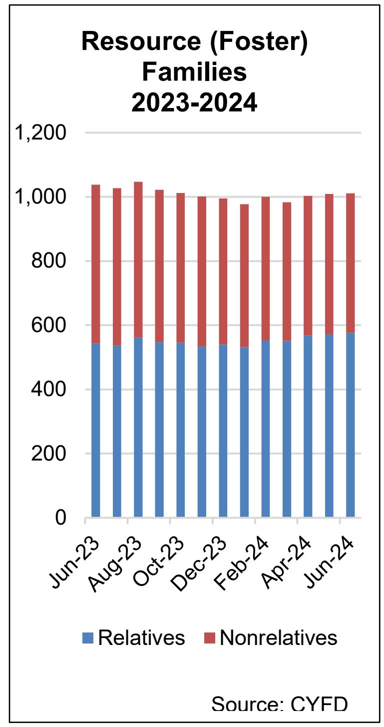
recruitment and retention. Nevertheless, the FY24 rate of 8.1 moves per 1,000 days of care is well above the performance target of four placement moves, and the number of foster care (resource) homes remained flat over the year. In addition, metrics related to time-to-permanency worsened in FY24.

Budget: $226,884.3 **FTE:** 1,171	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Actual**	**Rating**
Maltreatment					
Percent of children in foster care who have at least one monthly visit with their case worker*	98%	92%	None	86%	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%	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	10.03	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%	70%	74%	G
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%	57%	R
Average statewide central intake call center wait time (in seconds)	30	29	3	76	R
Foster Care					
Turnover rate for protective services workers	37%	37%	25%	34%	R
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	4.1	8.1	R
Children in foster care more than eight days who achieve permanency within twelve months of entry into foster care	36%	33%	42%	34%	Y
Children removed during a rolling twelve-month period who were initially placed with a relative or fictive kin	New	New	50%	32%	R
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%	25%	R
Foster care placements currently in kinship care settings	49%	52%	55%	48%	R
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%	34%	R
Program Rating	R	R			R

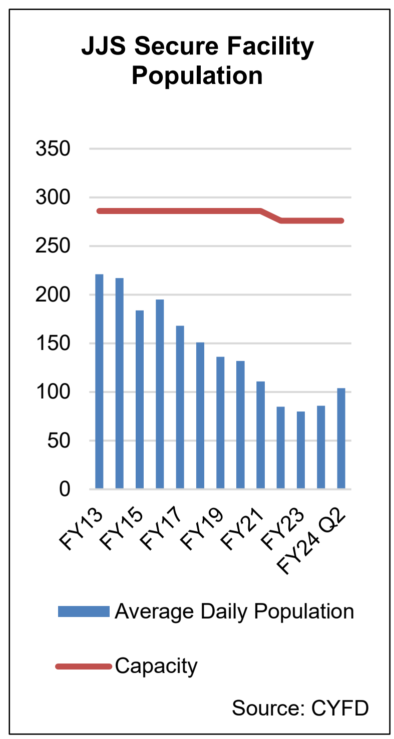


Juvenile Justice Services

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 over 100. 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. The 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 and reductions in physical assaults within secure facilities.

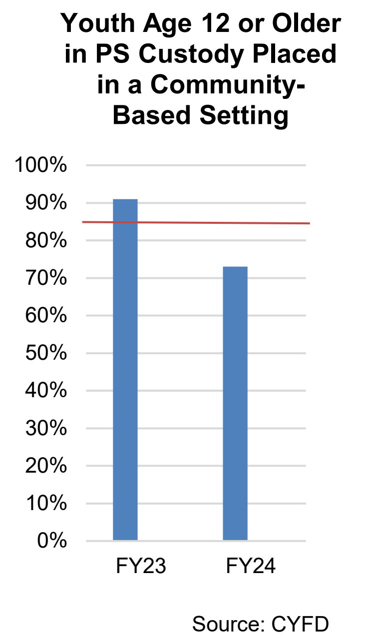


Budget: $81,145.7 **FTE:** 754.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Turnover rate for youth care specialists	39%	16%	21%	34%	R
Percent of clients who successfully complete formal probation	87%	93%	87%	90%	G
Percent of clients who successfully complete informal probation	Not reported	Not reported	80%	91%	G
Percent of youth confined for over six months whose math skills increased between admission and discharge	44%	57%	56%	58%	G
Percent of youth confined for over six months whose reading skills increased between admission and discharge	33%	49%	56%	62%	G
Number of substantiated complaints by clients of abuse or neglect in juvenile justice facilities	2	4	3	0	G
Percent of youth discharged from active field supervision who did not recidivate in the following two-year period	85%	87%	88%	86%	Y
Rate of physical assaults per one thousand days youth spent in facilities	0	Not reported	3.75	5.5	Y
Percent of youth discharged from a secure facility who did not recidivate in the following two-year time period	65%	55%	45%	34%	Y
Youth served by juvenile justice who are placed in a less-restrictive, community-based setting	New	New	93%	94%	G
Program Rating	R	R			Y



Behavioral Health Services

CYFD is on track to increase the number of community-based behavioral health personnel by 50 percent. However, the agency did not fully leverage resources available to expand behavioral health provider capacity. 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 from meeting targets for clinician consultations for youth in foster care. In addition, only 73 percent of youth in Protective Services custody over the age of 12 were placed in a least restrictive environment, 12 percent below the performance target and 18 percent below FY23 actuals.



Budget: $54,529.3 **FTE:** 121	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Infant mental health program participants showing improvement developmentally through clinical assessment and observation	100%	NA	90%	93%	G
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%	85%	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%	73%	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%	Y
Clients enrolled in multisystemic therapy who demonstrate improvement in one or more behavioral health outcomes	90%	89%	75%	92%	G
Percent of protective services-involved youth in the target population who receive consultation from a community behavioral health clinician	Reported differently	66%	75%	15%	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%	63%	Y
Program Rating	Y	Y			Y

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD: Fourth Quarter, FY24

Health Care Authority

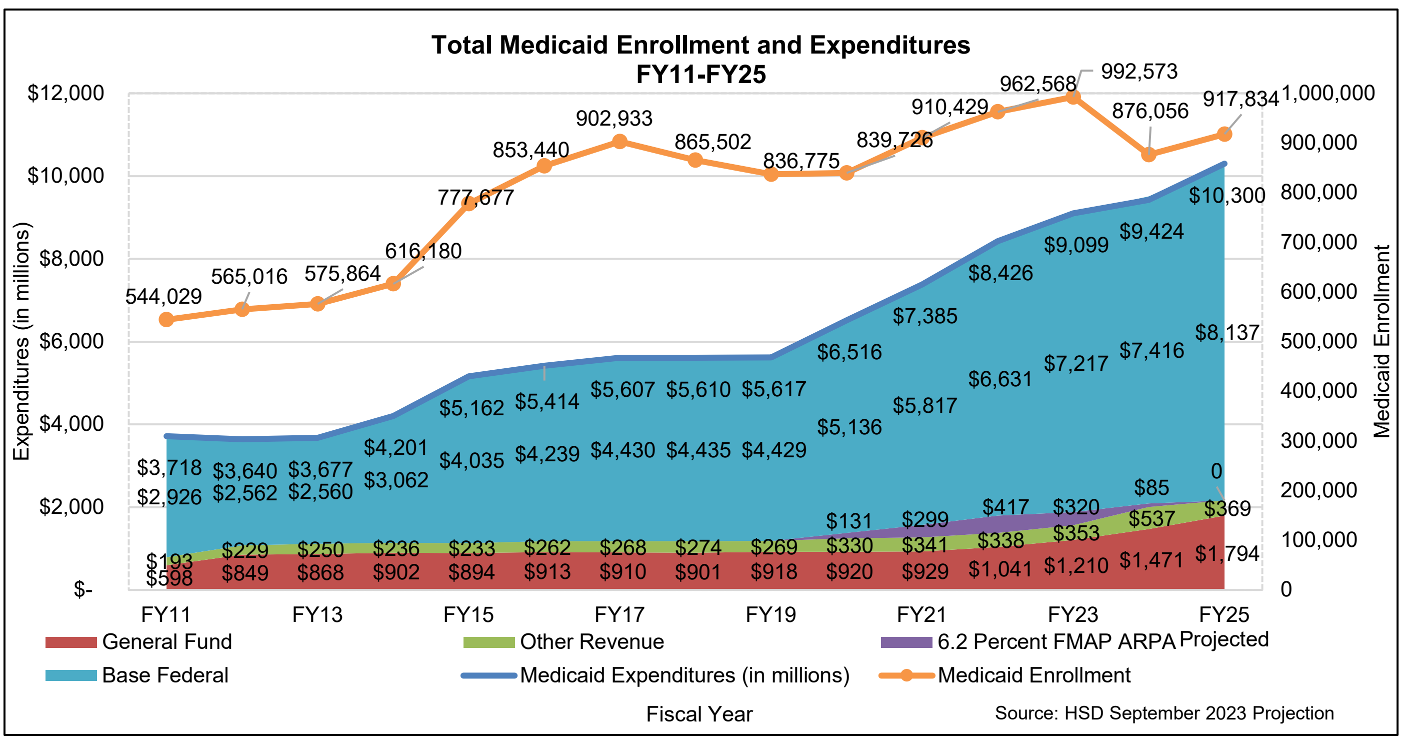
ACTION PLAN

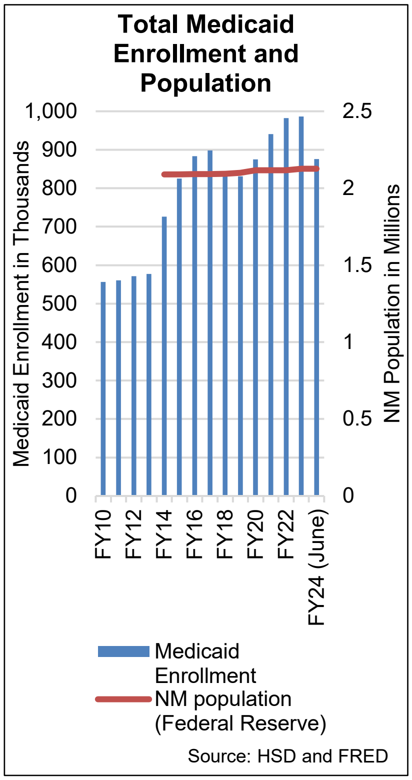
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

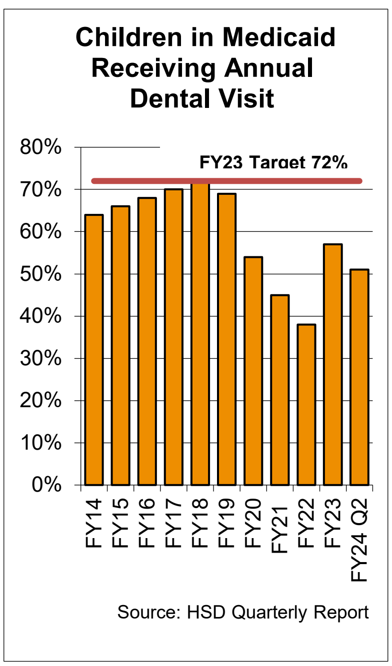
The Legislature invested significantly in Medicaid over the last decade, including hundreds of millions in the past five years for provider rate adjustments, with the most significant increases scheduled for FY25 including more than $1 billion for hospitals. However, many rates from FY24's legislative session will not be effective until January 2025 even though these rates were funded for the full year. With close to half of the state's population enrolled in the Health Care Authority's (HCA) Medicaid Program, ensuring rate adjustments reach the intended providers and improves access is a major lever the state must improve outcomes. However, given the investment, performance is marginally improving currently, and the state should maintain an expectation of more improvement over the next two years.

With these investments, the Legislature is expecting to see improvements in access to care through the expansion of MCO networks and improved provider recruitment and retention. The health challenges experienced by the state's Medicaid population will likely not improve if Medicaid enrollees continue having trouble making appointments.

Projecting Future Needs. The Health Care Authority's June 2024 monthly statistical report indicates there were 876,056 individuals that received Medicaid, 14.5 thousand fewer individuals than the department's July 2024 projection indicated. 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 a higher January 2024 estimate of 938.2 thousand enrollees. In the future, to ensure funds are allocated appropriately, the department will need to work with LFC to develop more consensus around its budget projections.







Medical Assistance

The state's Medicaid program improved on some of its performance for the fourth quarter including infant well-child visits and the care of people with diabetes. The department reports on several measures in a calendar year, cumulatively. So FY24 quarter 4 is the annual result for the measures marked with two asterisks. For well-child visits, each MCO discussed a strategy to improve these measures such as social media campaigns, text messages encouraging parents to schedule the visits, and meeting with providers on a regular basis. In previous quarters 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 Actual	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	66%	G
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%	45%	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%	51%	R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	7%	7%	<5%	8%	Y
Hospital readmissions for adults 18 and over within 30 days of discharge**	11%	9%	<8%	9%	Y
Emergency department use categorized as nonemergent care	53%	57%	50%	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%	78%	Y
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%	52%	G
Program Rating	R	R			Y

**Measure is from the national health effectiveness data and information set (HEDIS) and is reported on a calendar year, cumulatively, and two quarters behind the state fiscal year. FY24's column is reporting CY23's final data.

Income Support

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 federal government requires enrolling 95 percent of expedited cases within seven days. For the fourth quarter, ISD enrolled 84 percent of expedited SNAP cases within seven days, an improvement from 42 percent in the prior quarter. 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.

Budget: $1,327,713.6 **FTE: 1,133**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	96%	38%	98%	74%	R
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	92%	64%	98%	84%	R
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	2%	7%	37%	1%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	3%	12%	60%	12%	R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	3%	10%	37%	7%	R
Program Rating	R	R			R

Child Support Enforcement

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 and the program nearly met the target for child support owed that is collected and the percentage of cases with support orders in the fourth quarter. CSED reported child support collections totaled $119 million, resulting in collections falling short of the FY24 target of $145 million and sliding from prior year's collections.

F

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Noncustodial parents paying support per total cases with support orders	52%	51%	58%	51%	R
Total child support enforcement collections, in millions	$130.3	$121	$145	$119	R
Child support owed that is collected	58%	58%	60%	59%	G
Cases with support orders	83%	84%	85%	83%	Y
Total dollars collected per dollars expended	$2.69	$2.43	$4.00	$2.46	R
Average child support collected per child*	$127.9	$124.5	N/A	$129	
Program Rating	R	R			Y

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

Behavioral Health Collaborative

ACTION PLAN

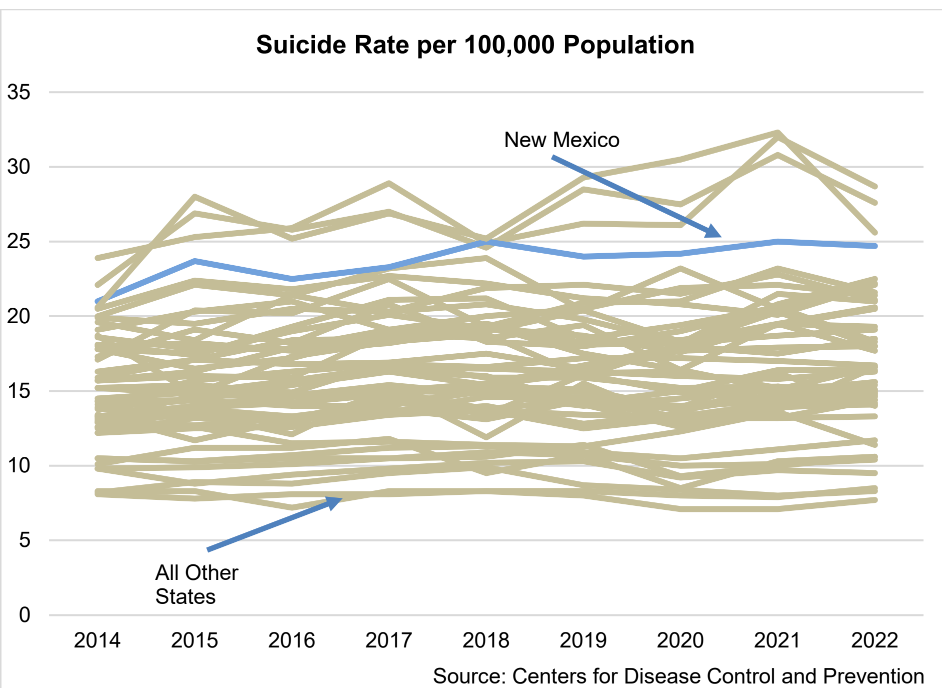
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

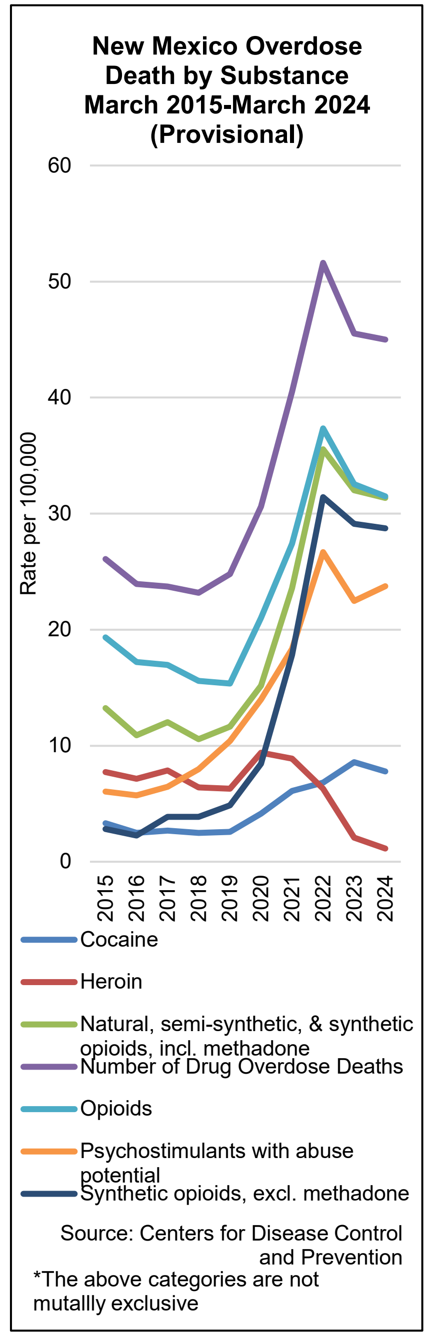
The August 2023 LFC progress report *Addressing Substance Use Disorders* stated that efforts to expand treatment have not kept pace with the increased magnitude of substance use needs. Overdose deaths nearly tripled between 2013 and 2021, with most of the increase occurring in the last few years. Collaborative agencies are budgeted to spend $1.1 billion in FY25 with $987 million of that in the Health Care Authority. Additionally, collaborative agencies received about $407 million in nonrecurring funding during the 2023 through 2025 sessions. Despite these investments, New Mexico has not yet been able to reverse trends in substance-related deaths or suicides.

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 nearly 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.

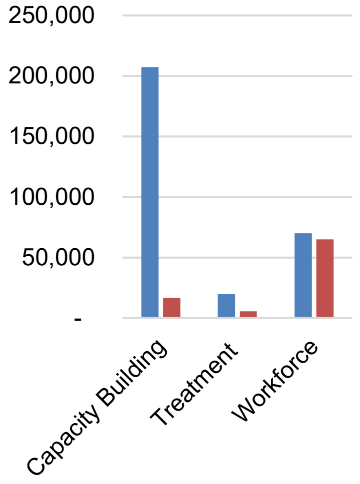
Existing Problem

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 2022, New Mexico had the fourth highest suicide rate in the nation, a rate of 24.7 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.



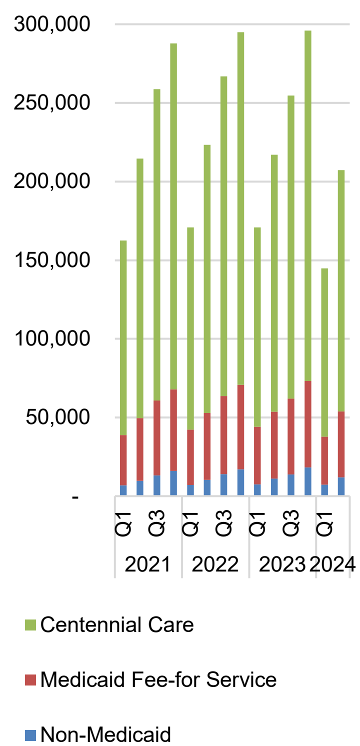


Behavioral Health Collaborative Nonrecurring Appropriations FY23 and FY24



Source: LFC Files

Individuals Served in State-Funded Substance Abuse or Mental Health Programs



Source: HSD

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.

Behavioral Health System

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 fourth quarter of FY24, the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days improved over the prior year but was 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 Actual	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	43%	43%	42%	45%	G
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%	42%	R
Number of persons served through telehealth in urban, rural, and frontier counties for behavioral health.	62,439	48,718	30,000	73,054	G
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	10%	10%	5%	11.9%	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	207,259	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%	32%	R
Program Rating	R	R			Y

PERFORMANCE REPORT CARD: Fourth Quarter, FY24
Department of Health

The Department of Health (DOH) reported mixed results in performance across the agency at the close 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. DOH continues to focus on implementing interventions and community health initiatives aimed at improving public health infrastructure and access to care.

ACTION PLAN

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

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. 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. 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 did not 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.

