

LFC 2020 STAFF INTERIM WORK PLANS

TABLE OF CONTENTS

	PAGE NO.
PUBLIC SCHOOLS AND HIGHER EDUCATION	
Sunny Liu/Mark Valenzuela	1
HEALTH AND HUMAN SERVICES	
Kelly Klundt/Ruby Ann Esquibel	7
ECONOMIC DEVELOPMENT	
Jacqueline Martinez	20
PUBLIC SAFETY	
Ellen Rabin.....	24
TRANSPORTATION/PENSIONS AND BENEFITS	
Connor Jorgensen	30
NATURAL RESOURCES	
Caitlyn Wan	34
CAPITAL OUTLAY	
Stevie Olson	38
JUDICIARY/GENERAL GOVERNMENT	
Amanda Dick-Peddie	42
Brenda Fresquez	46
Alison Nichols	48
REVENUE/ECONOMISTS	
Dawn Iglesias and Ismael Torres	52

2020 INTERIM WORK PLAN SUMMARY
Education

K-12 and Higher Education: Sunny Liu and Mark Valenzuela

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: <i>Higher Education Funding Formula</i>. The higher education funding formula may not allocate funding to institutions who are exceeding performance outcomes relative to comparable institutions in the state. Several issues confound the current formula: equity among comparable institutions, nonformula I&G appropriation used to increase performance, weighting regime of awards, irregular base budgets among institutions, I&G revenue mix where some institutions are more heavily funded by state appropriations, etc.</p> <ul style="list-style-type: none"> • Goal: Hold monthly meetings of experts on funding formula topics focusing on key issues. • Goal: Create consensus among stakeholders on revisions to formula, if any. • Objective: Revise the funding formula to ensure it treats all institutions fairly, based on quantifiable performance. <p>Issue: <i>Public School Funding Formula</i>. The state has changed the public school funding formula in the last three legislative sessions, phasing in new components and removing others. New provisions also require PED to evaluate and report programmatic and fiscal impacts of these changes.</p> <ul style="list-style-type: none"> • Goal: Monitor formula changes (e.g. at-risk index, teacher cost index, size adjustment, and rural population factors) • Goal: Compare teacher staffing costs, at-risk expenditures, and program expenditures with formula component changes • Goal: Project student membership and enrollment changes 	<ul style="list-style-type: none"> • Policy brief and potential LFC hearing topic • School district dashboards • Performance measures • Volumes 1, 2, and 3 • Consensus agreement on revisions to funding formula 	<ul style="list-style-type: none"> • Improved transparency and accountability • Improved funding formula recommendation reflecting performance of institutions 	Valenzuela, Liu, Becerra, Fischer, Lobaugh	December 2020
2	<p>Issue: <i>Accelerated Learning Initiatives, Early College High Schools, Dual Credit, Advanced Placement and College Remediation</i>. Several programs are in place to encourage and assist high school students transition to college efficiently. However, college enrollments have declined. The value of these programs is not clear, the implementation of these programs is variable throughout the state. Some programs are managed by high schools; some are managed by colleges or</p>	<ul style="list-style-type: none"> • Policy brief • Revised formula funding measures on dual credit or related mission programs • Volumes 1 and 2 • Potential program evaluation progress report 	<ul style="list-style-type: none"> • Better accountability for RPSPs • Better accountability for college academic departments • Faster postsecondary degree completion • Higher postsecondary employment 	Valenzuela, Liu, Becerra, Fischer	Ongoing

	<p>universities. The growth rate of dual credit workloads on college campuses is outpacing traditional workloads, diverting focus and resources away from postsecondary education degree programs. Clear evidence does not show the achievement gap lessening with these programs in place.</p> <ul style="list-style-type: none"> • Goal: Delineate funding and academic differences in acceleration strategies • Goal: Evaluate the cost of acceleration strategies and who is bearing the burden of that cost. • Goal: Assess the academic quality of programs, alignment to existing degree pathways, and improvements students make in bypassing remedial classes in general education college courses. 				
3	<p>Issue: <i>Student Financial Aid</i>. Tuition in New Mexico remains the fifth lowest in the nation. Yet, enrollment is declining. More than 25 student financial aid programs offer undergraduate or graduate students grant or loan support, while several other programs offer tuition waivers. The \$330 million annual tuition and fee revenue is supporting a smaller share of I&G expenditures and the state has become a larger payer of that tuition and fee cost.</p> <ul style="list-style-type: none"> • Objective: Study the initiatives in place help students pay for their cost of attendance. • Objective: Study the parameters that guide financial aid decisions by institutions. • Goal: understand the true cost of tuition at institutions statewide compared to the cost of attendance. 	<ul style="list-style-type: none"> • Policy brief and possible LFC hearing topic • LFC Newsletter item and possible general press articles • Informal items for activity reports 	<p>Stronger financial clarity on total instructional funding at institutions.</p> <ul style="list-style-type: none"> • Make comparisons of mission comparable institutions on the level of tuition write offs taken by each institution • Determine the cost/benefit of tuition waivers 	Valenzuela	August 2020
4	<p>Issue: <i>Extended Learning</i>. K-5 Plus and extended learning time program (ELTP) participation will increase significantly in FY21, given new flexibility provisions and funding to pilot alternative program designs. Rapid scaling of programs will increase spending and may impact program fidelity.</p> <ul style="list-style-type: none"> • Goal: Estimate FY22 K-5 Plus and ELTP participation • Goal: Monitor performance of K-12 Plus and ELTP pilots • Goal: Identify schools with K-5 Plus flexibility provisions 	<ul style="list-style-type: none"> • Policy brief and potential LFC hearing topic • Quarterly report card • School district dashboards • Performance measures • Activity reports • Volumes 1, 2, and 3 • Potential program evaluation 	<ul style="list-style-type: none"> • Increased student academic achievement • Reduced food insecurity • Increased compensation and professional development • Reduced childcare costs • Reduced summer learning loss 	Liu	October 2020
5	<p>Issue: <i>Cash and Fund Balances</i>. Significant reversions to the public education reform fund, state-support reserve fund, and unrestricted school cash balances suggest the state and schools are not budgeting nor spending funds efficiently. With state</p>	<ul style="list-style-type: none"> • Policy brief and potential LFC hearing topic • Performance measures • Volumes 1, 2, and 3 	<ul style="list-style-type: none"> • More efficient budgeting and spending practices • Improved transparency and accountability 	Liu	July 2020

	<p>revenues projections falling from the COVID-19 pandemic, the state may need to tap into various funds to mitigate budget cuts.</p> <ul style="list-style-type: none"> • Goal: Analyze budgeting practices and cash balance trends of select school districts • Goal: Identify alternative uses for cash or fund balances • Goal: Study previous laws and other state laws or practices on school cash balance limitations 	<ul style="list-style-type: none"> • Potential LFC-sponsored legislation 	<ul style="list-style-type: none"> • Maximized use of state resources 		
6	<p>Issue: <i>NM Healthcare Workforce</i>. The School of Medicine pipeline has not increased the number of professionals providing primary care doctors to serve New Mexico, and particularly, rural hospitals. With long lead times, investing in programs to increase supply of doctors may not provide benefit to the state. Rather, efforts to increase nurse practitioners or physician assistants' workforce may be more appropriate. Additionally, other colleges within the School of Medicine may be overlooked at sources to generate more needed healthcare workers.</p> <ul style="list-style-type: none"> • Assess the colleges of nursing statewide to determine the supply pipeline versus demand for nurses • Goal: Evaluate the efficiency of nonformula I&G at HSC to increase the supply of healthcare workforce. 	<ul style="list-style-type: none"> • Policy brief and potential LFC hearing topic • Volume 1, 2, 3 information and data • Improved performance reporting for UNM HSC 	<p>Stronger understanding of the funded initiatives for increasing the supply of healthcare workforce.</p>	Valenzuela, Esquibel, Bachechi	September 2020
7	<p>Issue: <i>Accountability Systems and Frameworks for Data Collection and Reporting</i>. Changes to key state assessments will impact evaluations of education investments. PED must develop methods to longitudinally measure progress on student outcomes and provide timely data for interventions. The Legislature was successful in revamping the data reporting framework for institutions. Colleges and universities will begin collecting data on more than 40 metrics on a semester basis.</p> <ul style="list-style-type: none"> • Goal: Monitor changes to state assessments, teacher evaluation, and school accountability systems • Goal: Establish performance-based budgeting metrics, targets, and reporting requirements for schools • Goal: Create a seamless data capture database for institutions to input data. • Goal: Set up data methodology for metrics to ensure consistency of reporting by all institutions. • Objective: produce quarterly reports that reflect greater transparency of performance at institutions. 	<ul style="list-style-type: none"> • Quarterly report card • School district dashboards • HEI dashboards • Performance measures • Activity reports • Volumes 1 and 2 	<ul style="list-style-type: none"> • Increased focus on evidence-based practices • Improved transparency and accountability • Improved capabilities to study longitudinal impacts • More timely interventions • Managing for Results • Continuous reporting from HEIs on more than 40 performance metrics • Presidents begin to set strategic targets for enrollment and student success measures. 	Liu, Valenzuela, Becerra, Fischer	Ongoing