DOH reported significant delays in executing tobacco cessation program contracts, resulting in declined FY24 performance. In FY24, a total of 3,059 adults in New Mexico utilized the NM Quitline for tobacco cessation services. This number was lower in comparison to previous years. Of those enrolled in the program nearly 44 percent reported having one or more chronic health conditions and 55 percent reported having one or more behavioral health conditions.

According the to the U.S. CDC, smoking remains the leading cause of preventable disease, disability, and death in the U.S.

Smoking cessation medications approved by the U.S. Food and Drug Administration and behavioral counseling are cost-effective cessation strategies.

Budget: $248,764.8 **FTE: 816.5**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	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%	84%	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%	96%	G
Percent of New Mexico adult cigarette smokers who access New Mexico Department of Health cessation services	1.9%	1.3%	2.6%	0.9%	R
Number of successful overdose reversals in the harm reduction program	3,420	3,025	3,200	3,153	Y
Percent of preschoolers ages nineteen to thirty-five months indicated as being fully immunized	66%	69%	66%	72%	G
Number of community members trained in evidence-based suicide prevention practices	New	775	700	1,169	G
Program Rating	R	R			Y

According to the data from the Department of Health and UNM Health Sciences Center, New Mexico's drug overdose death rate has been one of the highest in the nation for most of the last two decades.

New Mexico Overdose Death by Drug Class:

1. Fentanyl and analogues
2. Methamphetamine
3. Cocaine
4. Non-fentanyl Rx Opioids
5. Benzodiazepines
6. Heroin

Source: DOH

Medication-assisted treatment (MAT) is a key strategy the department is working to expand to reduce substance use disorder in the state. The department now offer MAT in 29 of 35 public health offices statewide. Patients are seen by a nurse for intake, urine drug screen, linkage to care.

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.

Budget: $64,501.3 **FTE: 363.0**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis	New	294	300	228	R
Percent of New Mexico hospitals certified for stroke care	20%	18%	24%	19%	R
Percent of cities and counties with access and functional needs plans that help prepare vulnerable populations for a public health emergency	35%	37%	50%	41%	R
Number of older adults who participated in an evidence-based intervention falls program	New	444	800	544	R
Average time to provide birth certificate in days	5	5	4	10	R
Percent of death certificates completed by bureau of vital records and health statistics within ten days of death	50%	53%	64%	56%	R
Percent of hospitals with emergency department based self-harm secondary prevention programs	5%	2.7%	7%	Not Reported	R
Rate of persons receiving alcohol screening and brief intervention services	54%	25%	73%	Not Reported	R
Program Rating	R	R			

Scientific Laboratory

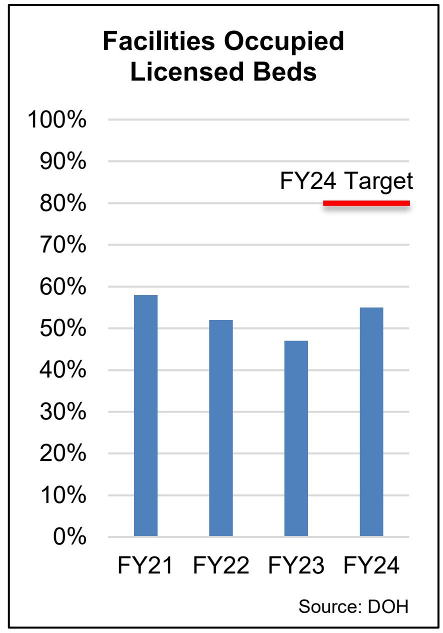
The Scientific Laboratory Division (SLD) provides a wide variety of laboratory services to programs operated by numerous partner agencies across New Mexico. The activities of SLD in support of state agencies are mandated in statute and are essential for the successful mission of the programs it supports.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

Budget: $17,089.7 **FTE: 138**	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within fifteen calendar days	New	86%	80%	96%	G
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within 30 calendar days	98%	99%	95%	99%	G
Percent of public health threat samples for communicable diseases and other threatening illnesses that are completed and reported to the	98%	97%	96%	97%	G

Budget: $17,089.7 **FTE: 138**	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
submitting agency within published turnaround times					
Percent of environmental samples for chemical contamination that are completed and reported to the submitting agency within 60 calendar days	93%	97%	92%	72%	R
Program Rating	G	G			Y

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 Actual	Rating
Number of medication errors causing harm per one thousand patient days within identified categories	0.2	0	1	0	G
Percent of in-house acquired pressure ulcers for long-term care residents – long stays	8%	7%	2%	7%	R
Percent of medical detox occupancy at Turquoise Lodge Hospital	69%	76%	80%	28%	R
Percent of medication assisted treatment inductions conducted or conducted after referrals on alcohol use disorder	83%	73%	65%	100%	G
Percent of dementia only residents on antipsychotics	4%	11%	16%	47%	R
Percent of medication assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital	73%	100%	85%	100%	G
Percent of patients educated on medication assisted treatment options while receiving medical detox services	89%	83%	90%	100%	G
Percent of patients eligible for naloxone kits who received the kits	83%	52%	90%	100%	G
Percent of licensed beds occupied	52%	47%	80%	54%	R
Percent of eligible third-party revenue collected at all agency facilities	93%	89%	93%	88%	G
Program Rating	R	Y			Y

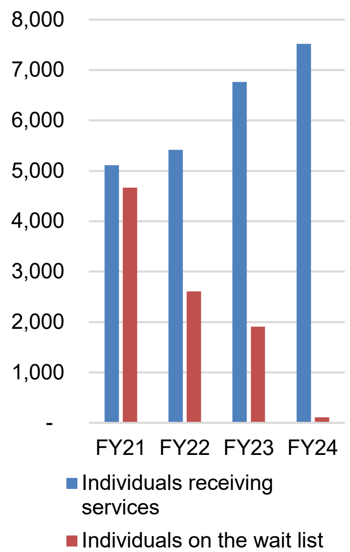
Developmental Disabilities Supports

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.

At the close of FY24, 7,522 individuals were receiving services through the DD waiver. Additionally, the waiting list now consists of 111 individuals, far below previous fiscal years as more individuals have moved into services.

Budget: $204,041.7 **FTE:** 192	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	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%	9%	R
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)	85%	90%	86%	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%	76%	R
Program Rating	R	Y			Y

DD Waiver Allocation and Waiting List History



Source: DOH

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 Actual	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%	96%	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%	66%	R
Percent of abuse, neglect, and exploitation investigations completed according to established timelines	95%	95%	95%	80%	R
Program Rating	Y	Y			Y

Economic Development Department

New Mexico added 19.2 thousand nonfarm jobs in FY24, a 2.2 percent year-over-year growth. The Economic Development Department (EDD) reported creating 3,523 jobs this fiscal year, approximately 18 percent of total nonfarm jobs created in the state. In FY24, EDD awarded $30.5 million in Local Economic Development Act (LEDA) funding to 14 companies. EDD also approved $35.9 million of Job Training Incentive Program (JTIP) funding to train 2,359 employees, awarding and training more than double compared to FY23. The Outdoor Recreation Division awarded a total of $11.3 million of Trails+ and outdoor equity funding in FY24 to support outdoor infrastructure and education programs. EDD met or exceeded most performance targets for FY24 with exceptions in number of jobs created through agency's efforts and facilitated by the New Mexico Partnership.

Economic Development

Job Creation. In FY24, the agency reported creating a total of 3,523 jobs, which is 477 jobs short of their target, but 65 percent higher than total jobs created in FY23. In FY24, the agency created 871 rural jobs, 44 percent less than the number of rural jobs created in FY23. The average wage of jobs created in FY24 was $56.4 thousand, on par with the average from FY23 and $6 thousand higher than the average three-year wage in corresponding counties.

Local Economic Development Act. In FY24, EDD committed a total of $30.5 million in LEDA funding to 14 projects. If successful, those projects intend to invest an additional $2.6 billion over the extent of their agreement. LEDA projects could result in 2,356 jobs with an average wage of $47,799. The average cost per job in FY24 was $12.9 thousand, a 6 percent increase compared to FY23's cost per job of $12.1 thousand. A large portion of LEDA awarded, anticipated private investments, and jobs created from FY24 is tied to Maxeon Solar Technologies. The company was awarded $18 million in LEDA funding and anticipates bringing in an additional $2.4 billion in private investment and creating 1,773 jobs. However, as of yet, construction for Maxeon Solar has not started. As of June 2024, the LEDA fund had a balance of $62.2 million, 27 percent less compared to the previous year.

Job Training Incentive Program. In FY24, EDD approved $35.9 million of JTIP funding to train 2,359 employees, an 87 percent increase compared to the 1,156 employees trained in FY23. The average wage this fiscal year was $30.70, 11 percent above New Mexico's average wage of $27.65. The average cost per job for JTIP in FY24 is $15,224, an increase of $1,297 or 9.3 percent compared to FY23. As of June 2024, the JTIP fund had a balance of $36 million, 1.3 percent higher compared to the previous year. Notable awards from FY24 include $8.2 million for Intel Corporation to train 680 employees and $1 million for Arcosa Wind Towers to train 86 employees.

ACTION PLAN

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

LegisStat Agency

The Economic Development Department (EDD) participates in LFC's LegisStat panel, a hearing format hyper focused on performance metrics and agency action plans.

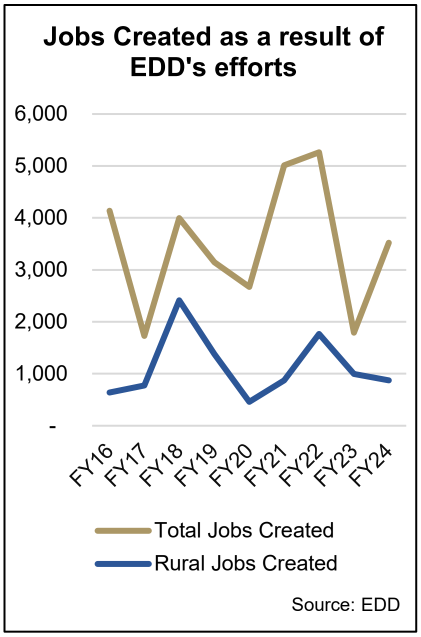
This year's LegisStat focused on the agency's efforts to increase employment in its science and technology target industries. The department answered the following questions:

- How is EDD working with other agencies and higher education to prepare the workforce for jobs in the clean energy sector?
- What efforts is the agency considering to increase employment in the science and technology target industries?
- What are the agency's plans to spend increased recurring and nonrecurring funding tied to science and technology sectors?

JTIP Trainees, Cost Per Job, and Average Wages

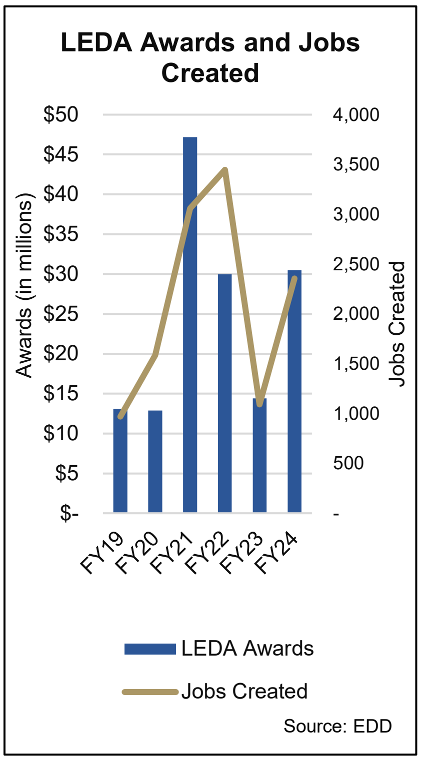
	Trainees	Cost Per Job	Average Wage
FY19	2,059	$8,144	$18.04
FY20	2,065	$8,757	$19.32
FY21	3,222	$7,825	$19.10
FY22	2,153	$12,620	$25.08
FY23	1,156	$13,927	$27.08
FY24	2,359	$15,224	$30.70

Source: EDD



New Mexico Partnership. The New Mexico Partnership was created as a mechanism to entice and entertain companies considering relocating to New Mexico. The New Mexico Partnership did not create any jobs in the third or fourth quarters of FY24. In total, New Mexico Partnership created 1,995 jobs in FY24, a significant increase compared to FY23's 165 jobs. A majority of those jobs, 1,773, are tied to the announcement of Maxeon Solar Technology in the first quarter, which has yet to start construction. Expected jobs for Maxeon are also attributed to the EDD's efforts. The agency notes it had anticipated announcing projects in the third and fourth quarters, but announcements were delayed. The agency also notes that planning and confirming utility infrastructure is the largest hurdle for attracting companies to New Mexico. This fiscal year, the New Mexico Partnership conducted 16 site visits and engaged with 59 prospective companies.

Office of Strategy, Science and Technology. The Office of Strategy, Science and Technology (OSST) connects New Mexico's innovation infrastructure to the commercial market, encourages and enables science- and technology-based industries, and supports commercializing existing and emerging technologies. In FY24, 13 companies reported receiving $128 million of additional investments after receiving funding from the office.



Budget: $16,991.7 **FTE:** 55	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of jobs created due to Economic Development Department efforts	5,263	1,790	4,000	3,523	Y
Number of rural jobs created due to Economic Development Department efforts	1,766	996	1,320	871	Y
Number of jobs created through business relocations facilitated by New Mexico Partnership	64	165	2,250	1,995	Y
Number of jobs created through the use of LEDA funds	3,447	1,092	3,000	2,356	Y
Average wages in excess of cost per job for projects funded through LEDA	$55,690	$39,870	$27,500	$36,818	G
Dollars of private sector investment in MainStreet districts, in millions	$42	$52.9	$25	$51.6	G
Number of building rehabilitations assisted by the MainStreet program	232	278	200	241	G
Number of workers trained by JTIP	2,355	1,255	2,000	2,359	G
Average hourly wage of jobs funded by JTIP	$23.67	$29.02	NA	$30.74	G
Dollars of follow-on investment in technology-based companies as a result of OSST programs, in millions	$5.2	$1,062	$2	$128	G
Program Rating	G	Y			Y

Outdoor Recreation

Trails + Outdoor Infrastructure Grants. In FY24, the agency awarded $7.6 million of Trails+ funding to 57 projects. The funding will leverage an additional $8 million in private and regional matching funds and will create 667 jobs over the next 24 months. The grant remained open and accepted applications on a rolling basis throughout FY24.

Outdoor Equity Fund. In FY24, the agency awarded $3.7 million with outdoor equity funding to 113 organizations, with grants ranging from $5,000 to $40 thousand. Funding will support outdoor education programs for 36 thousand youth. In FY25, the Outdoor Equity program will be funded by $468 thousand from the land of enchantment legacy fund.

Budget: $1,175.1 **FTE:** 4	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of new outdoor recreation jobs created by Outdoor Recreation Division*	173	411	NA	667	G
Number of outdoor recreation conservation and access projects funded and led by Outdoor Recreation Division*	44	44	NA	104	G
Number of youth to benefit from outdoor education programs, including outdoor equity fund grants*	21,904	12,221	NA	36,269	G
Program Rating	G	G			G

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

FY24 Outdoor Marketing Grant Awards

The Outdoor Recreation Division approved 41 grant applications and awarded $873 thousand for the first-ever Outdoor Marketing Grant (OMG) program in FY24. Funding was part of the American Rescue Plan Act. Grantees could use funding to increase outdoor marketing initiatives or apply for event sponsorships. Grants ranged from $10 thousand to $30 thousand. Grantees include Grant County to encourage residents and tourists to visit the Gila National Forest, Carrie Tingley Hospital Foundation to promote a cycling event called Day of the Tread, and Trout Unlimited to promote fly-fishing to diverse audiences.

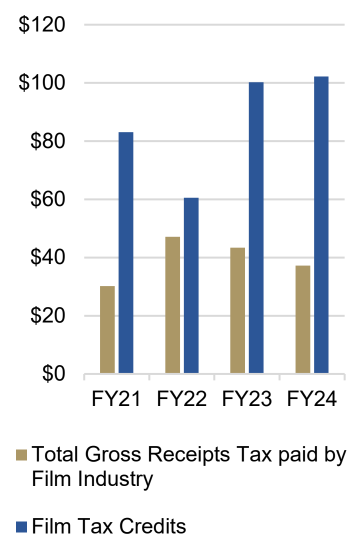
Film

Film production in New Mexico fluctuated in FY24 due to resolved and looming film strikes. The Film Division estimated 339 thousand film and media worker days, 57 percent and 97 percent lower than FY23 and FY22, respectively. The division estimates the film industry spent $98.7 million on wages, with a median wage of $76,449 in FY24. The division also estimates a total of $740 million in direct spending by film industry productions, slightly below direct spending from FY23, and resulting in $37.3 million in gross receipts tax in FY24. Film tax credits are estimated to be $102.2 million in FY24, up 2 percent from FY23 and are expected to grow to $188.6 million in FY25. The 2023 labor dispute between film studios and striking writers and actors is expected to have a small, short-duration negative impact on film tax credit uptake in FY24 translating to a 5 percent decrease in film tax credit spending in FY26. This two-year lag between FY24 uptake and FY26 credit payouts follows the observed timeline for most projects.

Budget: $1,708.50 **FTE:** 8	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of film and media worker days, in thousands	668	533	320	339	G
Estimated direct spending by film industry productions, in millions	$855.43	$794.11	$530	$740	G
Total wages paid by film industry productions to New Mexico residents, in millions	$157.06	$152.26	$100	$98.74	G
Median wages paid by film industry productions to New Mexico residents	$61,069	$73,860	$54,080	$76,449	G
Total gross receipts taxes paid by film industry productions, in millions	$47.10	$43.41	$25	$37.25	G
Program Rating	G	G			

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

Film Tax Credits and GRT Paid by Film Industry

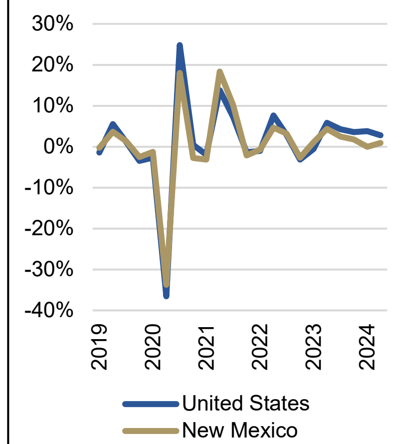


Source: EDD, LFC

Tourism Department

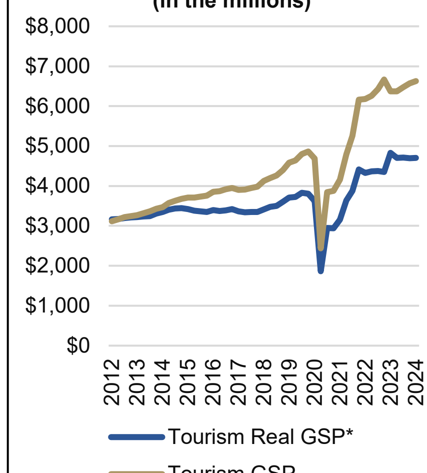
ACTION PLAN

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



Percent Change in Leisure and Hospitality Employment

Source: NMTD, U.S. Bureau of Labor Statistics



New Mexico Tourism Gross State Product (in the millions)

*Real GSP is an inflation-adjusted measure.

Source: NMTD

The Tourism Department (NMTD) met or exceeded most performance targets for FY24. In FY24, the department awarded $907 thousand to 59 communities to support beautification and litter reduction efforts. The department also awarded $462 thousand to 35 local events through its Tourism Event Growth and Sustainability Program. The department continued its cooperative marketing and advertising grant program, which provides a 2-to-1 matching investment to tourism-related entities. The department awarded $3.4 million to 46 partners through the cooperative program to support marketing and advertising initiatives that align with the New Mexico True brand.

Marketing and Promotion.

Workforce. Employment in New Mexico's leisure and hospitality sectors grew by 2.8 percent in FY24 compared to FY23. Employment in these sectors slowed during the third quarter, decreasing by 0.5 percent, or approximately 1,500 workers. The slower growth in these sectors indicates the stabilization of employment levels in these sectors toward prepandemic norms. Previous years saw more stark increases in leisure and hospitality employment as the state recovered from pandemic-related layoffs. Leisure and hospitality employment represents 10.6 percent of the state's total employment.

Media and Engagement. In FY24, the agency secured 140 media mentions, equating to $23.6 million in advertising value equivalency. Among highlights, the agency secured coverage in *The New York Times* and *Smithsonian Magazine*.

The agency also manages the cooperative marketing grant initiative, which requires matching funds from local governments, to enhance local tourism campaigns with the expertise and brand power of the department. The program had 46 partners in FY24.

Budget: $21,305.8 **FTE:** 14

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Year-over-year change in New Mexico leisure and hospitality employment	19%	4.6%	3%	2.8%	Y
Open email rate of NM True eNewsletters	New	27%	18%	28%	G
Amount of earned media value generated in millions	$5.2	$16.4	$2.0	$23.6	G
Program Rating	Y	G			G

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

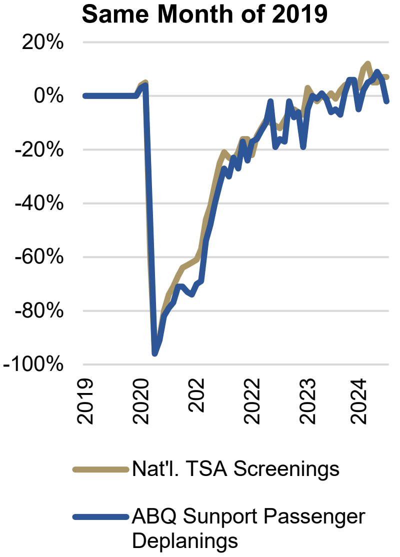
Tourism Development

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.

Supporting Tourism in Ruidoso After Wildfires

The Tourism Department is working very closely with both the city of Ruidoso and Lincoln County to assist them with their recovery from the fires and floods. Working with local partners, NMTD is launching a cooperative marking campaign following the principles and guidelines of its cooperative marketing program, including a 2-to-1 match. The agency submitted a budget adjustment request for $50 thousand to cover partner funds. The agency will contribute an additional $100 thousand toward the campaign as well. Tourism is a large economic driver in Ruidoso, and the campaign will encourage tourists to return to Ruidoso. The agency notes

Change in Passenger Volumes Relative to Same Month of 2019



Source: NMTD

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. In FY24, the Clean and Beautiful program awarded $907 thousand in grant funds to 59 communities—the highest amount awarded since the beginning of the program. 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 met its target for number of meetings with tribes and pueblos. While the department is still in the process of hiring a tribal tourism development officer to serve as the liaison and ensure compliance with the State Tribal Collaboration Act, the department started to actively track all meetings with tribal entities across the department in the fourth quarter.

Budget: $3,134.30 **FTE:** 20	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Actual**	**Rating**
Number of meetings or events conducted with Native American tribe and pueblos	23	50	70	72	G
Number of participants in New Mexico True certified program	401	433	400	475	G
Program Rating	G	G			G

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

New Mexico Magazine

New Mexico Magazine generated a total revenue of $342 thousand in FY24—approximately $85.5 thousand per issue and exceeding the FY24 target. The magazine has a paid circulation of 44.2 thousand subscribers, of which two-thirds reside outside the state. The magazine averages a monthly audience of 340 thousand through the website and social media platforms. The magazine was recognized as Magazine of the Year at the 44th annual International Regional Media Association awards and won awards in many categories, including best general feature, reader service pacakage, nature and environment feature, and print calendar.

Budget: $3,322.30 **FTE:** 10	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Actual**	**Rating**
Advertising revenue per issue, in thousands	$137	$146	$75	$79	G
Program Rating	G	G			G

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

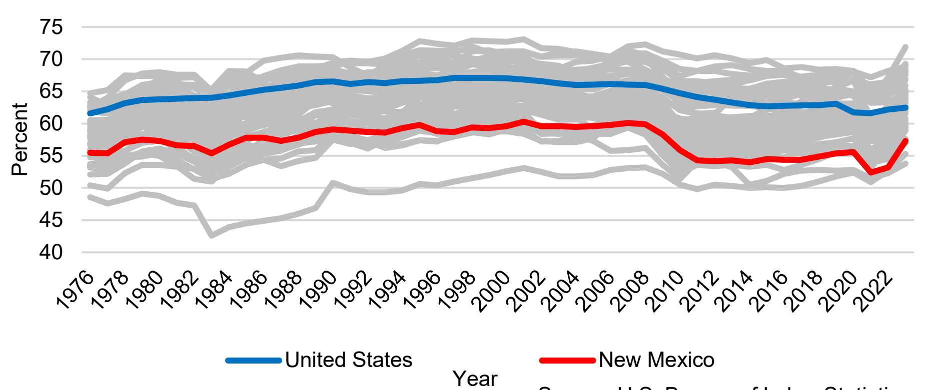
Workforce Solutions Department

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, and LFC reports have consistently noted low labor force participation holds the state back from economic development and expansion. During FY24, the state's unemployment rate increased from 3.7 percent in July 2023 to 4 percent in July 2024.

While the state's labor force participation rate (LFPR) has improved from the pandemic low, New Mexico's LFPR in July 2024 was 57.4 percent, the same rate as July 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.

Strategies to address both unemployment and labor force participation include programs to engage those who are not participating in the labor force and training and support unemployed workers to find employment. In FY23, the department received $10 million in nonrecurring special appropriations for reemployment services, case management, and youth reemployment and apprenticeships, and WSD's strategy focused on moving upstream to prevent young adults from ever becoming disengaged or unemployed, though the long-term results of this strategy are not yet known. The department primarily used special 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. In FY24, WSD reported a total of 5,100 middle and high school students participated in the mobile Be Pro Be Proud workshop on over 50 tour stops. In FY24, 448 participants 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, subsequent participation in workforce training, and other outcomes.

Labor Force Participation Rates United States and New Mexico 1976-2023

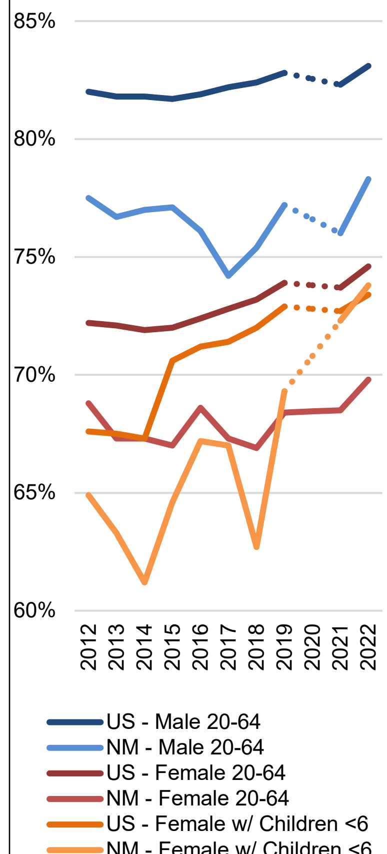


Source: U.S. Bureau of Labor Statistics

ACTION PLAN

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

Labor Force Participation by Gender for U.S. and N.M.



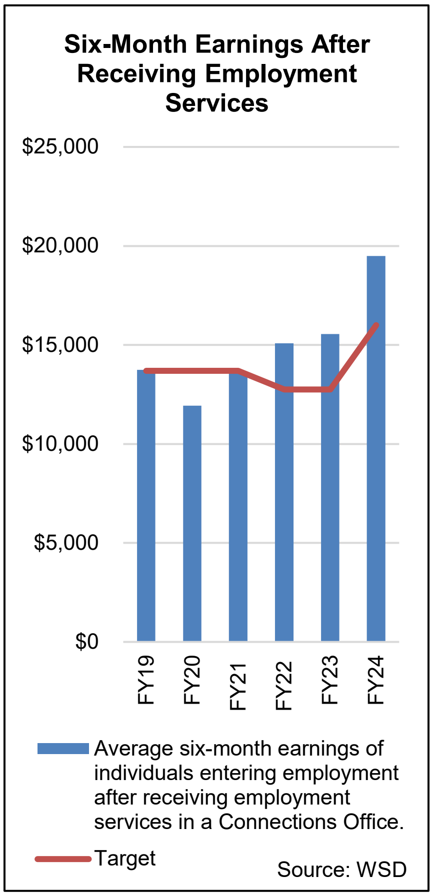
Note: No data was collected during 2020. Dotted lines represent an extrapolation between 2019 and 2021 data.

Source: American Community Survey 1-Year Estimate Subject Table S2301.

Employment Services

The Employment Services Program plays a key role in addressing 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 Centers and operates several programs related to the federal Workforce Innovation and Opportunity Act (WIOA). The April 2024 LFC evaluation concluded Workforce Connections Centers are underutilized and have limited impact on employment outcomes. In FY24, utilization of Workforce Connections Center fell below performance targets but increased over FY23. To increase the state's labor force participation and reduce unemployment, WSD will need to find ways to reach people who are not coming into its offices.

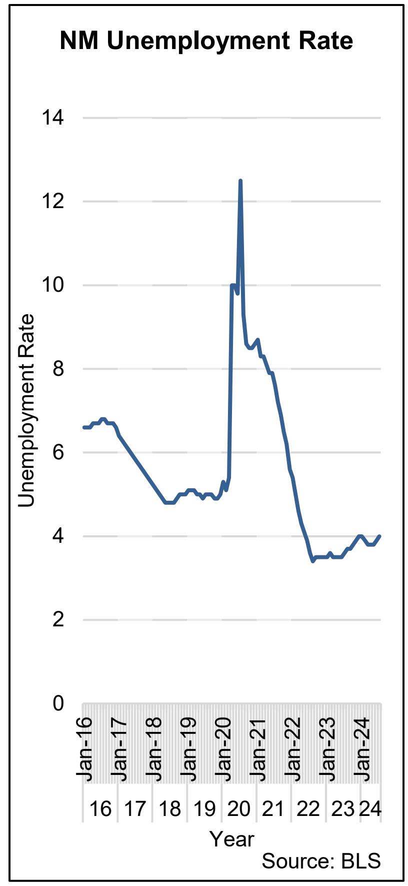
WSD has increased the number of participants in registered apprenticeship programs, a pathway to increasing workforce participation in the trades, exceeding the agency's target. WSD reports an increased demand for new apprentices in building and construction programs. Six month earnings among people who receive employment services also increased from $15,547 in FY23 to $19,493 (25 percent), while average weekly earnings among the state's overall population grew by 3 percent between 2022 and 2023.



Budget: $32,756.4 **FTE:** 368	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Adults					
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Center	$15,076	$15,547	$16,000	$19,493	G
Individuals receiving employment services in a Workforce Connections Center	60,116	50,041	100,000	67,545	Y
Individuals accessing the agency's online Job Seeking portal	106,659	63,024	125,000	83,123	Y
Unemployed individuals employed after receiving employment services in a Workforce Connections Center	51%	61%	60%	65%	G
Unemployed individuals who have received employment services in a Workforce Connections Center, retaining employment after six months	54%	63%	60%	63%	G
Average change in six-month earnings of working individuals after receiving employment services in a Workforce Connections Center	$2,032	$4,616	$2,000	$2,217	G
Audited apprenticeship programs deemed compliant	50%	66%	75%	44%	R
Apprentices registered and in training	1,883	2,273	2,000	2,565	G
Veterans					
Average six-month earnings of unemployed veterans after receiving employment services in a Workforce Connections Office	$18,801	$19,323	$19,000	$21,386	G
Recently separated veterans entering employment	48%	51%	60%	55%	Y
Unemployed disabled veterans entering employment after receiving employment services in a Workforce Connections Center	46%	50%	60%	53%	Y
Recently separated veterans retaining employment after six months	47%	51%	60%	51%	R
Program Rating	G	Y			Y

Unemployment Insurance

New Mexico's unemployment rate remains below prepandemic level but ticked up slightly to 4 percent in July 2024. According to WSD, a total of 39 thousand New Mexicans were unemployed in July 2024. The insured unemployed population, those who are unemployed and receiving unemployment benefits, is a subset of the unemployed population. During the last week of June 2024, 9,677 New Mexicans were receiving unemployment benefits, an increase of 2 percent over the same week in 2023. 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.



Budget: $16,567.40 **FTE:** 164	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Eligible unemployment insurance claims issued a determination within twenty one days from the date of claims	35%	36%	80%	34%	R
First payments made within 14 days after the waiting week	52%	61%	87%	65%	R
Accuracy rate of claimant separation determinations	65%	51%	75%	39%	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	13:55	Y
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	14:51	R
Program Rating	Y	Y			R

Labor Relations

In 2021, the Legislature passed the Healthy Workplaces Act, requiring employers to 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 Labor Relations Division 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 FY25.

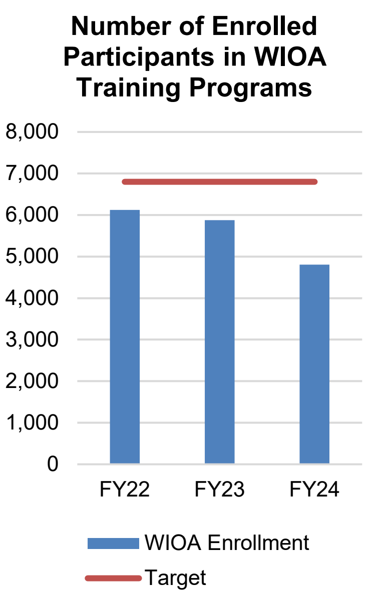
Budget: $4,352.7 **FTE:** 45.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Average number of days for the Human Rights Bureau to investigate a claim and issue a determination	New	187	250	202	G
Discrimination claims investigated and issued a determination by the human rights bureau within one year	New	New	75%	100%	G
Total public works projects inspected and public works payroll audited within one year	New	New	80%	105%	G
Wage and hour violation claims investigated and issued a determination by the wage and hour bureau within two hundred days	New	New	90%	25%	R

Average number of days for the wage and hour bureau to investigate a claim and issue a determination	New	New	175	365	R
Program Rating	Y	G			Y

Program Support and Workforce Investment

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. In additions, the number of people enrolled in WIOA training programs declined by 18 percent between FY23 and FY24, when 4,804 New Mexicans were enrolled in WIOA training programs.



Source: WSD

Budget: $ 44,512.1 **FTE:** 113	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Actual**	**Rating**
Youth Unemployment					
Youth who are employed in the state	71%	63%	70%	72%	G
Youth receiving services and registered in the online Career Solutions tool	1,453	4,337	3,000	13,323	G
WIOA Programs					
Participants who are in unsubsidized employment during the second quarter after exit from a WIOA program	74%	76%	77%	79%	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	$9,421	G
Participants who are in unsubsidized employment during the fourth quarter after exit from a WIOA program	76%	76%	78%	77%	Y
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%	72%	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%	68%	Y
Participants enrolled in an education or training program, excluding those in on-the-job training,	69%	69%	70%	70%	G

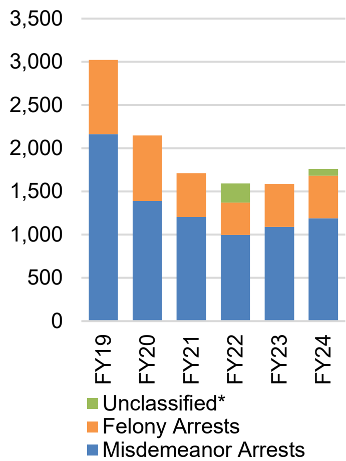
who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from a WIOA program					
Number of adult and dislocated workers receiving supplemental services of WIOA as administered and directed by the local area workforce board	New	3,423	2,863	2,802	Y
Number of enrolled participants in WIOA training programs	6,125	5,872	6,800	4,804	R
Reemployment Programs					
Reemployment Services and Eligibility Assessment program participants exhausting unemployment insurance benefits	58%	41%	47%	46%	Y
Reemployment Services and Eligibility Assessment program participants reemployed	35%	49%	54%	56%	G
Program Rating					Y

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

ACTION PLAN

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

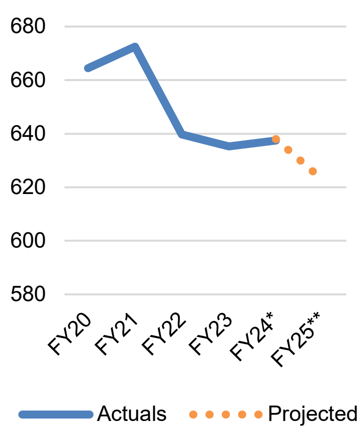
Average Quarterly NMSP Arrests
FY19 to FY24 YTD



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

Source: DPS

State Police Force Strength



Note:
*Reflects average force strength based on force strength at the end of each quarter.
**Projected by DPS for FY25 Q1 to Q4.

The Department of Public Safety (DPS) successfully implemented many of the 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 put these changes in place. 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

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' RMSs 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 638 officers in FY24, with a 12 percent overall vacancy rate and an 11.5 percent vacancy rate among positions supported by the general fund. In 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. However, NMSP projects it will have an average of 623 commissioned officers in FY25, which is down about 4 percent from the end of FY23.

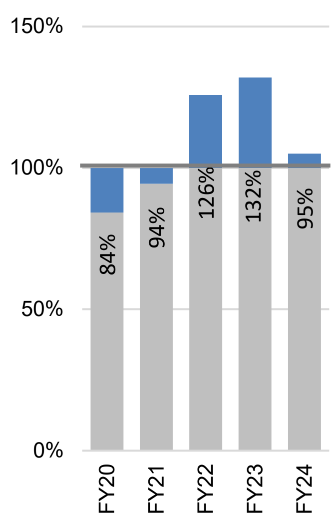
Budget: $156,488.3 **FTE:** 1072.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Motor Vehicle Safety					
Number of data-driven traffic-related enforcement projects held	2,074	4,142	2,600	3,781	G
Number of driving-while-intoxicated saturation patrols conducted	2,805	2,588	3,000	3,030	G
Number of driving-while-intoxicated arrests*	1,450	1,641	N/A	2,277	
Number of New Mexico State Police misdemeanor and felony arrests*	6,375	6,340	N/A	7,044	
Number of commercial motor vehicle safety inspections conducted	102,972	114,539	90,000	122,768	G
Number of commercial driver and vehicle out-of-service violations issued*	New	16,831	N/A	15,087	

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

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 July, 78 percent of the state's 130 law enforcement agencies were reporting to the system, which covered 86 percent of the population. Although, according to DPS, several local law enforcement agencies are actively working to validate their data reporting, which will lead to some of these agencies coming off the list.

Percent of Forensic Cases Completed



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

Source: DPS

Budget: $156,488.3 **FTE:** 1072.3	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Actual**	**Rating**
Number of motor carrier safety trainings completed*	24	41	N/A	25	
Number of proactive special investigations unit operations to reduce driving-while-intoxicated or alcohol-related crimes*	488	1,088	N/A	1,521	
Investigations					
Number of investigations conducted by criminal investigation bureau agents*	592	390	N/A	464	
Percent of total crime scenes processed for other law enforcement agencies*	66%	49%	N/A	30%	
Number of drug-related investigations conducted by narcotics agents*	860	458	N/A	536	
Number of illegally possessed firearms seized as part of criminal investigations*	180	90	N/A	70	
Number of violent repeat offender arrests by the fugitive apprehension unit*	219	230	N/A	401	
Clearance rate of crimes against persons investigated by the criminal investigations bureau*	New	New	N/A	58%	
Clearance rate of crimes against property investigated by the criminal investigations bureau*	New	New	N/A	40%	
Clearance rate of crimes against society investigated by the criminal investigations bureau*	New	New	N/A	33%	
Clearance rate of homicide cases investigated by the criminal investigations bureau*	New	New	N/A	77%	
Total cases investigated by the New Mexico State Police*	New	1,832	N/A	3,140	
Other Law Enforcement Activity					
Percent of total New Mexico State Police special operations deployments for other law enforcement agencies	28%	35%	N/A	38%	
Number of crisis intervention cases handled*	21	283	N/A	327	
Number of community engagement projects in counties with populations less than 100 thousand	125	198	N/A	121	
Number of governor-ordered special deployment operations conducted*	3	3	N/A	7	
Number of man-hours spent on governor-ordered special deployment operations*	26,508	4,746	N/A	18,381	
Recruitment and Retention					
Graduation rate of the New Mexico state police recruit school*	54%	66%	N/A	54%	
Turnover rate of commissioned state police officers*	10.87	7.08	N/A	8.2	
Vacancy rate of commissioned state police officers*	12%	12%	12%	12%	
New Mexico state police transportation inspector vacancy rate*	11%	7%	8%	10%	
New Mexico state police dispatcher vacancy rate*	37%	36%	27%	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 77.6 percent to end FY24. This will help public safety and judicial agencies make more data-driven decisions and allowed 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.

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 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 its 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. In FY24, 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. The board successfully reduced the average time to adjudicate complaint cases from over 1,100 days to around 300.