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: <i>Performance Report Cards</i>. Provisions of the state's Accountability in Government Act require quarterly reporting of select agency performance.</p> <ul style="list-style-type: none"> Goal: Empower agencies to use performance data to inform programmatic efforts and budget requests Goal: Streamline reporting of data and improve metrics 	<ul style="list-style-type: none"> Quarterly report card Performance measures Volume 1 	<ul style="list-style-type: none"> Increased focus on evidence-based practices Improved capabilities to study longitudinal impacts More timely interventions 	Liu, Bachechi, Eckberg, Fischer, Nichols	Ongoing
2	<p>Issue: <i>Litigation</i>. Court rulings on public school sufficiency and capital outlay adequacy will continue to impact school funding decisions if left unaddressed.</p> <ul style="list-style-type: none"> Goal: Monitor court actions Goal: Identify necessary remedies or potential settlements 	<ul style="list-style-type: none"> Volumes 1 and 2 Activity reports 	<ul style="list-style-type: none"> Lower legal costs 	Liu	Ongoing
3	<p>Issue: <i>Native American Education</i>. Stakeholders contend that recurring state funds should be appropriated and overseen by tribes, pueblos, and nations to support the education of Native American students rather than the state.</p> <ul style="list-style-type: none"> Goal: Evaluate Indian Education Fund initiatives Goal: Analyze findings of Native American student needs assessments and tribal engagements Goal: Monitor changes in operational and capital outlay funding (e.g. at-risk, bilingual multicultural education, SB-9, Impact Aid, etc.) Goal: Identify ways to increase Native American representation in budget request processes 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Potential program evaluation progress report Site visits Volumes 1 and 2 Activity reports 	<ul style="list-style-type: none"> Increased Native American student academic achievement Improved Native American student outcomes Equitable distribution of operational and capital outlay funding Increased tribal collaboration and engagement 	Liu, Valenzuela, Becerra	November 2020
4	<p>Issues: <i>Insurance Costs</i>. Health insurance is provided through three purchasers: GSD, NMPSIA, and APS. The trifurcation of health benefit purchasing results in wide cost differences depending on employers. Previous LFC analyses found teachers covered under NMPSIA plans pay twice as much as state employees for similar insurance plans. During the 2020 legislative session, several bills were introduced to address the disparities.</p> <ul style="list-style-type: none"> Goal: Study the differences between the plans offered by GSD, NMPSIA, and APS and determine how the disparities in plan cost could be addressed to create a more uniform cost structure for state and educational employees. 	<ul style="list-style-type: none"> Report comparing health insurance plans, overall plan costs, and employee and employer contributions. Analysis of state equalization guarantee (SEG) distributions attributed to insurance Stakeholder meetings Activity reports Volume 1 policy considerations 	<ul style="list-style-type: none"> Efficient SEG distributions Insurance plan parity and cost savings Improved teacher compensation, recruitment, and retention 	Jorgensen, Liu	October 2020

		<ul style="list-style-type: none"> Volume 2 budget recommendations 		
5	<p>Issue: <i>Distance Learning</i>. Technology can help schools provide educational services and learning opportunities outside of the classroom, enhance instructional time spent in school (e.g. blended learning), and increase access to resources in rural areas. School closures from COVID-19 have impacted instructional time statewide and highlighted disparities in the capability of schools to provide distance learning opportunities to students.</p> <ul style="list-style-type: none"> Goal: Study differences in educational services provided by schools during the 2020 school closure period Goal: Identify best practices in distance learning Goal: Analyze technology infrastructure and capabilities for distance and blended learning across the state 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Volumes 1, 2, and 3 Activity reports 	<ul style="list-style-type: none"> Increased student time-on-task Improved access to technology in classrooms Increased educator collaboration and professional development 	Liu, Becerra September 2020
6	<p>Issue: <i>Transportation</i>. Allocations from the transportation distribution formula and actual transportation expenditures vary considerably by school district, resulting in some districts reverting transportation funds and others budgeting SEG for transportation costs.</p> <ul style="list-style-type: none"> Goal: Analyze cost drivers for school transportation in select school districts Goal: Develop a transportation distribution formula that is more aligned to necessary transportation costs 	<ul style="list-style-type: none"> Analysis of transportation distribution Volume 2 Activity reports 	<ul style="list-style-type: none"> More efficient budgeting and spending practices 	Liu, Becerra, LESC Analysts December 2020
7	<p>Issue: <i>Teacher Workforce</i>. The 2020 GAA provided substantial salary increases for teachers. However, declining participation and completion rates in educator preparation programs and pay increases in other states will negatively affect teacher recruitment and retention rates.</p> <ul style="list-style-type: none"> Goal: Monitor teacher compensation and evaluate statewide retention, recruitment, transfer, and vacancy rates Goal: Evaluate trends in candidates of educator preparation programs (e.g. endorsement types, completion rates) Goal: Evaluate efficacy of recruitment and preparation models (e.g. grow-your-own, teacher residency) Goal: Monitor teacher placement in hard-to-staff subjects 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic School district dashboards Performance measures Volumes 1, 2, and 3 	<ul style="list-style-type: none"> Competitive compensation with other states and professions Best practices in preparation programs Improved recruitment and retention in hard-to-staff subjects and geographic areas Effective teacher career advancement policies Adequately-prepared and equitably-placed teachers 	Becerra, Valenzuela, Liu, LESC Analysts Ongoing
8	Issue: <i>Public School Capital Outlay</i> . Changes in the local-state match formula, increases to SB-9 state distributions, and SSTB capacity will affect public school capital outlay awards and facility conditions over time.	<ul style="list-style-type: none"> Site visits Activity reports 	<ul style="list-style-type: none"> Equitable distribution of capital outlay funds 	Liu, Becerra, LESC Analysts Ongoing

	<ul style="list-style-type: none"> Goal: Track public school capital outlay funding by district and facility conditions 				
9	<p>Issue: <i>Adult Education</i>. Provisions of House Bill 5/Senate Bill 1 and House Bill 2 shift funding and responsibility for adult students in K-12 to the higher education system. Senate Bill 391 creates a new high school diploma alternative, which will give adults more options to pursue a high school degree.</p> <ul style="list-style-type: none"> Goal: Monitor adult education outcomes and enrollment trends to identify effective options for degree attainment 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic 	<p>Better student outcomes in:</p> <ul style="list-style-type: none"> High school degree attainment Higher graduation and lower dropout rates Long-term socioeconomic indicators 	Valenzuela, Liu, Becerra	September 2020
10	<p>Issue: <i>Career and Technical Education (CTE)</i>. House Bill 2 included funding to pilot CTE programs, which can improve student career readiness. House Joint Memorial 2 creates a CTE task force requesting LESC and LFC staff to examine the funding requirements of developing CTE programs statewide by November 1, 2020.</p> <ul style="list-style-type: none"> Goal: Monitor appropriations used for CTE initiatives and evaluate efficacy of programming Goal: Identify CTE partnerships between schools, higher education institutions, and the business community to develop and coordinate student career pathways 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Volume 1 	<p>Better student outcomes in:</p> <ul style="list-style-type: none"> Career readiness Higher graduation and lower dropout rates Lower remediation rates 	Liu, Valenzuela, Bachechi, LESC	October 2020
11	Attend Legislative Education Study Committee, Public School Capital Outlay Council, Public School Capital Outlay Oversight Task Force, Colleges of Education Deans and Directors, Public Education Commission, Legislative Education Staff Network, and Education Commission of the States meetings	<ul style="list-style-type: none"> Activity reports 	<ul style="list-style-type: none"> Improved public education budget and policy recommendations 	Liu, Valenzuela, Becerra	Ongoing