Forensic Laboratory. The newly opened forensic lab in Santa Fe saw its vacancy rate climb to 40 percent, up from 29 percent due to several the addition of expansion positions over the last two fiscal years. An increase in the number of sexual assault examinations kits not completed within 6 months of receipt was a troubling development. However, the agency finalized the forensic scientist pay plan with the help of the State Personnel Office and is currently in the process of onboarding several new 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 Actual	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	23,752	
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	49,459	

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	10,303	
Number of expungements processed*	New	500	N/A	383	
Percent of law enforcement agencies reporting to the National Incident Based Reporting System*	New	63.8%	75%	76%	G
Law Enforcement Academy					
Percent of non-state police cadets who graduated from the law enforcement academy through certification by waiver*	98%	100%	N/A	98.1%	
Percent of non-state police cadets who graduated from the basic law enforcement academy*	73.3%	76%	N/A	75%	
Graduation rate of telecommunication students from the law enforcement academy*	97.6%	100%	N/A	98.8%	
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	48.6%	
Number of complaint cases adjudicated*	86	74	N/A	54	
Number of complaint cases received*	66	97	N/A	111	
Average age of outstanding complaint cases at the close of the fiscal year, in days*	New	212	N/A	231	
Average time to adjudicate complaint cases, in days*	New	1,141	N/A	300	
Number of certifications issued	New	565	400	535	G
Forensics Laboratory					
Percent of forensic cases completed	125.6%	129.4%	100%	94.9%	Y
Number of sexual assault examination kits not completed within 180 days of receipt of the kits by the forensic laboratory	0	0	0	259	R
Forensic scientist and forensic technician vacancy rate*	25%	29.6%	N/A	40.1%	
Program Rating	R	G			Y

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

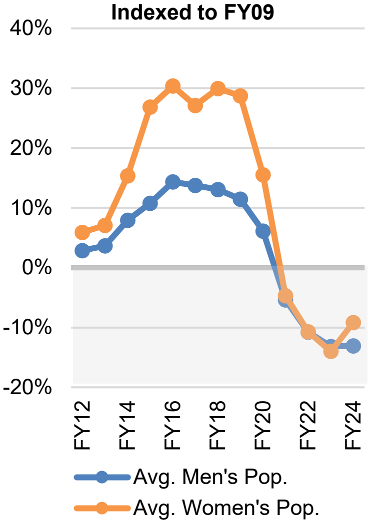
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Corrections Department
Fourth Quarter, Fiscal Year 2024

ACTION PLAN

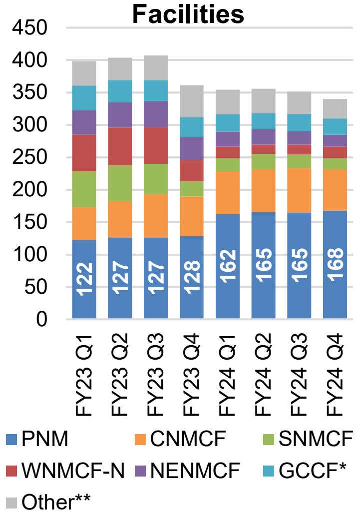
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

New Mexico Prison Population
Indexed to FY09



Source: NMSC, LFC files

Estimated Vacant Correctional Officer Positions at Public Facilities



*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

Corrections Department

The Corrections Department (NMCD) made significant progress toward several of its performance targets in FY24. The agency successfully reduced vacancy rates and turnover among correctional officers and saw a decrease in recidivism for participants in treatment programs, even as participation rates increased. The agency continued the trend of improving the percentage of people in prison participating in education programming. NMCD reduced vacancy rates among probation and parole officers and saw the average number of cases per officer decline. Prison populations 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 5.7 percent increase in the women's population between July 2023 and June 2024. Men's prison populations are projected to fall an average of 2.9 percent between FY24 and FY25, but the commission anticipates women's prison populations will continue to rise during FY25 as more individuals are charged in the 2nd Judicial District and these cases resolve.

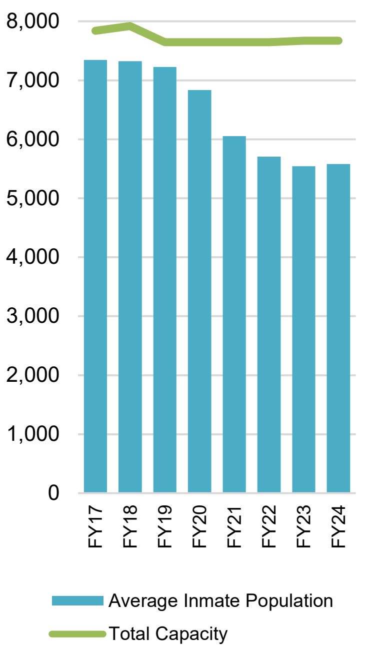
Staffing. Low populations enabled NMCD to adjust facility occupancy to align with staffing levels, despite high vacancy rates. However, this has not been possible at all facilities. About 25.3 percent of the agency's total positions were unfilled as of June 1, and public and private correctional officer vacancies declined by approximately two percent each to 30 percent and 32 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 June 2024 and vacancy rates at the Roswell Correctional Center decreasing 13 percent in the same period. The most notable reduction occurred at Northeast New Mexico Correctional Facility, with a 19 percent decrease in vacancies since July 2023.

Budget: $292,538.7 **FTE:** 1,857	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Staffing					
Vacancy rate of correctional officers in public facilities.	29.2%	32.3%	20%	29.8%	R
Vacancy rate of correctional officers in private facilities	31.6%	33.8%	20%	31.9%	R
Percent turnover of correctional officers in public facilities*	15.8%	12.2%	N/A	15.2%	
In-House Parole					
Average number of male inmates on in-house parole	66.9	59.6	65	39.2	G
Average number of female inmates on in-house parole	6.4	3.9	5	2	G

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

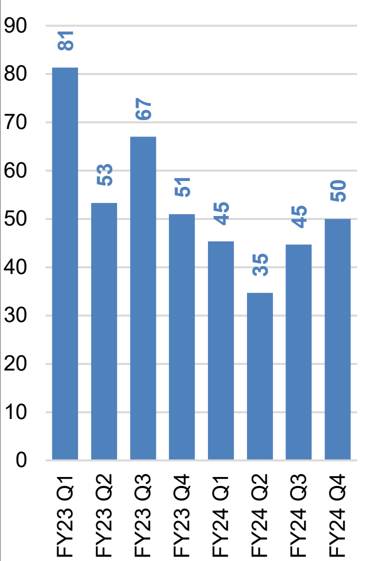
PERFORMANCE REPORT CARD
Corrections Department
Fourth Quarter, Fiscal Year 2024

NMCD Population and Facility Capacity



Source: NMSC, LFC files.

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



Source: NMCD, LFC files

Budget: $292,538.7 **FTE:** 1,857	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Prison Violence					
Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	4	7	12	13	Y
Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment	4	4	3	2	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	2.1%	
Percent of standard healthcare requirements met by medical contract vendor	95%	99%	98%	98%	G
Percent of inmates treated for hepatitis C with undetectable viral loads 12 weeks post-treatment	90%	85%	95%	77%	R
Percent of HIV positive inmates with undetectable viral loads	81%	100%	95%	100%	G
Prison Operations					
Percent of inmate grievances resolved informally*	82.7%	72.7%	N/A	76.9%	
Number of escapes*	1	0	N/A	0	
Program Rating	R	Y			Y

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

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 increasing, with both the women's and men's recovery centers nearing capacity. The number of individuals enrolled in these programs began to rise following the resumption of normal court operations and the lifting of Covid-19 restrictions.

Programming. One of the highlights of FY24 for NMCD was its success in maintaining the number of eligible students who completed adult basic education, and the record number of students (236) who earned their high school equivalency credential. The agency remained committed to increasing the availability of these programs in its facilities, and the results indicate these efforts have been largely successful.

NMCD continues to increase 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 medical and behavioral health services at certain facilities. LFC previously raised concerns about completion rates among participants in certain evidence-based programs which can be affected by the disparate availability of programming and services at some facilities. NMCD reported recently adjusting its classification policy based on recommendations from this study; these changes should allow for more appropriate placement of certain inmates. LFC staff are working with the agency to monitor progress and learn more about the impact of these changes.

Budget: $22,970.2 **FTE:** 130	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Recidivism					
Prisoners reincarcerated within 36 months	37%	36%	35%	39%	Y
Prisoners reincarcerated within 36 months due to new charges or pending charges	16%	17%	14%	18%	Y
Prisoners reincarcerated within 36 months due to technical parole violations	22%	19%	20%	21%	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%	3%	G
Graduates from the residential drug abuse program who are reincarcerated within 36 months of release*	22%	19%	N/A	15%	
Graduates from the men's recovery center who are reincarcerated within 36 months*	18%	11%	20%	22%	Y
Graduates from the women's recovery center who are reincarcerated within 36 months*	18%	11%	20%	24%	Y
Education					
Percent of eligible inmates enrolled in educational, cognitive, vocational, and college programs	45%	51%	60%	58%	Y
Percent of eligible inmates who have completed adult basic education*	10%	15%	N/A	56%	
Number of inmates who earn a high school equivalency credential	82	184	145	236	G
Percent of eligible students who earn a high school equivalency credential	8%	16%	80%	56%	Y
Program Rating	Y	G			Y

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

Community Offender Management

Vacancy rates among probation and parole officers decreased to 17 percent in FY24, down from 19 percent in FY23, while the average caseload per officer decreased from 84 per officer to 76. NMCD reports 27 percent of absconders were apprehended in FY24, which represented a 2 percent improvement from FY23. Research suggests offenders with unstable employment or housing and those struggling with substance use disorder are more likely to abscond.

In FY24, the Security Threat Intelligence Unit (STIU) conducted 22 fugitive apprehension operations across the state. The majority of these operations involved the assistance from other law enforcement agencies, to include New Mexico State Police, the United States Marshal Service, and various city police and sheriff's departments statewide. During these operations, 159 high-risk offenders were apprehended, bringing the total number of offenders apprehended in FY24 to 1, 392.

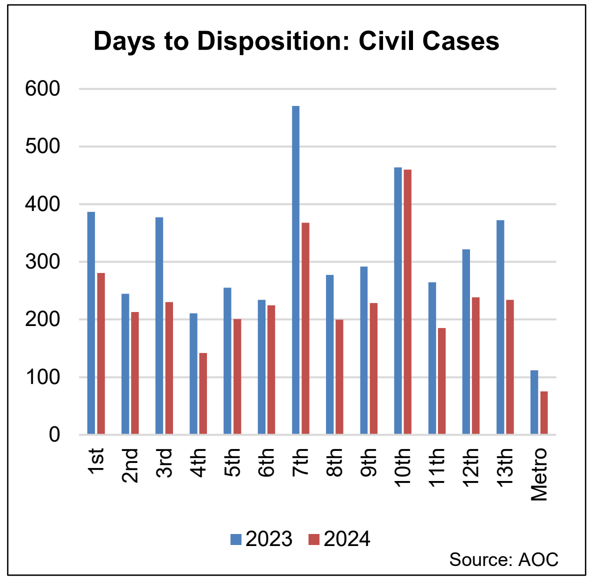
Budget: $37,748.5 **FTE:** 359	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Average standard caseload per probation and parole officer	86	83	88	76	G
Vacancy rate of probation and parole officers	21%	19%	15%	17%	Y
Percent of absconders apprehended	24%	25%	30%	27%	Y
Program Rating	R	Y			Y

Courts and Justice

ACTION PLAN

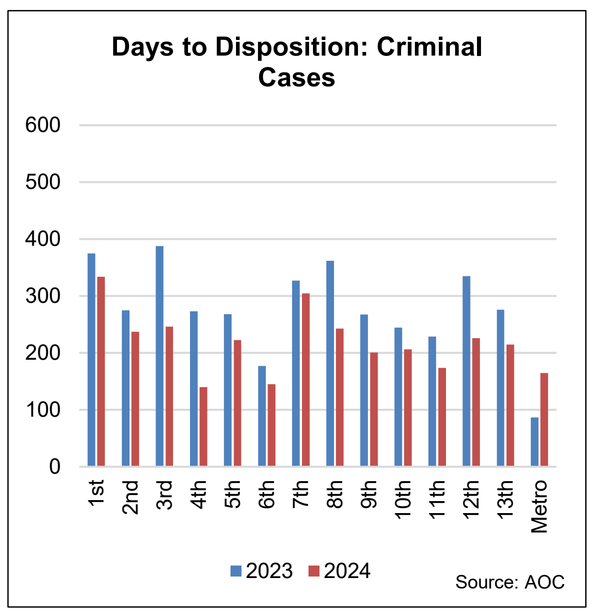
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Positive performance trends within courts and justice seen throughout FY24 have largely continued. Courts reached the performance target for clearance rates while also reducing their time to disposition (the duration a court takes to resolve a case from when it is filed until it is concluded). District attorneys decreased average attorney caseloads, especially in districts with chronic recruitment and retention issues. The Public Defender Department maintained positive adjudication rates despite issues with recruiting and retaining attorneys, especially contract attorneys. Specialty courts are being utilized more than before, but capacity is significantly less than prepandemic levels, due to administrative decision based on multiple factors, possibly needing capacity expansion if utilization trends continue. Cybersecurity incidents continue to plague the judiciary with the Administrative Office of the District Attorneys and the Public Defender Department experiencing separate incidents in FY24.



Courts

Administrative Support. The average time to disposition for criminal cases was 221 days for FY24, improving by 56 days from FY23 and 159 days better than the measure's target for FY24. Courts clearance rates concluded the year at 100 percent for FY24, matching the measure's target. At times in the second and third quarter of FY24, clearance rates were above 100 percent, but performance in the first quarter (96 percent) and the fourth quarter (99.8 percent) ultimately kept the measure at exactly 100 percent. The clearance rate indicates courts are keeping up with their incoming cases and not creating a backlog. Because the measure is at exactly 100 percent, it means the courts are not addressing case backlogs, if present, but not exacerbating the backlog either. With clearance rates at 100 percent and the time to disposition better than the target and improving upon FY23's performance, the courts are maintaining their ability to address incoming case issues and continue to provide timely justice. The age of pending criminal cases decreased by 99 days from FY23 to FY24 and was 91 days better than the measure's target. The positive trends throughout FY24 are all signs of a healthy and, presumably, improving judicial system. With their limited jurisdiction, magistrate courts and the Metropolitan Court continued to perform better than district courts for days to disposition in criminal cases.



The number of jury trials was 689 in FY24, decreasing slightly by 9 percent from FY23. While the year-over-year performance shows a small decrease, since FY21 jury trials have increased by 33 percent, possibly indicating a return to pre-pandemic levels.

Budget: $16,346.4 **FTE: 58.5**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Average cost per juror	$56.4	$58.3	$55	$66.3	Y
Number of jury trials for metro, district, and statewide courts*	574	760	N/A	689	N/A
Average interpreter cost per session	$64.1	$73.6	$150	$76.2	G
Percent of supervised defendants who make all scheduled court appearances	NEW	74%	N/A	73%	G
Percent of supervised defendants who are not charged with a new offense during the pretrial stage	NEW	80%	N/A	73%	
Age of active pending criminal cases in days	524	375	367	276	G
Days to disposition in criminal cases	145	277	380	221	G
Cases disposed as a percent of cases filed	101%	120%	100%	100%	G
Program Rating	Y	Y			G

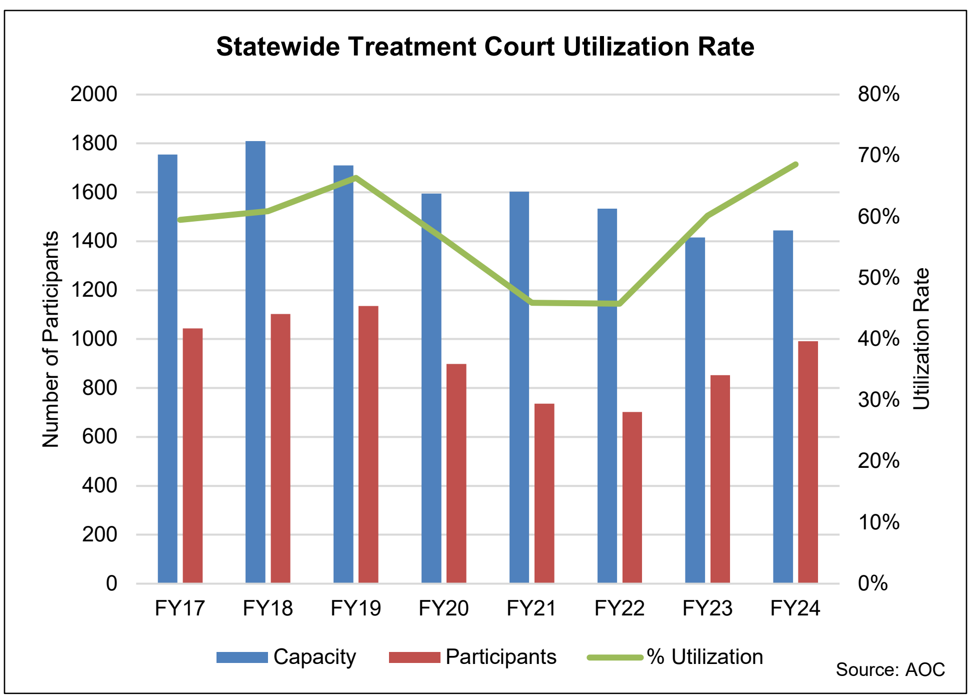
*Measure is classified as explanatory and does not have a target.

How Capacity for Treatment Courts are Derived

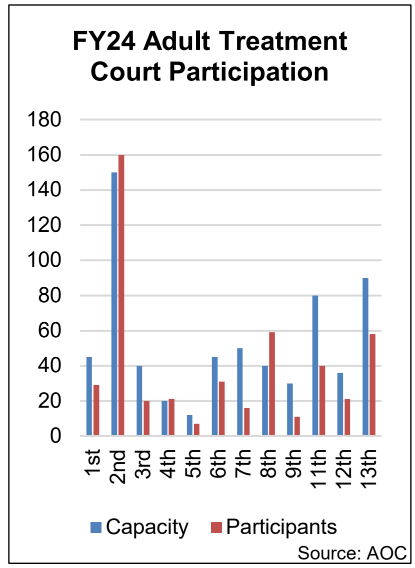
Program capacity is driven by:

- Staff capacity to provide monitoring and support services for individuals in treatment.
- Capacity of local providers to deliver treatment and services.
- Treatment court judge's availability to hear these types of cases based on their regular docket size and complexity.

Special Court Services. The Legislature has prioritized treatment courts, an evidenced-based practice, in the last several years. While underutilization has continued, FY24 figures show signs of reversing past trends through various programs being at or overcapacity, especially for DWI and adult treatment courts. Overall utilization of treatment courts for FY24 was around 69 percent, but a mix between adult and DWI treatment courts and a young adult treatment court (2nd Judicial District) from the 1st, 2nd, 4th, 8th, 11th and 13th judicial districts were at overcapacity. Additionally, of the districts listed at overcapacity, the 2nd Judicial District's young adult treatment court has the largest capacity at 60 participants and the other districts range from 15 to 25 participants. While utilization has been increasing throughout FY24, capacity has been on the decline although the courts have added two new treatment programs in the 4th and 11th judicial districts during FY24. Prioritizing capacity building for treatment courts, especially those districts dealing with capacity issues, would allow more individuals to receive service and help treatment providers and court staff with their workload. Drug and DWI court recidivism rates have increased since FY23 but continue to be lower than recidivism for individuals leaving jails and prisons. While drug court graduation rates remain above the FY23 average, DWI court graduation rates are below FY23 and well below the target.



The percentage of defendants not charged with a new violent crime during the pretrial process was 92 percent, a 3 percent decrease from FY23. The percentage of defendants who make all their scheduled appearances finished at 73 percent, an 8-percentage point decrease from FY23. While both measures declined slightly in FY24, overall, they remained relatively flat, indicating a functioning pretrial system.



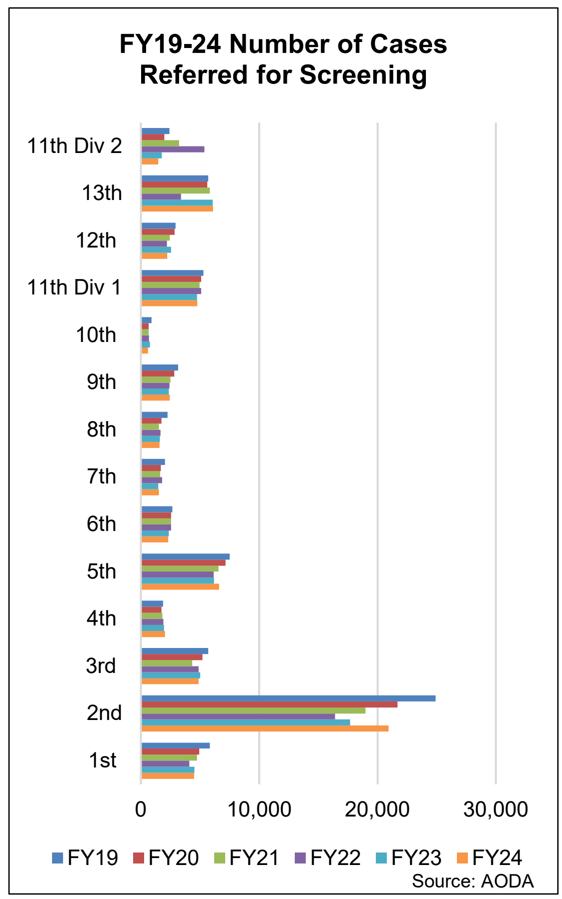
Budget: $20,208.8 **FTE: 47.66**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Cases to which CASA volunteers are assigned*	1,448	507	N/A	436	N/A
Monthly supervised child visitations and exchanges conducted	12,012	11,181	N/A	10,129	G
Average time to completed disposition in abuse and neglect cases, in days*	148	153	N/A	157	N/A
Recidivism rate for drug-court participants	14%	9.8%	12%	11.8%	G
Recidivism rate for DWI-court participants	6.1%	5.3%	12%	8.1%	G
Graduation rate for drug-court participants*	59.2%	53.6%	90%	61.0%	G
Graduation rate for DWI-court participants*	89.5%	78.6%	90%	66.8%	R
Cost per client per day for all drug-court participants*	$37.10	$40.10	N/A	$34.13	N/A
Program Rating	Y	Y			G

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

District Attorneys

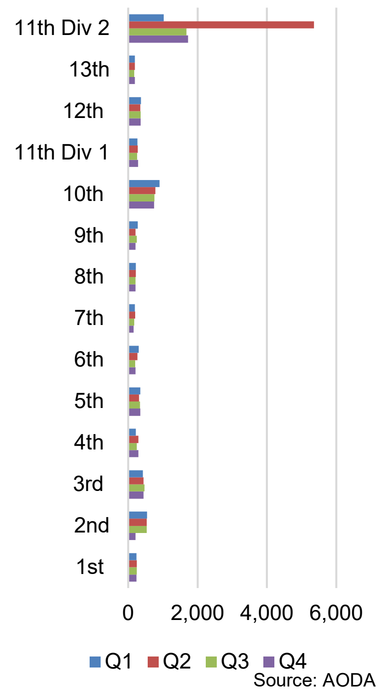
Recruiting and retaining attorneys continues to be an issue for district attorney offices, especially in rural parts of the state. Statewide, prosecutors and defenders report seeing felonies as an increasing share of their caseloads. The felony-heavy caseloads, coupled with decreasing share of misdemeanors, require more time per case and may require modified measures to fully understand attorney workload. While new performance measures, like average attorney caseloads, are informative, 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 FY24, district attorneys began reporting average attorney caseloads, which will help discern trends in prosecution caseloads. The new metric for caseload numbers do not distinguish the types of cases in a caseload allowing the measure to be easily misinterpreted because of lack of context, e.g., a district attorney may have a higher caseload but mostly noncomplex cases, which can be handled efficiently. The highest average attorney caseload, for FY24, was Division 2 of the 11th district, finishing at 2,444. The average caseload for Division 2 however, has decreased by more than half since the second quarter where there was a spike in attorney caseload numbers, due to, in part, an increase in attorney vacancies. The 10th Judicial District Attorney also experienced a spike in caseload in the first quarter of FY24 where the office had an average caseload of 904. Positive trends throughout FY24 and after the first quarter for the 10th Judicial District Attorney resulted in an average caseload of 799 for FY24.