2020 INTERIM WORK PLAN SUMMARY

Health and Human Services

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: In FY20, HSD implemented several rate increases with Medicaid Centennial Care 2.0 MCOs for numerous providers, hospitals, nursing homes, personal care service providers, and DD waiver providers. HSD also implemented Medicaid rate increases for new behavioral health inpatient, outpatient, and community services.</p> <p>Objective: Collect data on rates and outcomes, and monitor sufficient access to quality care is available for Medicaid members, while ensuring cost effectiveness.</p> <p>Goal: Provide cost effective, quality healthcare services under the Medicaid program. Maintain access to quality healthcare across the state, and ensure adequacy, equity, and cost effectiveness of rates among healthcare providers.</p>	<p>Output: Nonprofit and government hospitals increased GRT and GGRT generating additional revenue which Medicaid will match with federal funds and return to hospitals for services to Medicaid members. Nursing homes also implemented a surcharge to leverage Medicaid funds. Monitor implementation of these revenue and rate changes while ensuring cost effectiveness merges with maintaining access.</p> <p>Output: Attend Medicaid Advisory Committee meetings as a member of the committee; attend Medicaid projections; attend Behavioral Health Collaborative meetings. Participate in Medicaid consensus enrollment and cost estimating process.</p> <p>Output: Collaborate with HSD regarding implementing changes in the Safety Net Care Pool program to maintain support for hospitals and healthcare providers possibly including targeted rate increases for rural, behavioral health, specialty hospitals, as well as other healthcare providers using value-based payment options.</p>	<p>Outcome: LFC hearings on the status of the Medicaid program's funding and performance outcomes.</p> <p>Recommendations for FY22 budget.</p> <p>Collaborate with HSD on status of the Medicaid program.</p> <p>Present to, and collaborate with, the Legislative Health and Human Services Committee on Medicaid funding and performance outcomes.</p> <p>Maintain access to quality hospital coverage data across the state.</p> <p>Collaborate with HSD to ensure the approved increases are paid by the Medicaid managed care organizations (MCOs) to hospitals.</p> <p>Reduce uncompensated healthcare and have a commensurate impact to reduce commercial health insurance premiums.</p>	Esquibel, Klundt, HSD, LFC, LHHS, multiple healthcare providers, stakeholders, Hospital Association	Ongoing

2	<p>Issue: Maintaining a sufficient healthcare workforce is a major challenge in New Mexico.</p> <p>Objective: Collaborate with HSD, UNM Health Sciences Center, Burrell, DOH, and others regarding expanding graduate medical education opportunities in primary care in rural areas.</p> <p>Objective: Collaborate with HSD, higher education institutions, and CYFD to expand social work and behavioral health programs.</p> <p>Goal: Expand Medicaid-funded primary care and other healthcare residencies in rural New Mexico.</p> <p>Goal: Expand the number of qualified social workers and behavioral health providers statewide.</p>	<p>Output: Collaborate with HSD regarding implementation of Medicaid-funding to support expanding graduate medical education positions in family medicine and psychiatry programs and start new residencies, especially in rural settings.</p> <p>Support policy discussions and programs for social workers and coordination efforts between CYFD, and higher education institutions to promote careers in social work and behavioral health.</p> <p>Support policy discussions and programs for streamlined credentialing and scholarship programs that will produce more qualified healthcare professionals who are committed to staying and working in New Mexico</p> <p>Review other opportunities to expand New Mexico's healthcare workforce, including social workers and behavioral health professionals.</p>	<p>Outcome: HSD, UNM, DOH, CYFD recommendations for FY22 budget.</p> <p>Policy discussions.</p> <p>Legislative hearings.</p> <p>Medicaid regulatory changes.</p> <p>Coordinate nurse workforce issues.</p>	Bachechi, Esquibel, Klundt, Valenzuela	Ongoing
3	<p>Issue: With a waiting list of 5,000 that can take as longer than 13 years before an individual starts receiving services, FY21 appropriation increases for people with developmental disabilities (DD) and included enough funding to fill more than 300 slots in the Medicaid waivers for people with developmental disabilities. In addition, the budget also begins the first phase of funding to create the new supports waiver for people on the waiting list. Unknowns continue to include wait list population, data needs, and the number of people</p>	<p>Output: Monitor and provide input on new supports waiver and implementation, make recommendations to improve system to determine appropriate service levels.</p> <p>Possible interim legislative hearings after appropriate social distancing restrictions lifted.</p> <p>Communicate with DOH and HSD</p>	<p>Outcome: Reduce the DD waiver waiting list to manageable levels, reduce average costs to the state, and improve outcomes for people waiting for services with the supports waiver.</p>	Klundt, DOH	Ongoing

	<p>who will choose the supports waiver or the use the community benefit.</p> <p>Goal: Implement highly effective supports waiver and alleviate effects of long wait list, continue working towards improving the evaluation system to determine appropriate service levels on the DD waiver to reduce average costs, and speed up the individual budget allocation process for new enrollees.</p>				
4	<p>Issue: Because of high rates of re-incarceration and substance use disorder, the state appropriated an additional \$1.5 million for a total of \$4 million to reduce county re-incarceration and homelessness rates; \$4 million for housing assistance, \$1 million for medication-assisted treatment in jails and prisons; \$1 million for grants to local Law Enforcement Assisted Diversion (LEAD); and \$447 thousand for 8 FTE to assist with justice-related services and housing within the Behavioral Health Services Division of the Human Services Department. However, much work remains such as improving access to services, increasing the behavioral healthcare workforce, and improving services for the most at risk populations.</p> <p>Goal: Improve access to behavioral health services for incarcerated and homeless individuals.</p>	<p>Output: Work with DOH, HSD, CYFD, and counties to develop recommendations for interventions to improve access for youth and adults to care for substance misuse, and recommend policy options to address alcohol misuse.</p>	<p>Outcome: Reduce incarceration and re-incarceration rates and reduce substance use disorder deaths.</p> <p>Track leveraging federal matching funds for youth and adults, how local governments receive the funding, and the effectiveness of the programs and services.</p>	Esquibel, Bachechi, Rabin. HSD Medicaid and BHSD, CYFD, Corrections, DOH	Ongoing
5	<p>Issue: The state enacted legislation to create the Early Childhood Education and Care Department (ECECD) consolidating most early childhood programs from various departments into one. Given the importance of early childhood programs a smooth transition is required.</p> <p>Goal: Monitor the ECECD standup is planned well, timelines are met, and there is no disruption of services.</p>	<p>Output: Provide support and input into planning the ECECD transition.</p> <p>Possible interim legislative hearings after appropriate social distancing restrictions lifted.</p>	<p>Outcome: Successful consolidation of early childhood programs with improved outcomes for children.</p>	Klundt	Ongoing