In FY24, the average number of cases added to attorney caseloads increased slightly from FY23 to 92 but was still well below its target. Growing caseloads

Average Attorney Caseload FY24



and decreases in attorney retention at some district attorney's offices continues to be worrisome and presents a worrying reality for the agencies and their ability to fulfill their statutory duty.

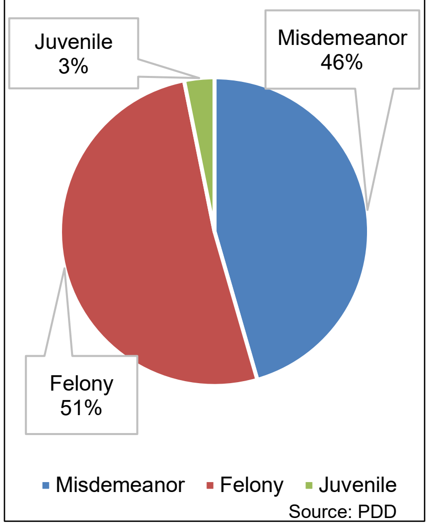
Budget: $103,928.4 **FTE: 1,032**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Average number of cases added to attorney caseloads	92	89	200	92	
Number of Cases Referred for Screening*	60,503	58,603	N/A	61,982	
1st District	4,731	4,105	N/A	4,504	
2nd District	19,039	16,434	N/A	20,929	
3rd District	4,365	5,174	N/A	4,875	
4th District	1,812	1,914	N/A	2,037	
5th District	6,584	6,147	N/A	6,603	
6th District	2,610	2,593	N/A	2,300	
7th District	1,654	1,796	N/A	1,526	
8th District	1,544	1,683	N/A	1,591	
9th District	2,513	2,412	N/A	2,451	
10th District	661	683	N/A	616	
11th Division I.	4,955	5,133	N/A	4,771	
11th District Div. II	2,327	2,172	N/A	1,461	
12th District	2,459	2,678	N/A	2,217	
13th District	5,836	6,139	N/A	6,101	
Program Rating	G	G			G

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

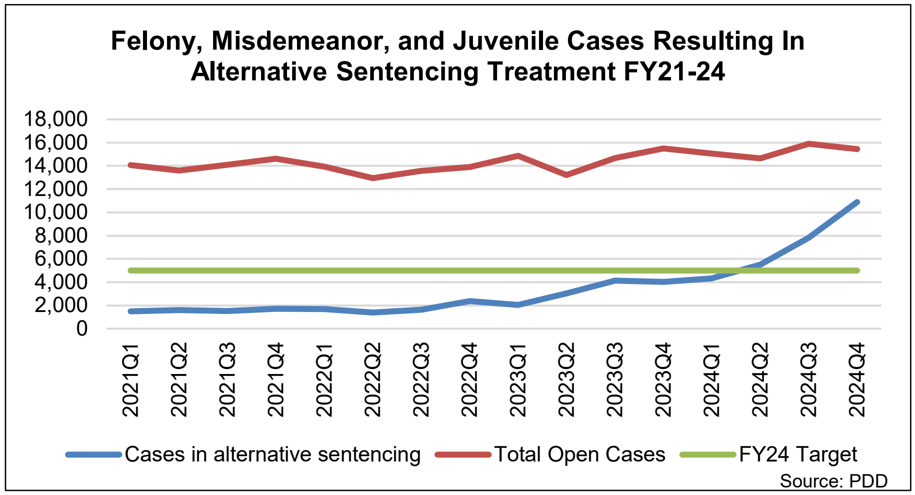
Public Defender

FY24 PDD Total Closed Cases by Type

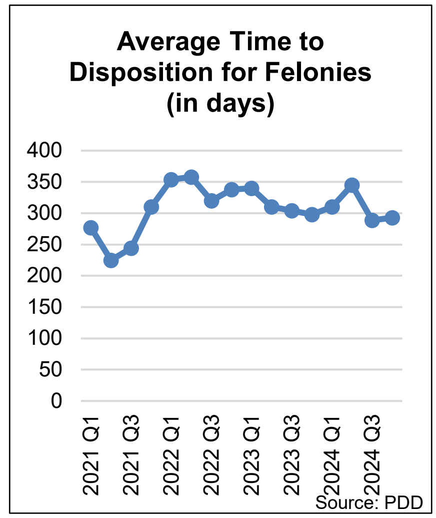


Like other criminal justice partners, the Public Defender Department, PDD, has had to address difficulties in recruiting and retaining legal professionals in rural areas. PDD reported three rural offices-Carlsbad, Aztec, and Ruidoso-with 50 percent vacancy rates. PDD noted the Ruidoso office will be down to one attorney at the beginning of FY25 and PDD does not anticipate an easy hiring process for Ruidoso due to the ongoing housing shortage exacerbated by the natural disasters in the area. However, in FY24, the agency has demonstrated the ability to tackle the issue in relation to support staff. The agency reported an overall vacancy rate of 12.2 percent, 4.7 percent for support staff and 19.3 percent for in-house attorneys. Vacancies for support staff declined by about 5 percent from FY24, while vacancy rates for attorneys remained relatively flat. Average cases assigned to in-house attorneys increased to 347 cases, a 12 percent increase over FY23.

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. The number of felony cases assigned to in-house attorneys have increased by 46 percent since FY18 and 18 percent compared to FY23. This results in a more complex caseload that could extend the amount of time an attorney spends on each case. The changing mix also results in a higher attorney workload.



Fiscal year 2024 showed improvement in felony, misdemeanor, and juvenile cases that resulted in a reduction of charges for contract attorneys, reporting a 23 percent and 16 percent increase since FY21 and compared to FY23, respectively. This continues the positive development seen throughout FY24, and while slightly below the measure's target, the growth seen in FY24 could lead to reaching the target soon. Contract attorneys' percentage of the caseload remains steady at 34 percent. The number of felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment increased drastically compared to FY23, increasing by 15,263 cases, or 115 percent. While the total number of cases assigned to contract attorneys remains close to FY23 levels, the number of contract attorneys accepting cases continues to decline. Compared to FY19, PDD lost 24.5 contract attorney positions, a 21 percent reduction.



On June 27, 2024, PDD experienced a cybersecurity incident which affected typical workload, including how attorneys and staff handle trial preparation and hearings, communication, and access to historical data used to generate reporting in accordance with the Accountability in Government Act. Contract attorneys, who do not use PDD's network, were not as affected, and PDD notes, because of issues accessing historical data, any errors discovered in their performance measures will be corrected and noted in future reports.

Budget: $72,159.1 **FTE: 496**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	44%	58%	65%	65%	G
In-house attorneys	45%	62%	65%	66%	G
Contract attorneys	41%	47%	65%	63%	G
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	7,090	13,260	20,000	28,523	G
In-house attorneys	5,333	9,774	16,000	20,173	G
Contract attorneys	1,837	1,000	4,000	8,350	G
Cases assigned to contract attorneys*	34%	37%	N/A	34%	N/A
Average time to disposition for felonies, in days*	336	324	N/A	313	N/A
In-house attorneys*	308	268	N/A	229	N/A
Contract attorneys*	363	380	N/A	399	N/A
Cases opened by Public Defender Department *	54,362	58,253	N/A	61,046	N/A
In-house attorneys*	33,637	36,775	N/A	39,145	N/A
Contract attorneys*	20,725	21,478	N/A	21,901	N/A
Program Rating	Y	G			G

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

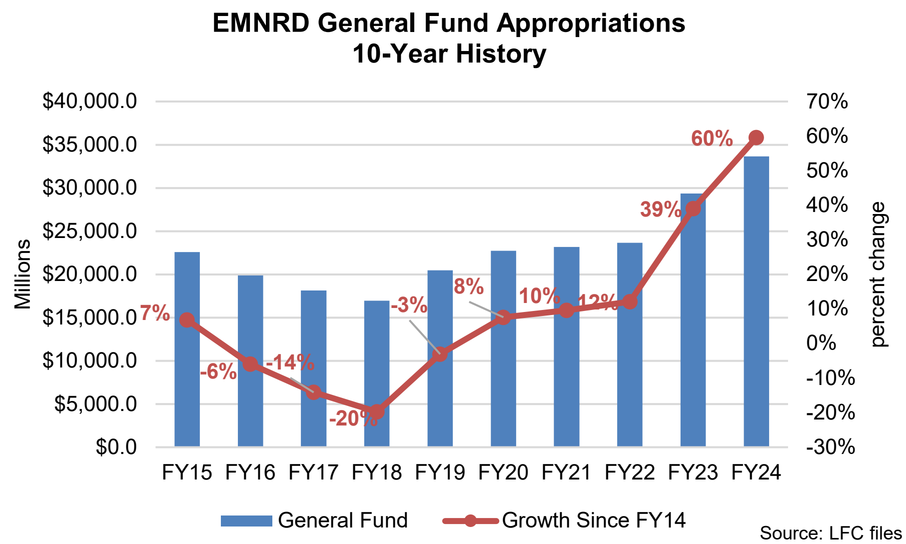
Energy, Minerals and Natural Resources Department

ACTION PLAN

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

The Energy, Minerals and Natural Resources Department (EMNRD) received another tranche of state and federal funding as it increased activity across several divisions. EMNRD exceeded several of its performance targets for training a record number of firefighters and maintained a nearly 100 percent coal mine inspection rate. The Oil Conservation Division issued a near record number of violations and conducted nearly 40 thousand oil and gas well inspections. While these positive results are laudable, new targets and measures should be considered to better monitor progress.

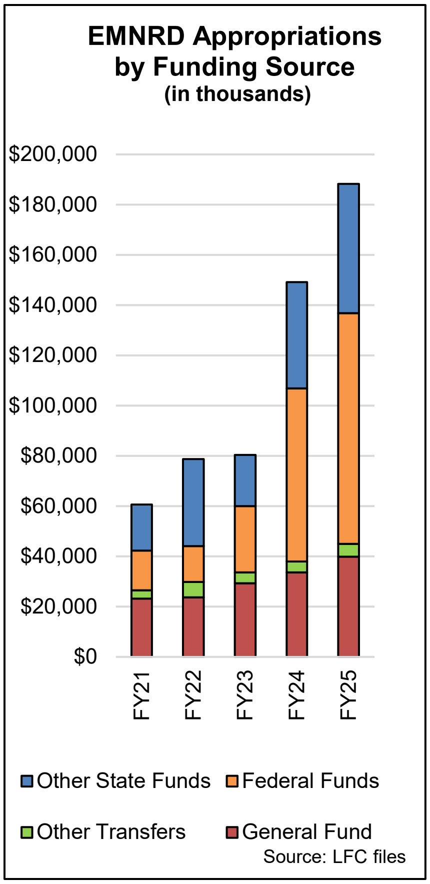
State Forestry



Source: LFC files

Wildland Firefighter Training. The department exceeded the target training participation by almost 100 percent. While the department had speculated training participation numbers could dwindle, the Salt and South Fork fires contributed to continued interest and participation. Trainings are held throughout the state primarily from October to April each year at a variety of volunteer, county, and municipal fire departments, as well as state and local agency locations. State Forestry's (SFD) efforts to work with federal, local, and tribal cooperators to identify, recruit, and engage nonfederal firefighters were successful. The establishment of new service agreements for training contractors allowed SFD to provide more opportunities for in-person and online training.

Forest and Watershed Treatment. SFD did not achieve the targeted forest and watershed treatment acres, with the total amount of treated acres decreasing by 11.3 percent from FY23. This drop in treated acres was due to heavy snowpack in nearly all of New Mexico's forested regions. The Pecos River was at 159 percent of its projected snowpack and the Rio Chama and Upper Rio Grande were both at 137 percent of theirs. While an encouraging sign for watersheds, it limited forest treatment from the end of the second quarter to the beginning of the fourth. Additionally, the average cost per-acre for forest and watershed treatment continued to rise, from $1,200 per acre in FY22 to almost $2,000 per acre in FY24. These increases are due to a mixture of inflation and a rise in increases in contractor costs. The department also flagged delays in adding contractors to the state financial system continued to hinder treatment efforts.



Budget: $28,828.2 **FTE:** 92

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	883	1,554	1,500	3,012	G
Number of acres treated in New Mexico's forest and watersheds.	14,020	15,735	14,500	13,954	Y
Program Rating	Y	G			G

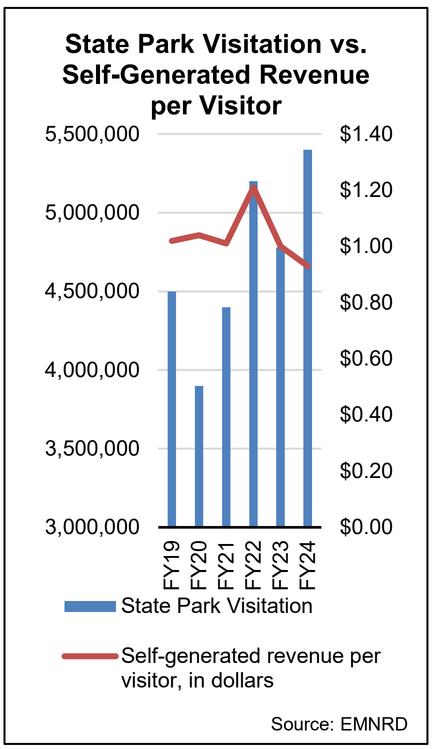
Energy, Conservation and Management Division

The Energy Conservation and Management Division (ECMD) exceeded its performance target for the second consecutive year. It processed clean energy tax credit applications at a rate of 99 percent. A new performance measure to better gauge progress should be considered. ECMD is also working to create an inventory of alternative energy projects currently proposed, in process, and completed in New Mexico.

In late 2022, ECMD applied for an S-grid modernization grant from the federal 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 Actual	Rating
Percent of completed applications for clean energy tax credits reviewed within 30 days of receipt	92%	99%	90%	99%	G
Program Rating	Y	G			G



State Parks

State Parks Division (SPD) visitation increased in FY24 to 5.4 million, exceeding its target by nearly 700 thousand, or 14 percent. This represented the highest level of visitation to the state's parks since before the pandemic. 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.

While the high visitation levels are cause for optimism, the amount of self-generated revenue per visitor dropped to under a dollar. This is the lowest this performance measure has been since FY21.

Budget: $38,454.2 **FTE:** 239.66

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of visitors to state parks	5.2 million	4.78 million	4.75 million	5.4 million	G
Amount of self-generated revenue per visitor, in dollars	$1.01	$1.21	$1.0	$.93	Y
Program Rating	Y	G			G

Mining and Minerals

Coal and Mining Act Compliance. The Coal and Mining Act programs both require financial assurance for permitted mines. For FY24, the coal program had five coal mines that received a total of 45 actual inspections, 100 percent of the number of inspections targeted. Additionally, all five coal mines were 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. Combined with the coal program, this translates to 99 percent compliance.

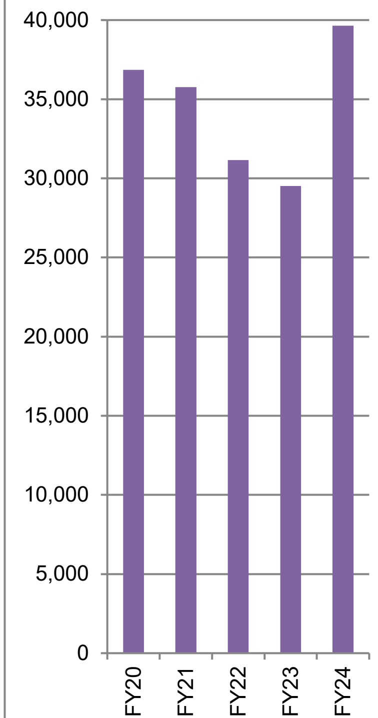
Budget: $13,264.5 **FTE:** 34	FY2 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Percent of permitted mines with approved reclamations plans and adequate financial assurance posted to cover the cost of reclamation.	99%	99%	99%	99%	G
Program Rating	G	G			G

Oil Conservation

Inspections and Compliance. The Oil Conservation Division (OCD) issued 5,138 violations in FY24, a 101 percent increase from FY23. OCD increased its issuance of violations after three consecutive years of decline by implementing a more rigorous inspection protocol (thus allowing it to surpass the previous year's total of violations issued after inspections). The division, working with expanded funding from both the state and federal government, also aggressively hired inspectors and field staff to increase inspections and compliance. The agency surpassed its FY24 target for well inspections by 8,640, hitting the highest level of inspections, 39,640, since FY18.

Orphaned Well Program. Ten wells were plugged during the fourth quarter of FY24, bringing the total for the fiscal year to 105. Five plugging rigs were contracted and are working simultaneously. Plugging activity increased due to funding from the federal Infrastructure Investment and Jobs Act and continued state support from the oil reclamation fund. With still over 2,000 orphaned wells identified in New Mexico, the agency's ability to complete these plugging projects at an increased pace will be critical to protecting public health and safety.

Number of Inspections of Oil and Gas Wells (and associated facilities)



Source: EMNRD

Budget: $55,305.5 **FTE:** 80

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of inspections of oil and gas wells and associated facilities.	35,757	29,522	31,000	39,640	G
Number of abandoned wells properly plugged.	49	76	50	105	G
Number of violations issued with associated administrative penalties*	3,213	2,552	-	5,138	
Program Rating	Y	Y			G

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

Office of the State Engineer

Due to the U.S. Supreme Court's decision in favor of the United States, rejecting the state's proposed settlement agreement, in summer 2024, the Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) will continue to spend significant time and resources working with the Attorney General to re-navigate settlement negotiations and trial preparation in *Texas v. New Mexico*. Additionally, negotiations continue in the Colorado River Basin with implications for New Mexico's delivery obligations.

New Mexico's cumulative debt under the Rio Grande Compact remained within acceptable margins of decline, though the trend toward continued increases in the debt should be monitored. Efforts by the agency to improve deliveries to Elephant Butte were continued in FY24. The number of offers submitted to defendants through OSE's litigation and adjudication program were 35 percent higher than the target. Discussion of new performance measures to monitor the success of other aspects of OSE and ISC should be considered, as measures capture only a small portion of the agency's workload.

ACTION PLAN

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

Water Security Planning Act

ISC completed the initial public engagement project of the Water Security Planning Act, holding 16 open houses to receive public input. ISC also finished creation of the "mainstream nm" website, which provides information and links to various water reports and data and a roadmap for the next steps of the Water Security Planning Act. ISC is working on an initial report detailing the input received, which will be available this fall. After this, discussions of new rules and guidelines will begin to take place.

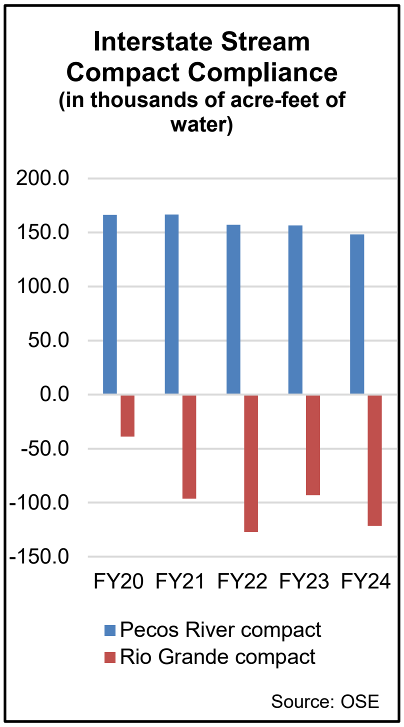
Water Resource Allocation

The Water Rights Division did not meet its target for FY24, processing an average of 32 applications per month. Additionally, the division 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 should be considered to better reflect agency productivity.

The Water Rights Abstract Bureau, responsible for populating and maintaining the Water Administration Technical Engineering Resource System, did not meet its target for FY24, missing it by roughly 7,500 transactions. This deficit is caused by more complex transactions in the Estancia Ground Water Basin, which take more time. The Dam Safety Bureau exceeded its total target by over 150 percent in FY24, an indication the bureau is addressing backlogs and increasing productivity.