6	<p>Issue: Covid-19 has created significant disruption to the health and human services safety net systems, including housing and healthcare, as well as support service related to early childhood, foster care and protective services for CYFD involved children and youth. Treatment programs for substance use disorders, behavioral health services, care for the aging population, preventive services for CYFD involved parents and families, as well as the on-going operation of food banks and domestic violence and homeless shelters, have all been disrupted.</p> <p>Goal: Monitor communications with health and human services providers, DOH, HSD, CYFD and ECECD to remain informed about on the ground impacts resulting from the Covid-19 pandemic.</p>	<p>Output: Continued communications with DOH, ECECD, CYFD, HSD, community healthcare and social service providers, and other state agencies.</p> <p>Possible interim legislative hearings after appropriate social distancing restrictions are lifted.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p>	Klundt, Esquibel, Bachechi, DOH, ECECD, ALTSD, HSD, CYFD	Ongoing
7	<p>Issue: The state's early childhood program funding continues to grow significantly. Monitoring of program growth and policy development needs to remain a legislative priority, to ensure high quality services, improve coordination, and to avoid duplication of federal Head Start and prekindergarten.</p> <p>Objective: Provide policy options to improve system continuity including monitoring of quality standards and underserved populations such as infants, continued monitoring or quality improvement, early prevention services, and collaboration with federally funded Head Start programs.</p> <p>Goal: Monitor quality of early care and education programs continue to improve and receive evidence-based services.</p>	<p>Output: Continued monitoring of the implementation of quality improvements.</p> <p>Identify latest national policy trends regarding early childhood care and education system building.</p> <p>Possible interim legislative hearings after appropriate social distancing restrictions lifted.</p> <p>Monitor prekindergarten expansion, childcare assistance funding, and implementation of Medicaid funded home visiting pilot.</p> <p>Volume 1 Policy Discussion</p>	<p>Outcome: Improved budget recommendation and performance measures.</p>	Klundt, ECECD	December 2020
8	Issue: The rates for child maltreatment and repeat maltreatment in New Mexico are among the highest in the nation at 16.6 per 1,000 children versus a	Output: Continue monitoring child welfare caseloads and turnover rates.	Outcome: Improved budget recommendation and performance measures.	Bachechi, CYFD	Ongoing

	<p>national average of 9.2 per 1,000 children. The youngest children are the most vulnerable to maltreatment. New Mexico's victimization rate for children under one is 47.3 per 1,000 compared to 27.7 nationwide. Objective: Protect and promote the well-being of children whose safety and well-being are at risk.</p> <p>Goal: Protect and promote the well-being of children whose safety and well-being are at risk.</p>	<p>Policy discussions.</p> <p>Monitor and report on CYFD's efforts to improve training and retention programs</p> <p>Monitor CYFD's efforts to implement improved safety plans and provide preventive services to at-risk families before harm occurs</p> <p>Monitor and support increased coordination with federal safety-net programs</p>	<p>Activity Reports.</p> <p>Legislative hearings.</p> <p>Better trained social workers</p> <p>Lower caseloads</p> <p>Better outcomes for at-risk children and their families</p> <p>Increase available services and coordination with federal safety-net programs.</p>		
9	<p>Issue: Compared to children in nonrelative care, children in kinship homes experience increased stability, with fewer placement changes, and have better behavioral and mental health outcome. New Mexico utilizes kinship foster care at a lower rate than most states. In New Mexico, only around 23 percent of children in custody are in kinship placements; the national average is 34 percent.</p> <p>Objective: Promote system changes to remove barriers to kinship placements, including streamlining foster care licensing requirements to allow the provision of services and economic support to relative placements.</p> <p>Goal: Increase kinship placements and guardianships.</p>	<p>Output: Continue monitoring CYFD's efforts to increase kinship placements and guardianships.</p> <p>Policy discussions.</p> <p>Reporting on child welfare data</p>	<p>Outcome: Additional kinship placements and permanency plans.</p> <p>Activity Reports.</p> <p>Legislative hearings.</p> <p>Better outcomes for at-risk children and their families</p>	Bachechi, CYFD	Ongoing
10	<p>Issue: Access to behavior health services for children, youth and families with complex development trauma is central to the success of the state's prevention and early intervention efforts. Yet, there is a severe shortage of child and adolescent mental health specialist. As the primary</p>	<p>Output: Continued monitoring of CYFD's efforts to expand community based behavioral health services.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Activity Reports.</p>	Klundt, Esquibel, Bachechi, DOH, ECECD, ALTSD, HSD, CYFD	Ongoing

	<p>conduit to keep children out of higher acuity care, it is imperative that the state builds and maintains a strong and accessible community-based service network. The current lack of services often means that children and families fall through the cracks and leave both CYFD and the courts with removal and out of home services as the only alternative.</p> <p>During the 2020 legislative session, CYFD's behavioral health program received more than a 100 percent increase in funding to support increased staffing levels, expand its licensing certification capacity and support the expansion of community based behavioral health service and expedite and streamline Medicaid credentialing.</p> <p>Objective: Expand availability of community based behavioral health services.</p>	<p>Support research and policy discussions around the expansion of services and access to federal funding.</p>	<p>Legislative hearings.</p> <p>Increased availability of community based services.</p> <p>Better outcomes for at-risk children and their families</p> <p>Increase available services and coordination with federal safety-net programs.</p>		
11	<p>Issue: CYFD's funding streams are a mix between state general fund and federal revenues. In FY20, the department's budget is made up of 54 percent general funds, 35 percent federal funds and 11 percent from other transfers. Other significant revenues streams for child welfare also include Medicaid, Temporary Assistance for Needy Families (TANF), the Social Services Block Grant (SSBG).</p> <p>Title IV-E revenues represent a significant portion of federal funds in the Protective Services Program. However, less than 50% of the youth and children in state custody qualified for Title IV funding, resulting in the state's increasing reliance on state revenues. Moreover, CYFD must pass a federal performance review in 2020 to safeguard the state's entitlement to Title IV funds.</p>	<p>Output: Continued monitoring of the implementation of quality improvements.</p> <p>Collaborate with HSD to ensure CYFD's can leverage Medicaid funding</p> <p>Policy discussions; legislative hearings.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Activity Reports.</p> <p>Legislative hearings.</p>	Bachechi, CYFD	Ongoing

	<p>In order to leverage Title IV preventive service funds, available under the Family First Prevention Services Act (FFPSA), CYFD will need to support the expansion of NM's service provider network to ensure programs and services meet FFPSA requirements. And, CYFD will also needs to leverage use of Medicaid funding, as the FFPSA funds are funds of last resort.</p> <p>Objective: CYFD improves performance and data collection and management functions to preserve and increase eligibility for Title IV funding</p> <p>Goal: Decrease CYFD's reliance on general funds revenues.</p>				
12	<p>Issue: Following mandated closures due to the COVID pandemic, the Department of Workforce Solutions has received an unprecedented number of unemployment claims. In response to skyrocketing unemployment across the nation, the federal government passed a COVID-19 stimulus bill that provides states with additional funds and expands Unemployment Insurance to include benefits for independent contractors, the self-employed, and gig economy workers. WSD is working to manage the record demand, as well as make the necessary changes to the system to process claims under the new eligibility guidelines.</p> <p>Goal: Ensure all New Mexicans eligible for unemployment benefits are able to receive benefits as timely as possible.</p>	<p>Output: Monitor WSD implementation of the COVID stimulus / relief packages and leverage of federal funding.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Activity Reports.</p> <p>Legislative hearings.</p> <p>New Mexican's receive income support</p>	Bachechi, WSD	Ongoing

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
13	<p>Issue: Review Medicaid projection methodology with HSD regarding data, enrollment projections, and MCO and provider rate assumptions.</p> <p>Objective: Gain understanding of HSD projection methodology and its role in HSD's Medicaid budget development.</p> <p>Goal: Provide cost effective, quality healthcare services under the Medicaid program.</p>	<p>Output: Attend monthly meetings with HSD leadership.</p>	<p>Outcome: Inform recommendation for FY22 budget.</p> <p>Collaborate with HSD on status of the Medicaid program.</p>	Esquibel, Klundt, HSD, LFC	Ongoing
14	<p>Issue: As a social safety net agency the Aging and Long-Term Services Department oversees funding the area agencies on aging, the state also appropriated increases funding for the agency to provide for emergency advancements and created the Kiki Saavedra senior dignity fund.</p> <p>Goal: Improve Aging Network fund allocations and alleviate need for emergency advancements and monitor expenditures of the Kiki Saavedra senior dignity fund.</p>	<p>Output: Monitor emergency advancements and gain an understanding of the need.</p> <p>Monitor expenditures of the Kiki Saavedra senior dignity fund</p> <p>Monitor AAA allocations and system needs</p>	<p>Outcome: Ensure no adults go hungry, particularly because of wait lists or untimely reimbursements. Monitor if funding was used for Covid-19 effects.</p>	Klundt, ALTSD	Ongoing
15	<p>Issue: Health and human services agencies performance measures' effectiveness have declined over the past several years.</p> <p>Objective: Ensure funding is resulting in improved outcomes for New Mexicans.</p> <p>Goal: Enhance health and human services agencies' performance measures.</p>	<p>Output: Collaborate with DOH, HSD, ALTSD, and ECECD and to add improved performance measures to budgets and quarterly reports.</p> <p>Collaborate on "Managing for Results" project in collaboration with DFA and health and human services agencies.</p>	<p>Outcome: Improved performance measures in DOH, CYFD, ALTSD, HSD, and ECECD FY22 budget recommendations.</p> <p>HSD report quarterly on Medicaid HEDIS measures and increase evidence-based performance measures for the Behavioral Health Collaborative.</p>	Klundt, Esquibel, Bacheci	December 2020

16	<p>Issue: As the economy declines, the number of uninsured residents in New Mexico will increase as they continue to experience increases in healthcare premiums, high deductibles and out-of-pocket expenses, and increased pharmaceutical costs.</p> <p>Objective: Accurately gauge the enrollment and funding for people eligible for Medicaid.</p> <p>Work with contractor to complete the fiscal analysis of the Health Security Act plan for which the LFC received \$389 thousand in contract funds.</p> <p>Goal: Develop policy recommendations for the most cost effective coverage options to improve the health outcomes for New Mexicans.</p>	<p>Output: Collaborate with contractors, the Office of Superintendent of Insurance, Human Services Department, Department of Health, health insurance exchange, health insurers, and other state agencies to complete a fiscal analysis of the Health Security Act plan, to maximize Medicaid coverage within funding limitations, and to study policy options to provide coverage for residents.</p> <p>Collaborate with HSD regarding Medicaid Buy-In plan analyses and Medicaid enrollment and funding modeling.</p>	<p>Outcome: Continue biweekly collaboration with contractors and review the final drafts of the fiscal analysis of the Health Security Act plan.</p> <p>Contractor will report the results of its analysis to the LFC by June 30, 2020, and to the Legislative Health and Human Services Committee during the interim.</p> <p>Staff will participate in a consensus process with HSD regarding Medicaid enrollment and funding.</p>	Esquibel, HSD, other agencies, contractors, consultants	Ongoing
17	<p>Issue: The board of beWellnm, New Mexico's health insurance exchange (NMHIX) created through the Affordable Care Act, is migrating to a state-based IT platform costing over \$40 million, with over 80 percent of the exchange's operating costs supported by Medicaid.</p> <p>Objective: Limit Medicaid spending if other viable options exist for NMHIX.</p> <p>Goal: Provide health insurance coverage for New Mexicans.</p>	<p>Output: Attend NMHIX monthly meetings.</p> <p>Collect data and other information regarding insured lives under NMHIX and that migrate between the exchange and Medicaid.</p>	<p>Outcome: Collaborate with HSD, NMHIX, OSI, NMMIP and others regarding most cost effective methods to insure New Mexicans.</p>	Esquibel, HSD, NMHIX, OSI	Ongoing
18	<p>Issue: Pharmaceutical costs continue to rise and increase premiums for Medicaid, Corrections, and the Interagency Benefits Advisory Council members (i.e., state employees, local government employees, APS, NMPSIA, RHCA).</p>	<p>Output: Attend Interagency Pharmaceutical Purchasing Council meetings.</p>	<p>Outcome: Implement and leverage group purchasing of pharmaceutical benefits.</p> <p>Explore innovative models of pharmaceutical purchasing and pharmacy benefits management.</p>	Esquibel, Jorgensen, Rowley	Ongoing

	<p>Objective: Cost effective pharmaceutical purchasing for state entities.</p> <p>Goal: Implement innovative group pharmaceutical purchasing.</p>		<p>Deliver cost effective pharmacy benefits for New Mexicans.</p>		
19	<p>Issue: In 2019, the New Mexico Legislature passed a bill creating a framework for a new “differential response” system at CYFD’s central intake facility and funding was approved during the 2020 legislative session. This multilevel response system will create a pathway for families encountering the system to be evaluated and receive preventive services before removal becomes necessary. Research indicates that differential response systems help prevent formal removal followed by immediate return.</p> <p>Objective: Ensure that children only come into custody when they cannot be maintained safely at home and families in need receive preventive services before harm occurs.</p> <p>Goal: Reduce undue trauma to the children who are removed from their homes by providing the preventive services necessary to keep families together.</p>	<p>Output: Monitor and report on CYFD’s efforts to establish a differential response system.</p> <p>Policy discussions.</p> <p>Reporting on child welfare data.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Activity Reports.</p> <p>Legislative hearings.</p>	Bachechi, CYFD	Ongoing
20	<p>Issue: In 2019, the Legislature passed a bill to extend foster care to the age of 21. The bill allows youth to opt in or out of extended care, and has phases in implementation. Services now eligible for federal funding support include: education, employment, financial management, housing and emotional support. While extended foster care offers a framework for promising progress in the care of older youth, there is</p>	<p>Output: Continued monitoring of CYFD’s efforts to service older youth</p> <p>Support research and policy discussions around the expansion of services and housing options for older youth.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Activity Reports.</p> <p>Legislative hearings.</p>	Bachechi, CYFD	Ongoing

	<p>currently insufficient capacity to meet the needs of youth exiting out of CYFD custody and many youths are left homeless.</p> <p>Objective: Fill the gap in the housing and service continuum in order to support the transition of CYFD involved youth to independent living and adulthood.</p> <p>Goal: Prevent homelessness and ensure better outcomes for youth aging out of foster care and the juvenile justice system.</p>		<p>Increased availability of services, programs and placement options for older youth.</p>		
21	<p>Issue: In March 2020, CYFD and HSD reached a settlement with foster youth and their advocates in the lawsuit, <i>KEVIN S., et al. v. BLALOCK, et al.</i> The lawsuit was filed in 2018 on behalf of 14 foster youth alleged that trauma-impacted children and youth in New Mexico foster care lacked safe, appropriate and stable placements, and behavioral health services to meet their needs in the state system. Pursuant to the settlement, the CYFD and HSD agreed to <i>develop a trauma-responsive system for children in state custody and expand their commitment to Native youth.</i> The agreement includes a number of reforms that CYFD and HSD are tasked with completing. Each year the state will issue a report and an expert panel will evaluate the state's performance. As targets are met and held for a period of two years, they will be checked off and no longer subject to monitoring. Once all of the targets are completed then the agreement will expire.</p> <p>Objective: Timely meet the targets as required in the settlement agreement.</p>	<p>Output: Monitor CYFD's efforts to meet the targets set out in the settlement agreement. Monitor HSD's support of the funding changes.</p> <p>Support research and policy discussions around fiscal implications and best practices.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Activity Reports.</p> <p>Legislative hearings.</p> <p>Creation of a trauma-responsive system for all children in state custody.</p> <p>Reduce legal liability</p>	<p>Bachechi, Esquibel</p>	Ongoing

	<p>Goal: <i>Develop a trauma-responsive system for all children in state custody.</i></p>			
22	<p>Issue: Following a nationwide trend of declining incarceration rates, New Mexico has achieved more than an 80 percent drop in its youth incarcerations over the last ten years. CYFD and county detention facilities are now grappling with how to maintain a system that supports appropriate and safe placement and is also cost effective. While the average daily population of clients in custody decreased 8.5 percent in fiscal 2019, the cost of operating JJS's secure facilities remains static with over 40 percent of the beds empty. Likewise, the number of youth incarcerated in county facilities also continues to decline and a number of counties are choosing to close their juvenile facilities. Of the 33 counties in the state, only eight still operate juvenile detention facilities and this is creating a fiscal and geographic challenge. Youth are now being transported to facilities in other counties, resulting in stress on both the law enforcement system and families. County governments are weighing the cost of operating more than half empty facilities and many are looking for the creation of a state-sponsored system.</p> <p>Objective: Propose fiscal and policy solutions that are cost effective and provide the best possible care for incarcerated youth.</p> <p>Goal: Decrease cost of maintaining secure juvenile facilities while ensuring appropriate and safe placement for incarcerated youth.</p>	<p>Output: Continue monitoring incarceration rates and facility costs</p> <p>Support policy discussions and efforts to convene a taskforce of stakeholders to study and make recommendations regarding: ways to share the costs of juvenile detention facilities among county, state and city governments and create alternatives to juvenile detention.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Activity Reports.</p> <p>Legislative hearings.</p> <p>Increased availability of services, programs and placement options for juvenile justice involved youth.</p>	<p>Bachechi, CYFD, Association of Counties</p> <p>Ongoing</p>