Budget: $18,975 **FTE:** 178	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of unprotested and unaggrieved water right applications backlogged*	499	445	N/A	395	G
Average number of unprotested new and pending applications processed per month	39	37.8	35	31.5	Y
Number of transactions abstracted annually into the water administration technical engineering resource system database.	28,665	19,210	21,000	13,501	Y
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues	61	26	45	113	G
	Y	G			Y

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



Interstate Stream Commission

The state's cumulative Pecos River Compact credit continues to be positive, however, the U.S. Supreme Court's Pecos River Master recently determined that New Mexico underdelivered for water year 2023 by 8,400 acre-feet. This decision brought New Mexico's current cumulative credit down to 148,200 acre-feet.

New Mexico's Rio Grande Compact cumulative delivery deficit remained at 121,500 acre-feet at the close of FY24, a 31 percent increase in the deficit from FY23. While the current cumulative delivery deficit is still below the compact compliance debit threshold of 200,000 acre-feet, the 31 percent increase is a worrying trend. OSE and ISC are working to identify additional actions that might be needed to increase deliveries. New Mexico's compact status has implications for the ability to store native Rio Grande water in upstream reservoirs. This, in combination with continued construction on El Vado Reservoir, has resulted in challenges for the Middle Rio Grande Conservancy District ability to store irrigation water.

Budget: $15,272.2 **FTE:** 54

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Cumulative New Mexico Unit fund expenditures, in millions of dollars*	$22.0	$22.3	N/A	$22.6	G
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	157.2	156.6	>0	148.2	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet	-127.1	-93	>0	-121.5	Y
Program Rating	G	Y			G

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

Litigation and Adjudication

The Litigation and Adjudication Program (LAP) exceeded its FY24 adjudication target by 35 percent. LAP also exceeded its FY23 target, indicating a productive program, but also a new, higher target should be considered to better assess productivity.

Data continues to be entered into the LAP database and is being fused with hydrographic survey data to increase the accuracy of the division's second performance measure.

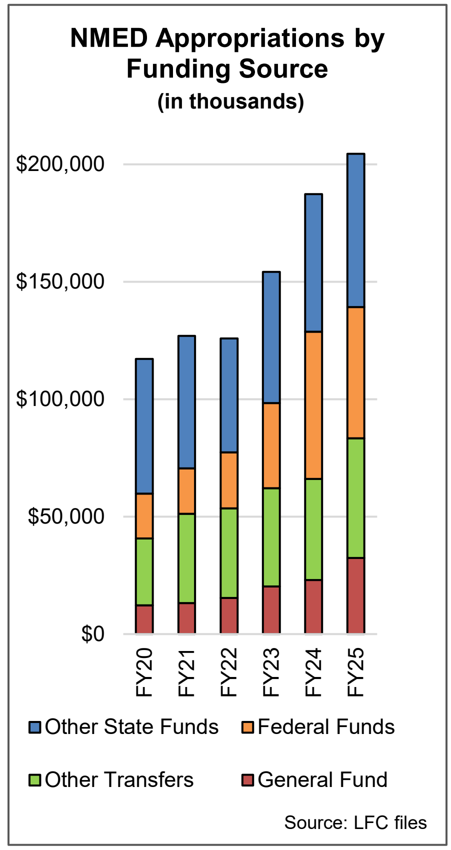
Budget: $8,268.3 **FTE:** 63	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of offers to defendants in adjudications	142	436	300	406	G
Percent of all water rights with judicial determinations	76.5%	76.7%	76%	76.9%	G
Program Rating	G	G			G

Environment Department

The majority of the Environment Department's (NMED) regulatory programs demonstrated positive gains in FY24. Further, NMED's vacancy rate, which at one point was as high as 25.6 percent this fiscal year, has now been reduced to 21.5 percent. The results from the Water Protection Division's Drinking Water Bureau, where the percent of New Mexican's being served safe and health drinking water has dropped by 7 percent over three years, is largely fueled by increased levels of regulation from the EPA and not by systems falling out of compliance. One of the few programs to lag behind the positive trend seen in the majority of NMED's programs, the Hazardous Waste Bureau, continued to be unable to meet the target of inspecting 15 percent of hazardous waste facilities. Despite this outlier, NMED used the significant investment by the legislature to address its staffing and retention issues and has reversed the trend of lagging regulatory programs.

ACTION PLAN

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



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 all of the 20 inspections required in FY24. 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.

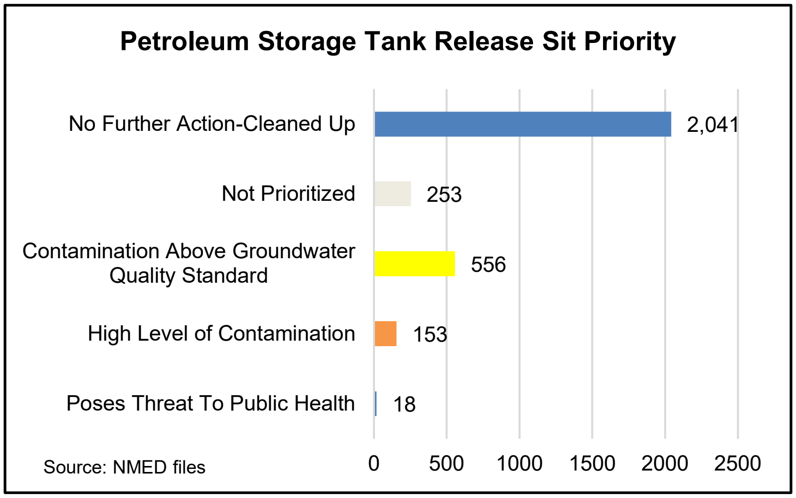
Budget: $62,511.4 **FTE:** 191.3

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Percent of the population served safe and healthy drinking water	97%	89.8%	95%	89.5%	R
Percent of surface water permittees inspected	155%	145%	100%	100%	G
Percent of groundwater permittees inspected	21.1%	18.2%	65%	30.6%	R
Number of new water infrastructure projects	114	157	115	175	G
Program Rating	G	Y			Y

Resource Protection

The Resource Protection Division (RPD) exceeded two out of three of its inspection targets in FY24. The Solid Waste Bureau staff inspected a total of 98.8 percent of the solid and infectious waste facilities it monitors, a 45.5 percent jump from FY23. The bureau continues to work to reclassify existing vacancies to higher-level positions to improve recruitment and retention, but the agency reports additional staffing is needed to improve the rate of inspections. Currently, RPD has a 30 percent vacancy rate.

In the fourth quarter of FY24, the Petroleum Storage Tank Bureau (PSTB) did not issue no further action (NFA) status for any sites and brought the total number of completed site cleanups to 2,041. NFA status signifies compliance with remediation standards, assuring no significant risk of harm to public health or the environment at the site. Notably, NFA status determinations are fluid throughout the year, based on specific site conditions, staffing levels, and the availability of funding from the corrective action fund. PSTB currently has proposed assessments totaling $160 thousand from the corrective action fund pending approval by the department for proposed work.



The Hazardous Waste Bureau (HWB) monitors 2,495 hazardous waste generators in the state, though this number changes frequently. HWB have six FTE focused on compliance and completed 93 inspections in FY24. The Hazardous Waste Bureau inspected a total of 3.7 percent of the hazardous waste facilities in FY24; the agency's goal is 15 percent. This continued trend of minimal inspection goes back to the pandemic and is due to a lack of funding and staff.

Budget: $18,653.4 **FTE:** 143.3

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of completed cleanups of petroleum storage tank release sites that require no further action	1,964	2,005	1,976	2,041	G
Percent of solid waste facilities and infectious waste management facilities inspected	47%	53.3%	85%	98.8%	G
Percent of hazardous waste facilities inspected	4%	3.7%	15%	3.7%	R
Program Rating		R			Y

Environmental Protection

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, NMED's regulatory compliance programs continually struggle to meet their target percentages of applicable entities inspected. 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.

AQB has deployed new air monitoring instruments that improve connectivity, efficiency, and remote access to air quality data. The bureau worked with the New Mexico Climate Change Task Force to develop rules for reducing volatile organic compounds and oxides of nitrogen emissions in the oil and gas industry. AQB inspected 41 air-emitting sources for all of FY24. Due to changes in the target for AQB's air-emitting inspection numbers, the department exceeded its goal, yet still was slightly lower than the previous year total.

Budget: $18,320.1 **FTE:** 121.8

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Percent of ionizing and non-ionizing radiation sources inspected	12.6%	15%	20%	16.8%	R
Percent of air emitting sources inspected	20.5%	33.3%	25%	32.2%	G
Percent of the population breathing air meeting federal health standards	98.4%	99.9%	95%	99.9%	G
Program Rating		R			Y

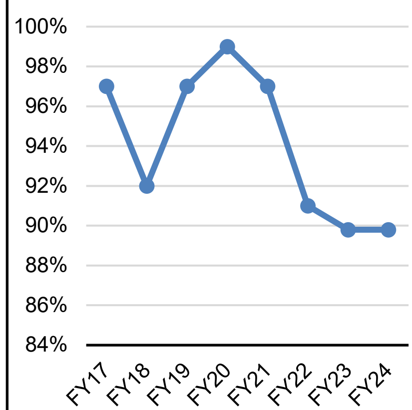
Environmental Health

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 hundreds of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau inspects approximately 1 percent of all workplaces each year, at the end of FY24, there were 67,495 employers in New Mexico. The bureau must continuously refine its strategy for targeting the highest-risk workplaces. In the fourth quarter, the food safety program fell short of reaching the percentage needed to reach its annual target.

The Environmental Health Bureau's (EHB) Food Safety Program inspections increased dramatically in the third and fourth quarters, which allowed it to hit its performance target for FY24. Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. However, the same inspectors cover restaurants, food manufacturers, pools, and spas. Bureau staff currently have a compliance and enforcement workload of approximately 313 facilities per inspector, above the federal Food and Drug Administration's guidance that retail food inspectors (a much narrower role than EHB's inspectors) are assigned 280-320 inspections. EHB increased the total number of inspectors in FY24, from 33.8 in the first quarter to 38.8 at the end of the fourth.

Percent of New Mexicans Receiving Water that Meets Health Standards



Source: NMED files

Budget: $16,219.3 **FTE:** 156

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number 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%	67.1%	G
Percent of restaurants and food manufacturers inspected	90.2%	80%	90%	80.5%	Y
Percent of new or modified liquid waste systems inspected	82.1%	86%	85%	91%	G
Program Rating		R			G

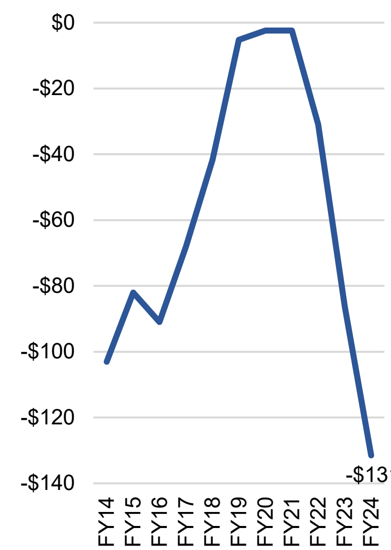
General Services Department

ACTION PLAN

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

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 that 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.

Net Position of Major Risk Funds
(in millions)



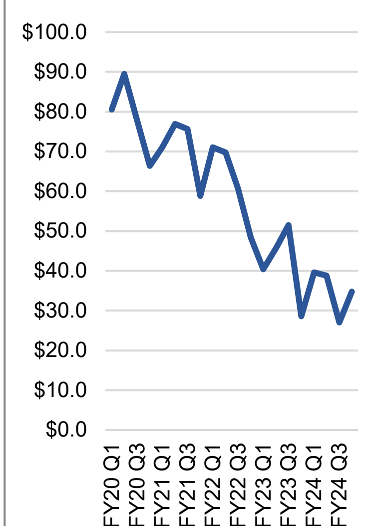
Source: GSD and LFC Files

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 16 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 $34 million in July 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. For FY26, the department requested significant rate increases for participants in the fund.

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



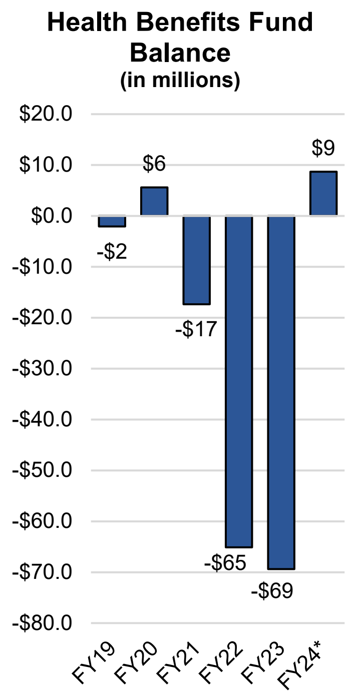
Budget: $104,204.9 **FTE: 0**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Projected financial position of the public property fund*	443%	215%		275%	G
Projected financial position of the workers' compensation fund*	66%	56%		63%	G
Projected financial position of the public liability fund*	66%	42%		16%	R
Program Rating	G	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 operated 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 $225 million in general fund appropriations to backfill loses caused by a multi-year premium holiday. 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 that



*Unaudited, as of 8/29/24; outstanding vouchers yet to be paid may lead to a lower year-end cash balance.

Source: GSD/SHARE

went into effect in FY25. The Health Care Authority is projecting an FY25 deficit of $16 million.

GSD did not report on several metrics for the for the health benefits programs, including the change in per-member-per-month healthcare costs, the percentage of state employees purchasing a medical plan from the state, or the number of visits to the Stay Well Health Center, a health clinic in Santa Fe providing members of the plan with some basic healthcare services with no out-of-pocket costs. In particular, monitoring the growth of per-member-per-month costs is a key budget driver for the program.

Additionally, the department reported a $124 million fund balance deficit for the employee benefits fund; however, this appears to be a methodological shift from prior years, when the department reported the fund's cash deficit. According to information from the state's accounting system, as of August 29, there is a positive cash balance in the fund of $9 million, however invoices that have yet to be paid could lower that amount. The department expects to close the fiscal year in October.

Budget: $363,142.2 **FTE: 0**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Change in average per-member-per-month total healthcare costs	5%	3%	5%	No Report	R
Annual loss ratio for the health benefits fund	118%	118%	98%	89%	R
State group prescriptions filled with generic drugs	87%	83.6%	85%	88%	G
Number of visits to the Stay Well Health Center	4,540	7,375		No Report	R
Percent of eligible state employees purchasing sate medical insurance	80%	78.5%		No Report	R
Year-end fund balance of the health benefits fund, in millions*	-$65.1	-$61.2		-$124	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. Although the department reports capital projects are being completed on time, the agency reports an inability to keep up with preventive maintenance due to a shortage of staff.

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. In the fourth quarter, six of 17 leases met the space standard, or 35 percent. Six leases were approved for space waivers, two leases were exempt because they are special use facilities and three were exempt because they were for less than 2,000 square feet.

Budget: $19,550.7 **FTE:** 148

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Capital projects completed on schedule	93%	87%	90%	94.1%	G
Preventive maintenance completed on time	59%	70%	90%	60%	R
New office leases meeting space standards					
Amount of utility savings resulting from green energy initiatives, in thousands*	$85	$-38.2		$376	
Program Rating	R	R			Y

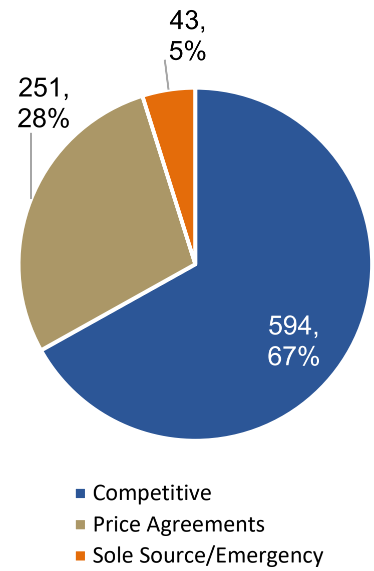
*Measure is classified as explanatory and does not have a target.

The state has yet to realize projected cost savings from the green energy initiatives, with the department reporting $376 thousand in savings in FY24. 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. The department does report significant energy savings over the FY18 baseline of 2 million kilowatt hours in the fourth quarter, resulting in lower greenhouse gas emissions of 1,363 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 quarters were below performance targets and the agency has not yet developed an improvement action plan for this item.

Professional Services Contracts >$100K, FY24



Source: Contracts Review Bureau

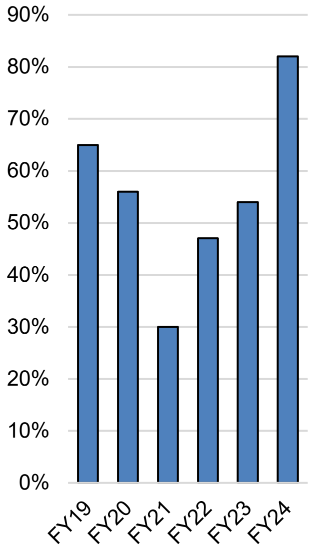
Budget: $2,919.3 **FTE: 29**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Agencies with certified procurement officers	100%	100%	98%	99%	G
Procurements completed within targeted timeframes	88.5%	87.4%	80%	80.8%	G
Revenue generated through pricelist purchases, in thousands*	$3,803	$4,614		$2,066	G
Percent of estimated payments from vendor sales	75%	99%	90%	92%	G
Percent of invitations to bid awarded within 90 days	NEW	NEW	90%	74%	R
Average number of days for completion of contract review	5	3.2	5.5	1	G
Program Rating	G	G			G

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

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 $100 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 92 percent of vendors have completed required payments for purchases made from statewide price lists.

Percent of Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

In FY24, GSD reported a total of $2 million in revenue from price lists, but this amount does not match the agency's budget submission, with reports including a total of $4.6 million in revenue, in line with FY24 totals.

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.

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. Operating costs for vehicles exceeded the target nine cents per mile, although the department notes the total remains below the industry average of 81 cents per mile, according to the American Automobile Association. 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 Actual	Rating
Percent of leased vehicles used for 750 miles per month or used daily	47%	54%	70%	80%	G
Average vehicle operation costs per mile	$0.64	$0.52	$0.59	$0.68	R
Program Rating	R	Y			Y

State Printing

The State Printing Program reported recovery in sales, and the program reported a small profit for the fiscal year, although the final amount was below the 5 percent target. 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 Actual	Rating
Revenue exceeding expenditures	21%	7%	5%	1%	Y
Percent of printing jobs delivered on time	100%	100%	99%	100%	G
Sales growth in revenue	-2%	29%	10%	6%	Y
Program Rating	G	G			G

PERFORMANCE REPORT CARD: Fourth Quarter, FY24
State Personnel

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.

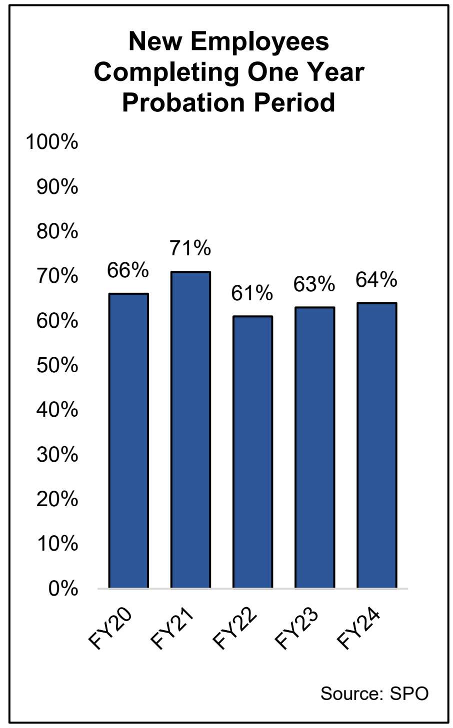
Budget: $4,715.5 **FTE: 44**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Average number of days to fill a position from the date of posting*	69	66	N/A	60	Y
Classified service vacancy rate*	22.8%	23.8%	N/A	22.7%	R
Percent of classified employees who successfully complete the probationary period*	61%	63%	N/A	64%	R
Average classified employee compa-ratio*	105%	98.7%	N/A	100.8%	G
Average classified employee new hire compa-ratio*	102%	95.5%	N/A	96.9%	G
Number of hires external to state government*	2,969	3,109	N/A	3,465	G
Average classified service employee total compensation, in thousands*	NEW	$99.8	N/A	$108.1	
Cost of overtime pay, in millions*	NEW	$41.1	N/A	$44.8	
Number of salary increase awarded*	NEW	1,660	N/A	890	
Program Rating	R	Y			Y

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

ACTION PLAN

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



The State Personnel Office (SPO) reports the classified service vacancy rate is 22.7 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. While agencies have been successful at attracting candidates from outside state government the state must work on retaining these new employees to lower vacancy rates. SPO reports agencies have made significant inroads in reducing the time it takes to fill a position, dropping from 72 days in the first quarter to 59 days in the fourth quarter. SPO has prioritized working with agencies to reduce the time-to-fill metric.

Providing competitive compensation packages to state employees is key to improving recruitment and retention. 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.

According to SPO, only 64 percent of new employees complete their probationary period. If retention patterns do not change, more than 1,200 on the 3,465 people hired in FY24 will not complete their one-year probation.