23	<p>Issue: Monitor capital outlay needs and issues for DOH.</p> <p>Goal: Continued monitoring DOH facility needs and master planning.</p>	<p>Output: Monitor DOH and ALTSD capital outlay requests.</p> <p>Possible interim legislative hearings after appropriate social distancing restrictions lifted.</p>	<p>Outcome: Recommendations for FY22 budget.</p> <p>Policy discussions</p>	Klundt	Ongoing
24	<p>Issue: The Workforce Solutions Department (WSD) administers workforce development programs through WIOA. Currently, WSD is implementing WIOA, however collaboration of state workforce boards needs further study to possibly reduce duplication of administration and efficient use of resources.</p> <p>Objective: Best practices and national trends in implementing WIOA.</p>	<p>Output: Review of workforce boards to identify implementation needs for WIOA.</p> <p>Activity Reports on WIOA and WSD UI system.</p>	<p>Outcome: Improved performance measures</p> <p>Better use of WIOA funds and higher impact programs</p>	Bachechi, WSD	Ongoing
25	<p>Issue: CYFD and WSD's performance measures' effectiveness have declined over the past several years.</p> <p>Objective: Ensure funding is resulting in improved outcomes for New Mexicans.</p> <p>Goal: Improved performance measures.</p>	<p>Output: Collaborate with CYFD and WSD to add improved performance measures to budgets and quarterly reports.</p>	<p>Outcome: Improved performance measures in CYFD and WSD FY22 budget recommendations.</p>	Bachechi	Ongoing
26	<p>Issue: Monitor capital outlay needs and issues for WSD and CYFD.</p> <p>Goal: Continued monitoring WSD and CYFE facility needs and master planning.</p>	<p>Output: Monitor WSD and CYFD capital outlay requests.</p>	<p>Outcome: Recommendations for FY22 budget.</p> <p>Policy discussions</p>	Bachechi	Ongoing

2020 INTERIM WORK PLAN SUMMARY

Economic Development: Jacqueline Martinez

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: COVID-19 executive orders will effect multiple agencies budgets and require effective forecasting and adaptations to regular procedures.</p> <p>Goal: Analyze loss of revenue and operational impact.</p>	Activity Report Items, memos, budget recommendations, Possible Hearings	Analyze impact on all agencies. Analyze loss of revenue for DCA state museums and historic sites, Tourism, Intertribal Ceremonial, Cumbres and Toltec scenic Railroad, Border Authority, and Spaceport. Analyze operations and impact on Economic Development Department, Public Regulation Commission, and Superintendent of Insurance.	Martinez	Interim and ongoing
2	<p>Issue: The Economic Development Department has received significant Local Economic Development Act and JTIP funding. SB116 will broaden the list of tax information TRD can legally share with other state agencies to allow and assist the joint administration of certain tax programs.</p> <p>Goal: Ensure accurate reporting with greater detail, evaluate relationship between JTIP & LEDA awards and job creation levels. Evaluate claw-backs, contracts, and cost per job.</p>	Activity report items, possible memo to LFC director Possible Hearing	Track and report JTIP & LEDA expenditures, review recent contracts for claw-back provisions. Results: Ensure the process is transparent and clawback provisions protect taxpayer funds, determine the correlation between LEDA funds, JTIP awards and job creation and determine cost efficiency.	Martinez	August 2020 and ongoing
3	<p>Issue: Public Regulation Commission reorganization. State Fire Marshal Division will move from the PRC to DHSEM on July 1, 2021.</p> <p>Goal: Ensure that PRC and DHSEM FY21 budgets account for the move, also ensure that DHSEM is prepared for FPF distributions to continue on schedule.</p>	Attend meetings with PRC and DHSEM to ensure that both budgets submitted on Sep 1 account for the transfer. Work with Public Safety Analyst to prepare budget recs.	Attend meetings with PRC and DHSEM to ensure that both budgets submitted on Sep 1 account for the transfer. Work with Public Safety Analyst to prepare budget recs.	Martinez/Rabin	August 2020

4	<p>Issue: Regulatory advisory staff expertise and oversight of the financial operations at the Public Regulation Commission is vital with ETA and grid modernization mandates. PRC received additional funding to hire critical staff in FY20 and FY21.</p> <p>Goal: Ensure PRC is adequately staffed and training current employees.</p>	<p>Budget recommendation, activity report items.</p> <p>Possible hearing.</p>	<p>Review personnel concerns with PRC and State Personnel Staff.</p>	Martinez	October 2020 and ongoing
5	<p>Issue: The Cultural Affairs Department has Museums and historic sites with substantial deferred maintenance. Senate Bill 102 created appropriated \$5 million from the Public Project Revolving Loan Fund to the Cultural Affairs Facilities Infrastructure Fund.</p> <p>Goal: Ensure accurate reporting and feasibility studies are being done at the Department and that progress is maintained.</p>	<p>Budget recommendation, activity report items. Quarterly reporting.</p> <p>Possible hearing.</p>	<p>Work with the Department of Cultural Affairs to continue to improve transparency of capital costs and potential extended use of historic sites. For example, educational programs, community farming etc.</p>	Martinez	October 2020 and ongoing
6	<p>Issue: Library funding is needed on a recurring basis to help maintain facilities, supplies, etc.</p> <p>Goal: Discuss current funding and analyze annual expenses such as materials, broadband, and bricks and mortar.</p> <p>.</p>	<p>Activity report items, possible memo to LFC director</p> <p>Possible Hearing</p>	<p>Attend meetings with all vital participants, evaluate needs and assess timeline.</p>	Martinez	August 2020

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Many Economic Development entities are solely focusing on their own initiatives. EDD was appropriated \$300 thousand for a statewide economic development plan.</p> <p>Goal: Stay up to date on progress of the plan and ensure it involves all key players. For example, Economic Development Department, Higher Education Department, Workforce Solutions Department, Tourism Department, Cultural Affairs, Spaceport America. Also invite participation from local governments, federal labs, tribes, and Border Industrial Association.</p>	Activity report items, possible memo to LFC director Possible Hearing	Meet with all key players for updates.	Martinez	October 2020
2	<p>Issue: Department of Cultural Affairs has successfully completed pilot projects for broadband in rural libraries.</p> <p>Goal: Ensure that rural libraries are still involved in broadband projects with DCA.</p>	Activity report items, possible memo to LFC director Possible Hearing	Attend meetings with DCA to track progress.	Martinez	August 2020
3	<p>Issue: The tourism industry has expanded significantly.</p> <p>Goal: Review data to determine current rate of expansion, compare with neighboring states and U.S. The Tourism Department received substantial additional funding for advertising in FY20 and FY21. How will this be measured in the upcoming fiscal year.</p>	Budget recommendation, activity report items Possible hearing with bullets or brief	Determine future funding needs for tourism advertising	Martinez	Interim

4	<p>Issue: Spaceport Authority received extended authority for use of \$10 million in FY21 for a payload processing center.</p> <p>Goal: Ensure that Spaceport America is on track with capital projects for Virgin Galactic inaugural flight in FY21. Encourage Spaceport America to be involved in statewide Economic Development Plan.</p>	<p>Budget recommendation, activity report items</p> <p>Possible hearing with bullets or brief</p>	<p>Meet with Spaceport Authority periodically. Determine future funding needs.</p>	Martinez	September 2020
5	<p>Issue: Transfer of premium tax collection along with the FTE from the OSI to the TRD became effective Jan 1, 2020.</p> <p>Goal: Work with Alison to ensure transfer was successful.</p>	Activity report items	<p>Meet with OSI, TRD staff periodically for updates. Determine if both agencies are sufficiently staffed.</p>	Martinez	Interim