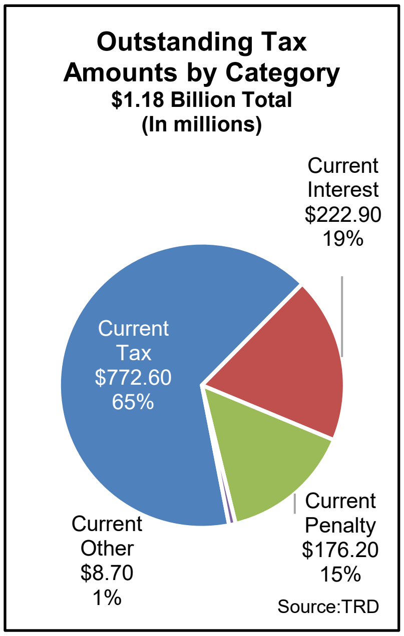
To reverse trends, SPO has encouraged agencies to take advantage of resources such as SPO-led management training courses. Research shows positive relationships with managers are key to retaining employees and encouraging a productive workforce.

Taxation Revenue Department

ACTION PLAN

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

In FY24, the Taxation Revenue Department (TRD) fell short of its target for collectible audit assessments by 12 percent, and tax investigations referred to prosecutors as a percent of total investigations by 44 percent. TRD made technological advancements in the Motor Vehicle and Program Support divisions, decreasing office and call center waiting times. The agency's vacancy rate improved to 18 percent, down from 21.3 percent in the fourth quarter of FY23. TRD implemented internal realignments and reclassifications with in-pay-band increases for positions agency wide to increase staff retention.

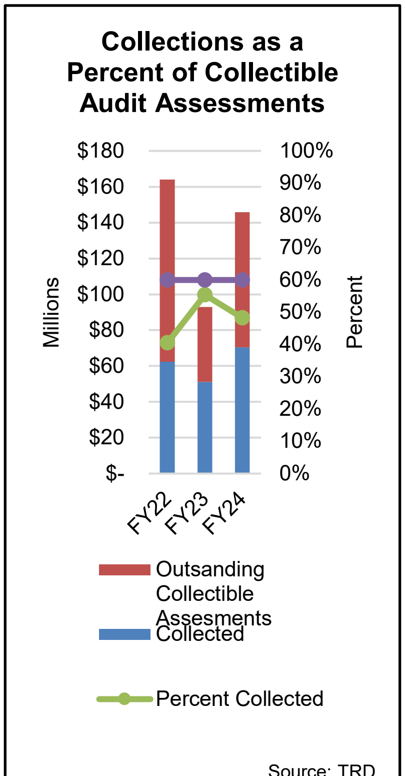


Tax Administration

The Audit Compliance Division (ACD) of the tax administration program collected $172.5 million, 22.6 percent, of the state's $936.9 million in outstanding taxes. The total FY24 reduction in the fiscal year beginning accounts receivable is $746.7 million or 49.4 percent, bringing the balance to $764.4 million. TRD states sole proprietors remain the largest category of outstanding tax collections, with a collectible balance of $479.1 million in the fourth quarter of FY24. Other frontrunners for collection balances are limited liability companies, at $248.1 million, and corporations, at $278.1 million. The state tax gap remains with an outstanding collectible balance of $1.2 billion.

ACD creates collection goals centered around return on investment (ROI) measures. It collected over $305.8 million of its $285.2 million collection goal for FY24 and filed 27,159 cases of 54,424 total cases of questionable personal income tax returns at the end of FY24. ACD's budget for FY24 was $25.9 million, and ACD had an ROI of 12:1, which is above its ROI goal of 11:1.

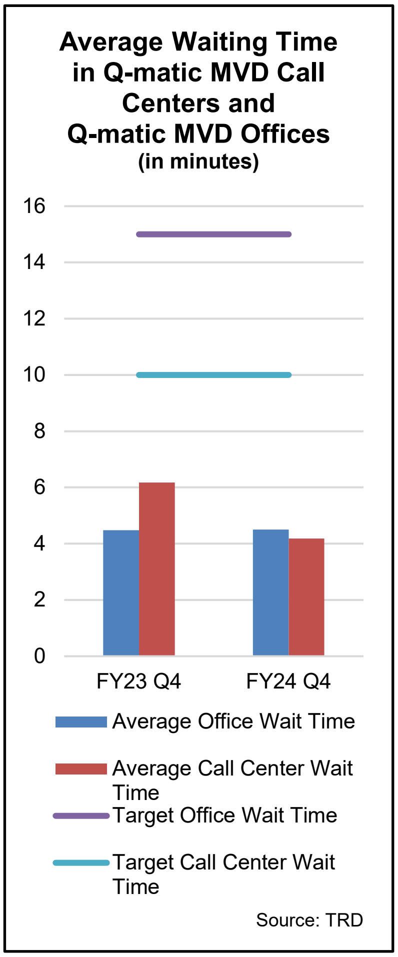
Assessments are deemed uncollectible by statute if cases are in protest, bankruptcy, deactivated, or less than 91 days old. FY24 assessments totaled $163.6 million, $1.5 million is in protest, and $16.5 million has been abated, leaving a collectible balance of $145.8 million, of which $70.4 million, or 48.3 percent, has been collected. The target was to maintain the collection of collectible audit assessments at 60 percent, which the agency did not meet. The agency collected a lower percentage of audit assessments than FY23, but because the collectible balance was larger, the agency collected $50 million more than FY23.

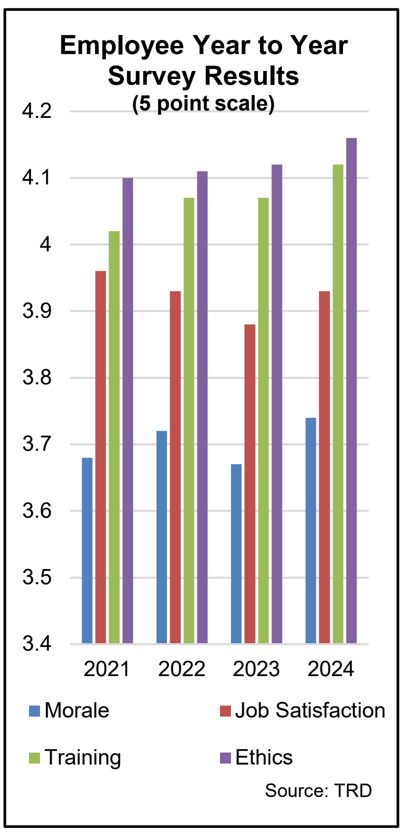


Budget: $28,116.0 **FTE: 340.66**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	15.5%	20%	20%	22.6%	G
Collections as a percent of collectible audit assessments generated in the prior fiscal year	40.5%	60%	60%	48.3%	R
Program Rating	Y	R			Y

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





Compliance Enforcement

The Internal Investigations Bureau (IIB) opened 44 cases and completed eight during the fourth quarter of FY24, all within the 60-day timeframe. For FY24, IIB referred 18 cases to prosecutors of the 44 that were assigned. This yielded a 41 percent rate for the year, short of the target of 85 percent. The Tax Fraud Investigations Division (TFID) had six cases successfully prosecuted during FY24: thereby, hitting its target of 100 percent of successful tax fraud prosecutions. TFID has 19 cases pending in several criminal district courts.

Budget: $2,052.9 **FTE: 21**	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Actual**	**Rating**
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	50%	85%	85%	41%	R
Successful tax fraud prosecutions as a percent of total cases prosecuted*	100%	100%	100%	100%	G
Program Rating	R	G			Y

Motor Vehicle Division

The Motor Vehicle Division (MVD) met two out of its three performance targets for FY24. Its target for registered vehicles with liability insurance was 92 percent, and it barely missed its mark by having 90 percent of vehicles registered with liability insurance in FY24. MVD may not have direct control over a driver's decision to keep their vehicle insured, but MVD believes better communication with its customers regarding the consequences of driving uninsured should increase this percentage.

During FY24, MVD served 851,158 customers, and is committed to providing the best possible experience for its customers. MVD significantly reduced waiting times through a combination of strategic measures. This focus on managing multiple customers at once led to an increase in efficiency and allowed the division to hit both targets. Customers' average waiting time in Q-matic-equipped offices was 4:50 minutes, and customers' average waiting time to reach an agent was 4:19 minutes.

Budget: $53,885.6 **FTE: 332**	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Actual**	**Rating**
Registered vehicles with liability insurance	91.1%	91%	92%	90%	Y
Average wait time in Q-matic equipped offices, in minutes	6:48	4:48	15:00	4:50	G
Average call center waiting time to reach an agent, in minutes	8:38	6:18	10:00	4:19	G
Program Rating	G	G			Y

Property Tax

The Property Tax Division (PTD) is working on better expressing sales through data. It estimated $400 thousand in revenue will be generated through delinquent property tax sales in FY24, compared to the $607.7 thousand generated in FY23.

PTD collected and distributed $10.8 million to counties with delinquent properties and recovered 17.1 percent of total delinquent properties. Performance declined slightly compared to FY23, but the division still exceeded both targets.

Budget: $6,422.5 **FTE:** 39	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Delinquent property tax collected and distributed to counties, in millions	$12.0	$13.9	$10.0	$10.8	G
Percent of total delinquent property taxes recovered	23.0%	21.0%	15.0%	17.1%	G
Program Rating	G	G			G

Program Support

For FY24, the Legal Services Bureau (LSB) and the Office of Internal Oversight (OIO) met the target goal for both of its performance measures; 1,593 total cases were reviewed and resolved, above the target of 1,525. OIO also closed 92 percent of its internal audit recommendations closed, above the target of 90 percent. The total number of tax protests cases resolved decreased from FY23, but OIO improved the number of audit recommendations implemented.

LSB reported 301 of 3,042 tax protest cases were resolved in the fourth quarter. There was an uptick of 10 referrals to the Administrative Hearings Office, and 63 protest case referrals in the fourth quarter compared to 53 in the third quarter. OIO reports three audits, one special project, and one procedure completed in the fourth quarter. This fourth quarter performance led to seven internal audits, two special projects and two procedures completed for the entirety of FY24.

Budget: $11,622.6 **FTE:** 102	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Tax protest cases resolved	1,690	1,892	1,525	1,593	G
Internal audit recommendations implemented	97%	25%	90%	92%	G
Program Rating	R	R			G

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD: Fourth Quarter, FY24

Department of Transportation

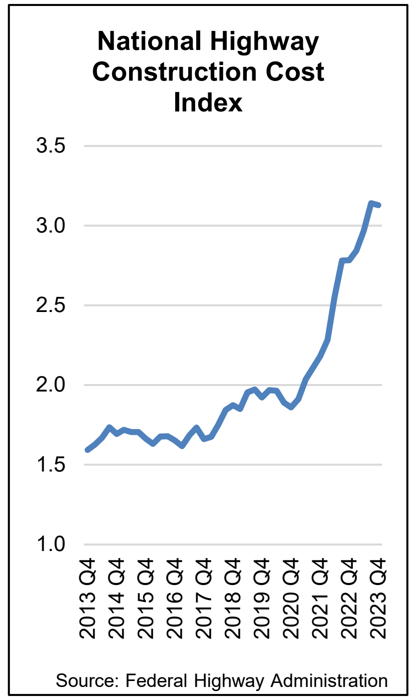
The Department of Transportation reported deterioration in the quality of New Mexico's roads between 2022 and 2023. While most roads and bridges remain in fair or better condition, the number of miles of poor roadways has spiked from previous years, returning closer to historic averages. Only three-quarters of projects scheduled to be completed in FY24 were completed on-time, although budget overruns were moderate and below target. Traffic fatalities continue to be among the highest in the nation, despite falling from prior year highs.

ACTION PLAN

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

Project Design and Construction

While the department has improved its ability to put projects out to bid as scheduled over the long term, the department was unable to maintain the high performance benchmark from FY23. Of the 33 projects scheduled to go to bid in FY24, 30 were put to bid on time. Maintaining a consistent project schedule is a key goal of the department and allows the contracting community to appropriately plan for upcoming projects. However, the department has fallen short of its target for on-time completion of projects, with only 74 percent of projects completed on-time.



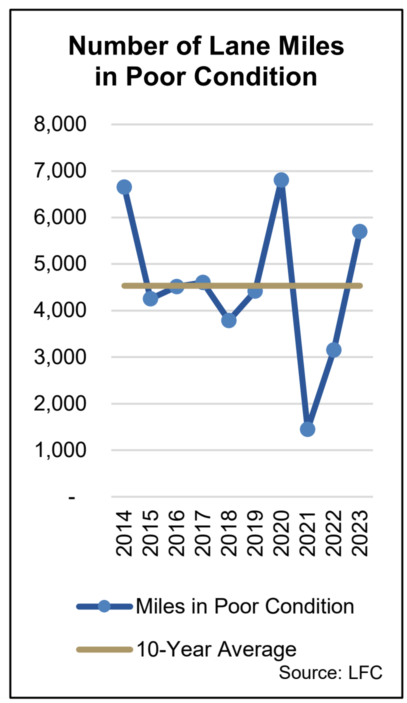
Budget: $797,989.2 **FTE: 370**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Percent of projects let to bid as scheduled.	77%	98%	75%	91%	G
Percent of final cost-over bid amount.	1%	2%	3%	1%	G
Percent of projects completed according to schedule.	89%	85%	88%	74%	R
Program Rating	G	G			Y

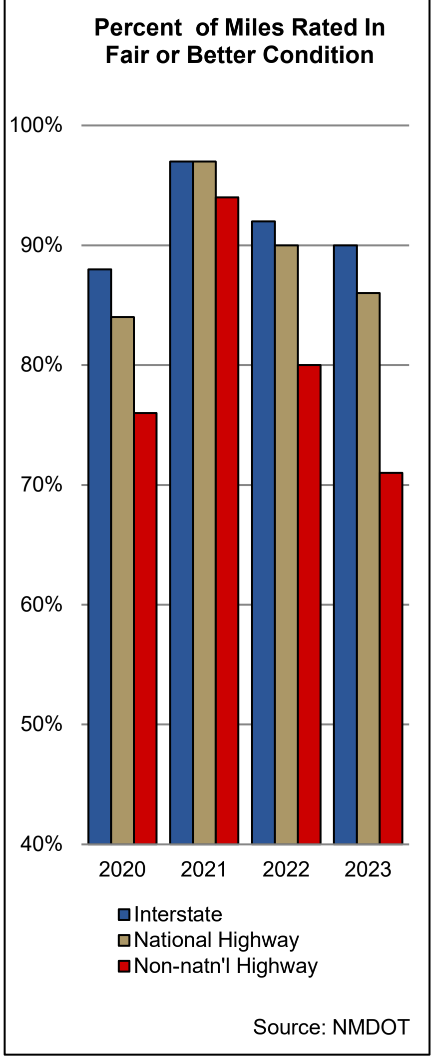
Nationally, highway construction costs have climbed significantly in recent years, with cost escalations of more than 40 percent since December 2020. The department reports construction costs have climbed, but the department has typically been able to minimize cost overruns once a bid has been accepted. NMDOT reports final costs that were overbid amounts by 1 percent, below the agency's target of 3 percent.

Highway Operations

The department easily surpassed its annual performance targets for preserving highway pavement, setting a new high of more than 5,000 miles preserved. 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 have given the department access to additional federal funds to remediate the 4 percent of bridges currently listed in poor condition.



NMDOT's 2023 road survey shows worsening overall conditions of New Mexico's roads, particularly outside of New Mexico's interstates. For 2023, 5,696 miles of roadways were considered in poor condition, up from 3,155 in the 2022 survey. Worsening conditions were most notable off of the interstate highway system. While 90 percent of interstate highways remain in fair or better condition



(down from 92 percent), 71 percent of highways outside the national highway system were in fair or better condition (down from 84 percent in 2022).

Budget: $321,021.5 **FTE: 1,848.7**

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Number of statewide pavement lane miles preserved.	4,373	3,390	3,500	5,023	G
Bridges in fair condition or better, based on deck area.	96%	96%	95%	96%	G
Program Rating	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 2023, road condition data shows improvement from 2020, although slightly lower than in 2021. A PCR score of 45 or less indicates a road in poor condition. In 2023, the average PCR score for the state was 65.0, down from 65.9 in 2022 and 72.1 in 2021 but up from the 2020 score of 54.9.

2023 Road Condition Survey	2021 Actual	2022 Actual	2023 Target	2023 Actual	Rating
Interstate miles rated fair or better	97%	92%	91%	90%	Y
National highway system miles rated fair or better	97%	90%	86%	86%	G
Non-national highway system miles rated fair or better.	94%	84%	65%	71%	G
Lane miles in poor condition.	1,451	3,155	6,925	5,696	G
Program Rating	G	G			Y

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.

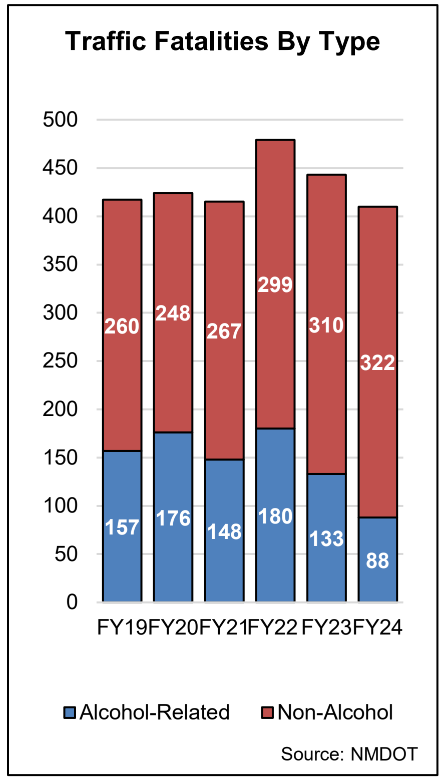
The department recorded fewer fatalities in FY24 than in FY23 but still exceeded the target level of 400 fatalities per year. New Mexico has among the highest number of motor-vehicle-related fatalities in the country and the highest rate of fatalities for pedestrians involved in motor vehicle crashes. 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 Actual	Rating
Traffic fatalities	479	443	400	410	R
Alcohol-related traffic fatalities	180	133	149	88	G
Non-alcohol-related traffic fatalities	299	310	250	322	R
Occupants not wearing seatbelts in traffic fatalities	184	170	140	162	R
Number of pedestrian fatalities	107	93	85	102	R
Riders on park and ride, in thousands	100.4	142.1	235	165.9	R
Riders on the rail runner, in thousands*	317.2	545.9		593.7	
Program Rating	R	R			R

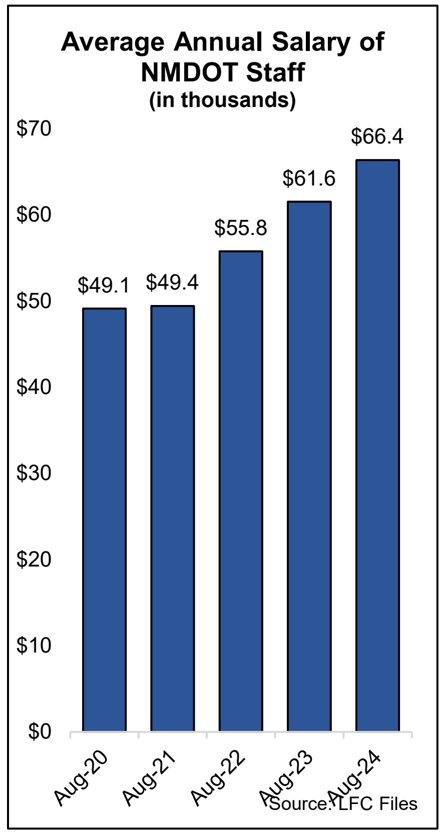
*Measure is classified as explanatory and does not have a target.



Program Support

The department's vacancy rate fell from the level seen in FY23 and remains below the statewide average vacancy rate. The department has focused on recruiting and retaining staff, including highway maintenance staff and the department's staff of engineering technicians and professional engineers. As a whole, the department's average pay was up by 7.8 percent between FY23 and FY24, more than double the 3 percent pay increase appropriated by the Legislature.

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 58 employee injuries, 25 occurred in a work zone, with work zone injuries rising from levels seen in FY22 and FY23. 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. Additionally, department staff indicate they are preparing legislation for the 2025 session to authorize the use of automated speed enforcement cameras in work zones. Research has shown a majority of crashes in work zones are speed related and reducing driver speed is key to protecting worker safety.



Budget: $56,647.4 **FTE:** 253.8

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Actual	Rating
Vacancy rate in all programs*	17%	20%		17%	G
Number of employee injuries.	45	31	75	58	G
Number of employee injuries occurring in work zones	17	4	25	25	Y
Program Rating	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; 8.7 percent expended) within DoIT and the new Office of Broadband Access and Expansion (OBAE). OBAE has grown to 23 full-time employees (FTE). The agency's Broadband Equity, Access, and Deployment (BEAD) Volume 2 was approved in July 2024, allowing OBAE one year to distribute $675 million of federal funds for broadband expansion.

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; 66.1 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 have almost doubled from $45 million to $71 million to now totaling $82 million.

G

The Corrections Department's (NMCD) **electronic health records project** ($8.6 million; 49.8 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; 95.3 percent expended) will provide public safety agencies with a new data repository. DPS closed out its computer-aided dispatch (CAD) project ($3 million; 100 percent expended) in July 2024. Both systems are live as of May 2024.

G

DPS's **intelligence-led policing project** ($5.5 million; 33.3 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 Project Certification Committee (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 received $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; 85.6 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.