2020 INTERIM WORK PLAN SUMMARY

Public Safety: Ellen Rabin

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The Legislature invested significant resources in prison healthcare during the 2020 legislative session, including a \$25 million nonrecurring appropriation to treat hepatitis c among affected inmates in FY20 through FY22 and a recurring increase of \$8.9 million for the Corrections Department's new medical contract. These investments should be monitored and evaluated to support successful implementation and ensure funds are expended responsibly.</p> <p>Goal: Work with the Corrections Department to establish a system for complying with reporting requirements tied to hepatitis c treatment. Review the department's new medical contract and other states' correctional healthcare systems/contracts to evaluate value of contract and identify potential opportunities for cost savings and improved outcomes within the prison healthcare system.</p>	Committee hearing, brief, program evaluation.	Decreased long-term prison healthcare costs and improved prison healthcare outcomes.	Rabin / program evaluation team	October 2020
2	<p>Issue: The Corrections Department's three-year recidivism rate has been at or near 50 percent for the last decade. In 2020, the Legislature appropriated \$24 million in recurring funding and \$6.4 million in nonrecurring funding for initiatives that support criminal justice reform and reducing recidivism in several state agencies. These efforts should be tracked to ensure proper implementation, assess effectiveness, and determine if future funding is advisable. Some appropriations will have multi-year implementation timelines and will not provide demonstrable results in the near term.</p> <p>Goal: Establish a system for tracking the</p>	Work group proposal to committee, brief, budget narrative, meetings with stakeholders, high-level tracking sheet, 2020 criminal justice reform initiative tracking sheet and procedure, ongoing monitoring of implementations, NMCD program inventory.	Reduced incarceration costs, reprioritization of funding towards recidivism reduction.	Rabin / Dick-Peddie / Esquibel (monitoring of CJ reform appropriations only) / Klundt (monitoring of CJ reform appropriations only)	July 2020 (template); October 2020 (work group proposal); December 2020 (budget narratives and high-level tracking sheet); Ongoing (monitoring)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	implementation of criminal justice reform appropriations. Assess advisability of continued investment in evidence-based programming. Convene Courts, Corrections, and Justice Committee fiscal working group to propose possible investments in evidence-based programming and other methods to reduce recidivism, including sanctioned parole violation models.				
3	Issue: The process of appropriating funds to the Corrections Department relies on assumptions and does not focus on budget drivers. Goal: Research similar state's tools for developing corrections budgets and create a budget development tool.	Create an easily understandable template encompassing the department's major cost drivers, including population size, healthcare, and staff overtime to help disaggregate the agency's budget needs. Brief, activity reports, budget narrative, recommendations to LFC.	Improved FY21 budget recommendation.	Rabin	September 2020
4	Issue: New Mexico's high violent and property crime rates remain an area of serious concern for policymakers. Improved understanding of current crime trends and the impact of these trends on the wider criminal justice system is necessary to ensure budgets and policies are properly targeted. Obtaining reliable data streams from local criminal justice partners has been difficult. Goal: Work with the Department of Public Safety to identify and establish reliable data streams for relevant criminal justice data. Develop periodic (preferably automated) reports on crime trends. Work with the Sentencing Commission and other criminal justice partners to develop a comprehensive, high-level criminal justice data set encompassing data related to crime, clearance	Periodic crime reports, high-level criminal justice dataset.	Improved understanding of crime trends and the impact of crime trends on prosecution/conviction trends and costs and subsequent impact on prison populations and cost.	Rabin / Dick-Peddie	May 2020 (initial report/template); Ongoing (periodic reports)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	rates, arrest, prosecution, case disposition, prison admissions, and prison population.				
5	<p>Issue: The Corrections Department (NMCD) struggles to track inmate risk assessments, education, programming, medical records, and behavioral records and needs a system to enable proper security placement, better evidence-based treatment placement, and more on-time releases, relieving pressure on the general fund. The department's classification system is insufficient to meet current needs and should be reevaluated and redesigned. Facility capacity and design should be right-sized to meet the needs of a new classification system and the <i>Duran</i> settlement agreement.</p> <p>Goal: Monitor NMCD's continuing efforts to redesign its inmate classification system and the impact of classification and other changes (including population declines, <i>Duran</i> settlement, etc.) on facility capacity usage. Monitor implementation of NMCD's \$9.6 million Offender Management IT System (OMS). Monitor planning efforts for NMCD's electronic health records (EHR) system and evaluate feasibility of using contracts established by the Department of Health for its EHR system. Receive software demonstrations.</p>	Activity reports, budget brief, budget narrative, program evaluation, software demonstrations.	Improved placement of inmates and more efficient use of facilities. Better tracking of program completion, risks and needs, use of solitary confinement, recidivism, and other key metrics.	Rabin / Fresquez (OMS and EHR systems only)	Ongoing
6	Issue: During the 2020 session, the Department of Public Safety (DPS) and the Corrections Department (NMCD) received significant funding for targeted pay increases and pay plans. Additionally, NMCD received one-time funding to conduct satellite correctional academies and DPS received significant funding to decrease the budgeted vacancy rate among state police officers	Quarterly report cards, manpower projection	Improved FY22 budget recommendations.	Rabin	April 2020 (manpower); November/December 2020 (budgets)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	<p>and add new officers. Prior pay increases have failed to improve correctional officer vacancy rates, and DPS's recruitment and retention history suggests it may be difficult for the department to fill its newly-funded positions. DPS and LFC staff have had difficulty communicating around vacancy rates and manpower projections based on differing assumptions and definitions.</p> <p>Goal: Monitor both departments' progress through quarterly reporting to assess the efficacy of these appropriations. Work with DPS to reach an agreement on how to present manpower data (including vacancy rates), reconcile historical manpower data, and develop a revised manpower projection.</p>				

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The COVID-19 pandemic has prompted significant state emergency fund allocations and the federal government has made billions of disaster relief funds and other emergency funding available. The Department of Homeland Security and Emergency Management has historically struggled to administer state and federal emergency funding and there is minimal accountability for the expenditure of these funds. The department has instituted new FY21 performance measures to provide some accountability, but these measures will not be reported until its FY23 budget request.</p> <p>Goal: Monitor the allocation of state emergency</p>	Executive order/disaster allotment database, activity reports.	Increased awareness of emergency funding availability, management, and expenditure. Improved disaster allotment projections for expenditures and reversions.	Rabin	August 2020

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	funding and executive orders, track availability of federal disaster relief funds and other emergency funding sources, and monitor the department's administration of these funds, including tracking how the department communicates with entities and makes them aware of funding opportunities, how it helps them apply for those opportunities, and if entities receive their reimbursements in a timely manner.				
2	Issue: 2020 Senate Bill 245 moved the State Fire Marshal's office to the Department of Homeland Security and Emergency Management, a significant change to the agency's structure and budget. Goal: Monitor the department's transition plan and work with the department to develop a plan for how the department's structure and budget will integrate the new office.	Activity reports, FY22 performance measure recommendations, budget narrative.	FY22 budget recommendation and performance measures that reflect agency's new structure, components, and duties.	Rabin	October 2020
3	Issue: NMCD recently took over operations of Northeastern New Mexico Detention Facility, which faces significant challenges, particularly an extremely high vacancy rate. Goal: Monitor the facility's transition and provide updates on agency progress and challenges faced, including staffing and programming.	Budget narrative, budget preview brief, report from agency to committee, activity reports.	Improved FY22 budget recommendation.	Rabin	October 2020
4	Issue: Need exists for comprehensive criminal records for use by law enforcement and the judicial branch. A centralized clearinghouse would allow the merger of data from multiple criminal justice databases and will be used by the courts and law enforcement to access comprehensive information on criminal suspects and defendants.	Activity reports, budget recommendation.	Comprehensive and easily accessible criminal information statewide.	Rabin / Fresquez / Dick-Peddie	Ongoing

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	Goal: Monitor the continued implementation of the criminal justice clearinghouse at DPS and ensure courts and law enforcement agencies statewide have proper access. Assess how the clearinghouse could fit in to the framework for Sentencing Commission's (NMSC) database project as defined by 2019 House Bill 267. Monitor NMSC's criminal justice data sharing grant program and assess how currently- and newly-funded projects can support these goals.				
5	<p>Issue: The Crime Victims Reparation Commission has received significant increases in recurring funding for sexual assault services and victims of human trafficking over the past two years.</p> <p>Goal: Monitor Crime Victims Reparation Commission's use of expanded budget for sexual assault services programs, providers, and reparation payments. Collect data on amount of funding each provider receives and how many clients served by each provider. Work with the agency to develop better performance measures and reporting for service providers.</p>	Activity reports, budget narrative, budget recommendation, map of providers (illustrating the amount of funding each provider receives, and number of persons served by each provider), periodic reports on service provider performance measures.	Improved FY22 budget recommendation and accountability. Ensure appropriate use of funds.	Rabin	Ongoing