P25 Digital Public Safety Radio System Upgrade Project

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

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	Y
Schedule	Y	G	G	G	G	G
Risk	R	Y	Y	Y	Y	Y
Overall Rating	Y	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	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.

INFORMATION TECHNOLOGY REPORT CARD
Office of Broadband Access and Expansion
Fourth Quarter, Fiscal Year 2024

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

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 its three-year plan in January 2024 and is set to receive $675 million through FY27 from federal Broadband Equity, Access and Deployment (BEAD) grant programs, requiring a detailed spending plan as of July 2024, and has one year to award the funds. The agency continues to meet deadlines for state and federal broadband plans, 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	R
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	Y	Y	Y	Y
Overall Rating	R	Y	Y	Y	Y	Y

Budget

OBAE has fully obligated appropriations for the Navajo Nation ($3 million) and expansion projects in Northern New Mexico and Rio Arriba and Santa Fe counties ($372.9 thousand and $259.7 thousand) but has only spent 8.7 percent of available funding. While OBAE has encumbered around half of available funding, spending remains stagnant.

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	$32,050.0	$235,942.5	8.7%

[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

OBAE is using a grant tracking system and hired grant and compliance managers to mitigate deadline 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. The 1-year timeline to award $675 million of BEAD funding poses further risk and potential delay in spending other available funds.

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	R
Schedule	Y	R	R	R	R	R
Risk	Y	Y	Y	Y	R	R
Overall Rating	Y	R	R	Y	R	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 certified $5.74 million of prior funding at PCC in June 2024.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	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

The project is now expected to close out in 2029, 16 years after the project start date. HCA completed its feasibility study—required by federal partners—but the review of the study by federal partners has caused a delay in schedule. HCA cannot move forward with procurement until its streamlined feasibility study is approved, causing risk.

Risk

Though prior changes to schedule and the increased budget pose risk to the project, the agency has made progress on receiving federal approvals for project management contracts and reports hiring key project and agency staff to support its IT initiatives, including a chief information officer and chief information security officer.

Medicaid Management Information System Replacement Project

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
Revised	$533,804.4

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.

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 the 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	Y
Schedule	R	R	R	R	R	R
Risk	Y	R	R	R	R	R
Overall Rating	Y	R	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. The agency reauthorized $46 million in unspent balances of previously appropriated funds for FY25 for the project's continuation. HCA has certified all funding through the PCC as of June 2024. The overall project is now expected to cost $533.8 million just in nonrecurring costs alone.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	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 was planned to golive in August 2024, but there are delays in deployment. The benefits management module/provider management is expected to golive late October.

Risk

HCA is making progress in 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.

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	Y
Schedule	R	R	R	Y	Y	Y
Risk	Y	Y	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

CYFD received 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 did not ask for an increase in general fund needs in FY25 due to an increase in federal participation. The agency onboarded its independent verification and validation (IV&V) contractor in January 2024 and certified $26.1 million at PCC in August 2024.

Budget Status Overview
(in thousands)

State	Federal (ACF)	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$34,963.1	$11,217.1	$54,980.5	$36,380.67	$18,599.83	66.1%

*$9.3 million in prior historical funds are expended, expired, or inactive, $8.8 million from Medicaid revenue from the HCA.,

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 Federal Administration on Children and Families.

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 system usage in late 2025 with a closeout date in 2027 from PCC with overall training to be completed prior to project closeout.

Risk

The project manager's office continues conducting weekly risk reviews to review mitigation progress to closing risks. However, data quality is the project's biggest risk along with internal organization and leadership changes at CYFD.

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 certified $1.925 million at PCC in July 2024.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	New	G	G	G	G	G
Schedule	New	G	G	G	Y	G
Risk	New	G	Y	Y	Y	Y
Overall Rating	New	G	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	Spent to Date	Balance	Percent of Appropriations Spent
$8,663.0	$0	$8,663.00	$4,319.07	$2,542.7	49.8%

Schedule

The 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

Project Description

The records management system (RMS) project will replace various nonpayer record storage with an integrated records management system.

Records Management System

Overall Status

The Department of Public Safety (DPS) was pursuing both the records management system (RMS) and computer-aided dispatch (CAD) projects simultaneously, but the agency divorced the project timelines after going live with RMS in April 2023. NMCD closed out CAD through the PCC in July 2024 but continues to refine interfaces for RMS.

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

Budget

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

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$7,381.3	$0	$7,381.3	$7,033.80	$347.5	95.3%

Schedule

DPS went live with RMS in March 2023. 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 project is on track to close three years later than the initial anticipated end-date, but is on schedule to close-out in December of 2024.

Risk

Since RMS has been implemented, the risk for that project is low. Both RMS and CAD have gone live, reducing overall project risk. Executive support remains high and DPS is in the post-go-live evaluation and interface phase for RMS and reports electronic warrants pilot has been successful.

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	G
Schedule	New	Y	Y	Y	Y	Y
Risk	New	G	G	G	G	G
Overall Rating	New	G	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 nonrecurring 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	Spent to Date	Balance	Percent of Appropriations Spent
$5,585.0	$0	$5,585.0	$1,859.95	$3,720.05	33.3%

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.

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.

New Mexico Longitudinal Data System Project

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	R
Schedule	G	R	R	Y	Y	R
Risk	Y	Y	Y	Y	R	R
Overall Rating	G	R	R	Y	R	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 was appropriated $4.5 million for 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 was on track to complete phase one by June 2024, which would have transitioned the project into phase two in August 2024, with a completion date of September 2026. HED went to the project certification committee (PCC) to certify the release of funds to complete phase 1, which was approved with contingencies such as reporting expenditures and contracts related to the project to DoIT and LFC, but HED has yet to make progress to completing the contingencies to release funds to continue the project.

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.

Permitting and Inspection Software Modernization Project

OVERVIEW

Project Phase	Implementation
Start Date	5/23/18
Est. End Date	9/30/23
Revised	6/30/24
Revised (Phase Five)	6/30/26
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.

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.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	G	Y	G	G	G	G
Schedule	Y	Y	Y	G	G	G
Risk	G	Y	Y	G	G	G
Overall Rating	G	Y	Y	G	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. RLD will expend remaining balances from its operating expenses.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	Percent of Appropriations Spent
$16,574.27	$0	$16,574.27	$16,574.27	$748.88	99.8%

Schedule

All project activities for phase three and phase four have been completed in advance of the June 30th, 2024 deadline for phase four. RLD has worked with its implementation vendor, Kyra, to ensure all tasks were completed as scheduled and to remediate potential slippage. RLD has closed out phase four and is waiting a new contract for phase five of the project, but still plans to start the new phase at the end of October 2024.

Risk

All project risks have been closed in coordination with RLD leadership and IV&V vendor for phase four of the project. The adjusting of scope while onboarding a new contractor poses some risk to the project, but RLD remains on project schedule and budget overall.

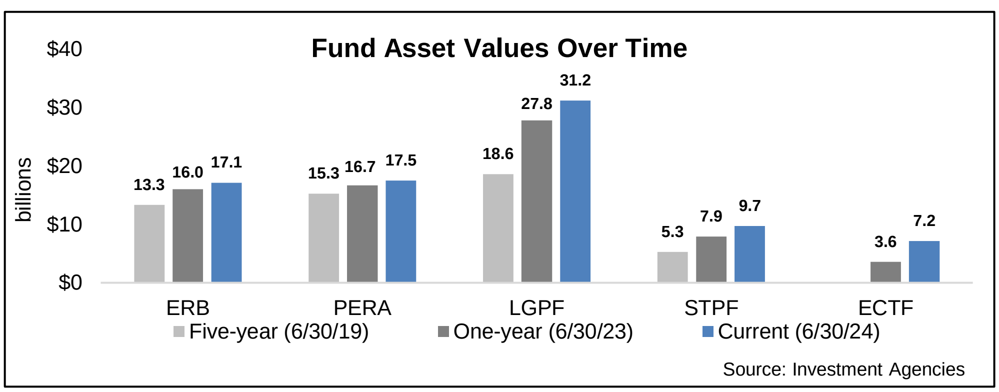
Money Matters
Analysis by the LFC Economists
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

Investment Performance Quarterly Report, Fourth Quarter, FY24

State investment balances increased by $10.7 billion, or 15 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 one-year period amid strong markets. ERB continues to demonstrate strong performance, with higher returns and a more optimized risk profile than other large state investments.

Investment Performance Highlights

- The value of New Mexico's combined investment holdings grew by $1.5 billion quarter-over-quarter, to an ending balance of $82.71 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 $10.7 billion, or 15 percent. Over the last five years, the state's combined investment holdings grew $30.3 billion, or 57.7 percent.
- One-year returns were strong for all funds, ranging from 6.9 percent (STPF) to 8.66 percent (PERA). Average investment returns over the last 10 years ranged from 5.78 percent (STPF) to 8.6 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]



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.

Aggregate Value of New Mexico Investment Holdings

$82.7 billion

Note: does not include general fund investments.

Annual Combined Growth of all Funds

$10.7 billion
15%

Note: does not include general fund investments.

5-Year Annualized Returns

Fund	Returns
ERB	8.09
LGPF	7.43
PERA	6.35
STPF	5.64

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

Pension Fund Agencies

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 investments grew by $1.9 billion, or 5.9 percent, over the year. 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 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 6/30/2024

	Value as of			
Fund	**6/30/23**	**6/30/24**	**Value Change**	**Percent Change**
ERB	$16,020.8	$17,118.7	$1,097.9	6.9%
PERA	$16,657.8	$17,501.6	$843.8	5.1%
Total	**$32,678.5**	**$34,620.2**	**$1,941.7**	**5.9%**

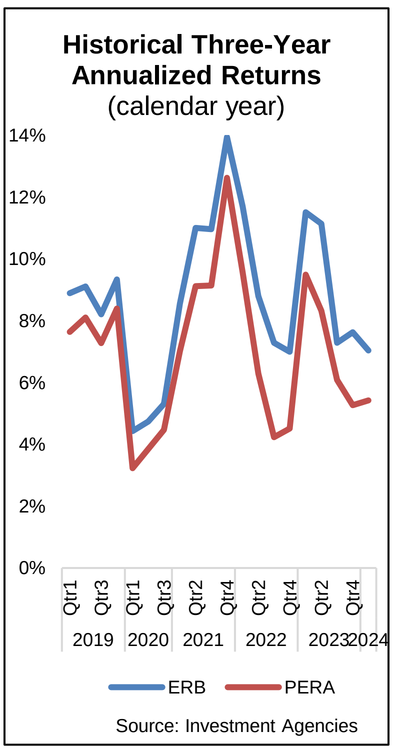
Source: ERB, PERA

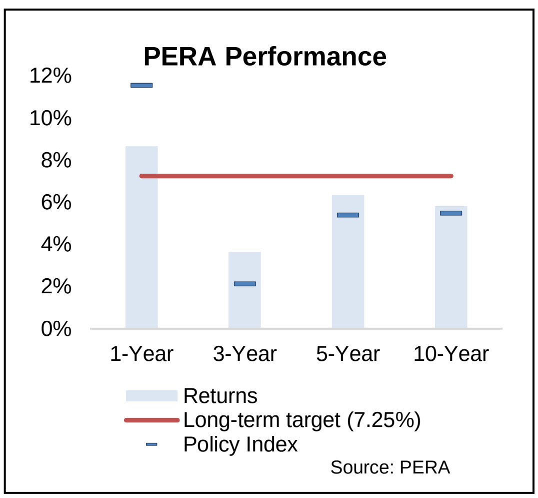
ERB. ERB's annualized returns outperformed the fund's long-term target of 7 percent in each period except for the three-year period. The fund outperformed its policy index, a performance benchmark, in each period except the one year, where it underperformed its benchmark by 0.9 percentage points. The fund's return in the quarter, which is not annualized, was 2.4 percent while the policy index for that period was 1.5 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.

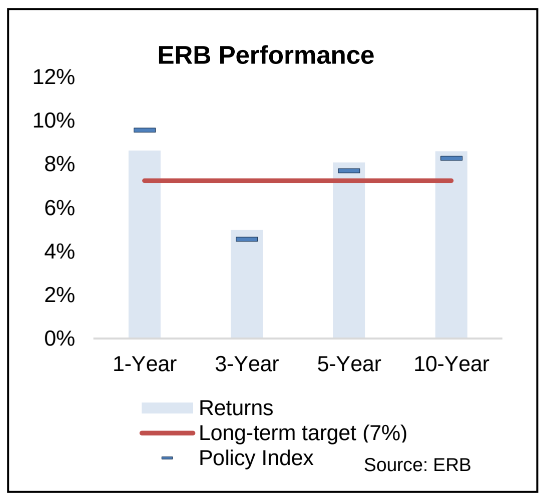
PERA. PERA annualized returns outperformed the fund's long-term target of 7.25 percent only in the one-year period. The fund outperformed its policy index in each period except the one-year, where it underperformed its benchmark by 2.9 percentage points.

Member Snapshot (thousands)			
Type	PERA	ERB	Total
Active	55.7	61.5	117.2
Inactive	28.9	54.7	83.7
Retirees	47.1	54.8	101.8
Total	**131.7**	**171.0**	**302.7**

Source: PERA, ERB







SIC Long-Term Investment Funds

The long-term investment funds managed by the State Investment Council (SIC) grew by $8.8 billion, or 22.5 percent, between the fourth quarter of FY23 and the fourth quarter of FY24. Annualized returns were above the long-term targets of the LGPF and the STPF for the one-year period. The LGPF surpassed its long-term target in the three-year period. 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 6/30/2024

	Value as of			
Fund	**6/30/23**	**6/30/24**	**Value Change**	**Percent Change**
LGPF	$27,799.6	$31,201.4	$3,401.8	12.2%
STPF	$7,896.0	$9,735.0	$1,839.0	23.3%
ECTF	$3,569.5	$7,150.6	$3,581.1	100.3%
Total	**$39,265.1**	**$48,087.1**	**$8,821.9**	**22.5%**

Source: SIC

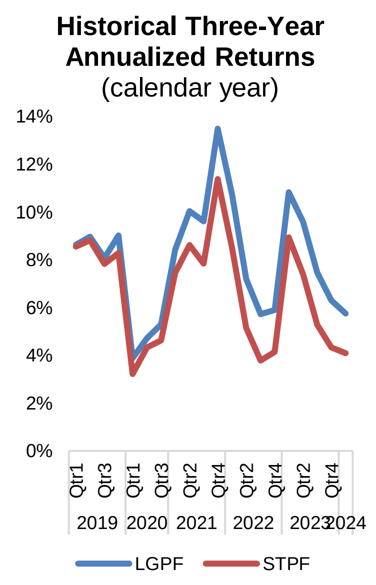
About the Funds

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 proceeds 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 childhood.

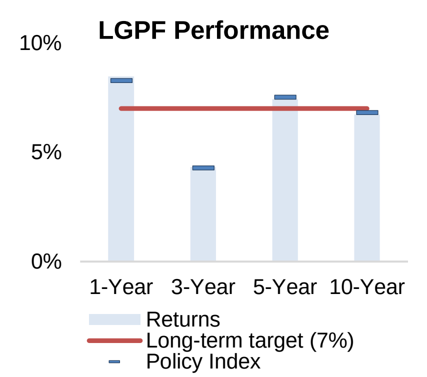
LGPF. The LGPF outperformed its long-term target of 7 percent in the one-year and five-year periods but missed the target in the three- and 10-year periods. The fund tracked very closely to its policy index, a performance benchmark, for each period. Over the year, the fund distributed $1.3 billion to beneficiaries and received $2.3 billion in revenues, primarily from royalties paid on the value of oil and gas extracted on state lands.

STPF. The STPF underperformed its long-term target of 6.75 percent in each period except for the one-year period. The fund continued to underperform its policy index in the five- and 10-year periods but overperformed its policy index in the one-year and three-year periods. The fund distributed $289.6 million to the general fund and received $1 billion in oil and gas revenues.

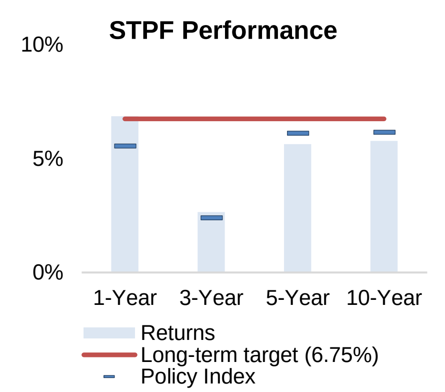
ECTF. The ECTF tracked closely with other SIC-managed funds, exceeding its policy index in the one- and three-year period. SIC recently approved a new asset allocation for the fund with a long-term return expectation of 6.8 percent, which was exceeded in the one-year period but not in the three-year 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.



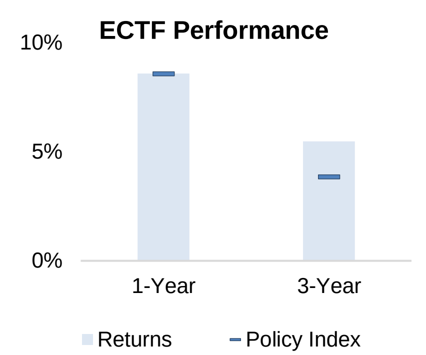
Source: Investment Agencies



Source: SIC



Source: SIC



Source: SIC

Risk Profiles, Five Years Ending

Net of Fees Period ending 6/30/2024

Fund	Standard Deviation[1]	Sharpe Ratio[2]	Beta[3]
PERA	7.9	0.5	0.4
ERB	6.8	0.9	0.3
LGPF	8.7	0.6	0.4
STPF	8.6	0.4	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.

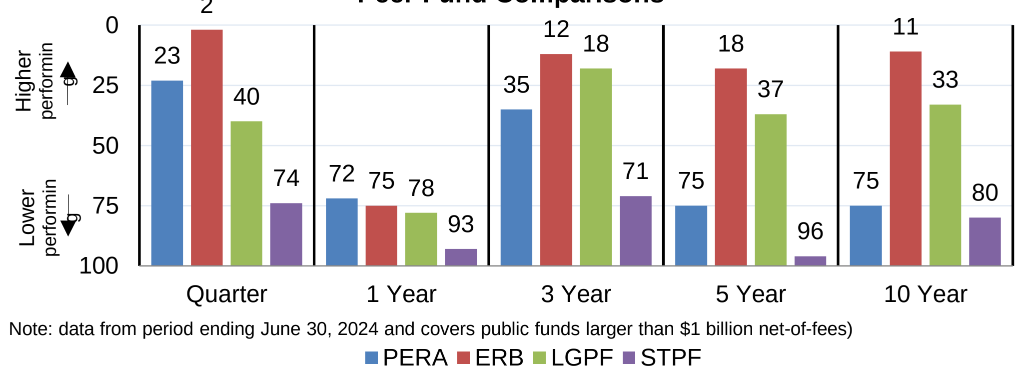
[3]Represents the volatility of the portfolio versus the S&P 500. Beta = 1: portfolio moves with the market. Beta < 1: portfolio is less volatile than market. Beta > 1: portfolio is more volatile than the market.

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 or near the bottom quartile in the one-year period across all funds. In general, ERB and the LFPF performed the best compared with other large New Mexico investment funds, with ERB coming in as among the best performing funds in the quarter period and near the 10th percentile for the three-, five-, and 10-year periods. The STPF performed poorly compared with peer funds and was the only fund to perform near or below the 75th percentile for every period. STPF performance is moderated by the allocation to differential rate New Mexico investments, which typically generate lower returns.

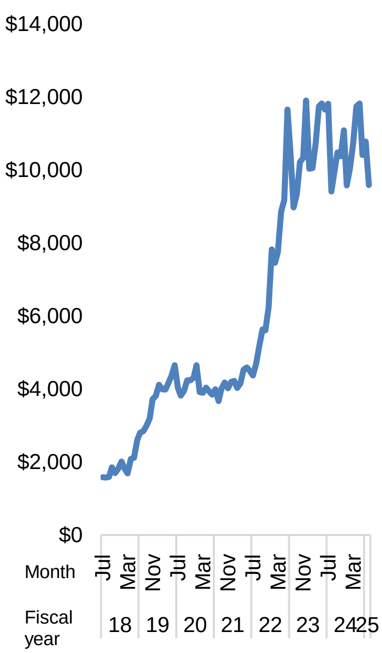
Peer Fund Comparisons



Note: data from period ending June 30, 2024 and covers public funds larger than $1 billion net-of-fees)

Source: InvMetrics

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, which invests balances not necessary to meet the state's short-term cash flow needs over a longer time horizon.

The general fund core portfolio outperformed its benchmark by 0.02 percentage points over the quarter and by 0.32 percentage points over the year. As a result of aggressive rate increases from the Federal Reserve, the liquidity portfolio share was increased to preserve principal and take advantage of reinvestments at higher interest rates. The core portfolio duration ended the quarter at nearly 99.5 percent of the benchmark.

Table 3

General Fund Investment Pool

Period ending 6/30/2024

	Value as of			
Fund	**6/30/23**	**6/30/24**	**Value Change**	**Percent Change**
GF Core	$5,505.5	$5,847.6	$342.1	6.2%

Source: STO

Table 4

General Fund Investment Pool – Core Portfolio	**Performance**	
Period ending 6/30/2024	Quarter	1-Year
GF Core	0.95%	4.77%
Benchmark - *ICE BofA 0-5 US Treasury*	0.93%	4.45%
Relative Performance	**0.02%**	**0.32%**

Source: STO