2020 INTERIM WORK PLAN SUMMARY

Connor Jorgensen

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issues: The health insurance program for state employees is facing a deficit created in large part by insufficient rate increases in prior years. The Legislature provided \$10 million in supplemental funding during the 2020 session, but this is likely insufficient to pay for the total cost of the shortfall. However, a lack of regular financial reporting has obscured the extent of the program's underfunding.</p> <p>The 2020 budget includes language requiring the risk management advisory board to meet and requiring regular reporting to DFA and LFC.</p> <p>Objective: Determine the extent of the health benefits shortfall, identify the drivers of the deficit, and attribute the costs properly across state and local government employers to ensure the all participants are paying for the benefits they receive. Work with GSD to ensure FY21 premiums are sufficient to cover program costs.</p>	<p>Develop a format for regular reporting to inform the Legislature on the financial position of the program.</p> <p>Assess the benefits offered by the plan to identify the need for premium increases or benefit reductions to maintain solvency.</p> <p>Attend meetings of the Risk Advisory Board.</p> <p>Activity reports</p> <p>Interim policy brief</p> <p>Policy considerations for Volume I, oversight issues for Volume II, and charts/graphs for Volume III</p>	<p>Increased transparency in state benefit purchasing</p> <p>Responsible plan design and premium changes that improve program sustainability</p>	Jorgensen	Session, 2021
2	<p>Issues: Health insurance is provided through three purchasers: GSD, NMPSIA, and APS. The trifurcation of health benefit purchasing resulted in widely varied costs depending on employers. Previous LFC analysis found teachers covered under NMPSIA plans pay twice as much as state employees for similar insurance plans.</p> <p>During the 2020 legislative session, several bills were introduced to address the disparities.</p> <p>Objective: Study the differences between the plans offered by GSD, NMPSIA, and APS and determine how the disparities in plan cost could be addressed to create a more uniform cost structure for state and educational employees.</p>	<p>Report comparing health insurance plans, overall plan costs, and employee and employer contributions.</p> <p>Analysis of state equalization guarantee (SEG) distributions attributed to insurance and individual district and charter insurance costs.</p> <p>Attend NMPSIA board meetings.</p> <p>Activity reports</p> <p>Interim policy brief</p> <p>Budget recommendations for Volume II.</p>	<p>Efficient SEG distributions.</p> <p>Insurance plan parity and cost savings</p> <p>Improved teacher compensation, recruitment and retention</p>	Jorgensen/Liu	Session, 2021

2020 INTERIM WORK PLAN SUMMARY

Connor Jorgensen

3	<p>Issues: The Legislature provided nonrecurring appropriations for road construction for the second consecutive year. The \$180 million contained in the 2020 GAA brought the total nonrecurring funding allocated for road projects to \$580 million over the past two years. However, a large portion of this funding remains unspent as projects have not yet been designed and, in many cases, are not fully funded.</p> <p>Objective: Determine how the additional non-recurring funding will be spent and projects prioritized. Determine how this funding impacts the long-term plan for improving road conditions.</p>	<p>A timeline for expenditure of funding appropriated with milestones to track progress.</p> <p>Regular reporting on progress of project planning and construction.</p> <p>Attend State Transportation Commission meetings.</p> <p>Activity reports</p> <p>Interim policy brief</p>	<p>Improved project oversight and transparency for road projects</p>	Jorgensen	Ongoing
4	<p>Issues: Despite a smaller state workforce, square footage per FTE is not declining and agencies have not moved out of costly leased space into available state-owned space.</p> <p>Additionally, the condition of state facilities continues to worsen and capital outlay appropriations are likely not sufficient to cover depreciation costs leading to further inefficiencies in use of space.</p> <p>Objectives: Work with agencies and GSD to identify potential areas for savings as well as better understand the need for capital outlay appropriations for state facilities. Work with analysts to identify costly leases and inefficient use of state-owned space to reduce operational costs for agencies. Work with GSD and capital outlay staff to monitor implementation of the facilities master plan and get updated facility condition information.</p>	<p>Report on condition of facilities and monitor efforts to enforce agency responsibilities as they relate to use, care and upkeep of the space they occupy.</p> <p>Attend monthly agency capital outlay meetings.</p> <p>Oversight Issues for Volume II Charts/graphs for Volume III</p>	<p>Increased efficiency of state space utilization</p> <p>Improved understanding of the capital needs of state agencies</p>	Jorgensen LFC capital outlay analyst, analysts, and evaluators GSD staff	Ongoing
5	<p>Issues: Benefits make up a large share of total compensation but do not seem to be increasing employee retention though the cost of these benefits reduces funding available for salary increases.</p> <p>It is likely that salaries for certain jobs are further behind market rates than others. However, it is difficult to tell which positions are in the most need of salary increases as this information has not been made available by SPO.</p>	<p>Evaluation of personnel data to determine where there may be a shortage of qualified applicants leading to high vacancy rates.</p> <p>Attend monthly SPO board meetings.</p> <p>Activity reports</p>	<p>Recommendations for a compensation package that balances the obligations of the state with the preferences of workers</p> <p>Identification of high value, high turnover positions</p>	Jorgensen	Ongoing

2020 INTERIM WORK PLAN SUMMARY

Connor Jorgensen

	Objective: Determine adequacy of state salaries and benchmark the components of the New Mexico compensation package to other states and industries to determine competitiveness.	Interim policy brief Monthly headcount report			
6	Issues: NMRHCA is challenged with developing a long-term solution to funding its program without increasing costs for the state while at the same time maintaining the affordability of the program for plan participants. Objectives: Evaluate the effect of the benefit on recruitment and the impact of providing subsidized health care for pre-Medicare retirees on the state's pension system.	Comparison of the benefit offered by RHCA and the post-employment benefits offered in other states. Attend monthly NMRHCA board meetings. Activity reports Interim policy brief	A more sustainable postemployment health care benefit	Jorgensen	Ongoing
7	Issues: The state of New Mexico purchases health and risk insurance through multiple entities and employs different consultants to manage the programs and track data. However, performance reporting for these functions is neither uniform nor robust. Objectives: Work with insurance purchasing agencies to create a suite of uniform performance measures to better monitor utilization and management of health and risk insurance.	A set of performance measures that can be added to report cards and other LFC documents to provide context on performance of insurance programs. Administrative issues for Volume II Charts/graphs for Volume III	Increased transparency and improved quarterly reporting	Jorgensen	Session, 2021

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Monitor effectiveness of other enterprise services: <ul style="list-style-type: none">• State fleet operations• State purchasing• Surplus property sales• State printing and graphic services	Identify policies and practices that may negatively impact operations. Monitor operating revenues and expenses from enterprise operations.	Successful delivery of high-quality, responsive services from GSD	Jorgensen GSD staff	Ongoing

2020 INTERIM WORK PLAN SUMMARY

Connor Jorgensen

2	Additional meetings to attend: 1. Public Employees Retirement Association 2. Educational Retirement Board 3. Interagency Benefits Advisory Council 4. Public Employee Labor Relations Board	Ongoing updates	Better program understanding and more informed budget recommendations Activity reports	Jorgensen	Ongoing
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2020 INTERIM WORK PLAN SUMMARY

Natural Resources: Caitlyn Wan

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Remediation of the Carlsbad brine well is ongoing. Previous appropriations were accelerated to accommodate higher expenditures in FY20 when construction costs will be highest. Special and capital appropriations were also made for FY21 to address budget shortfall.</p> <p>Goal: Monitor expenditures and cost estimates for remainder of project and progress towards completing remediation.</p>	Track and report on project's progress and expenditures. Include updates in quarterly report cards, activity reports, and Volume 1.	Increase accountability and information regarding progress of brine well remediation and expenditures.	Wan	Ongoing
2	<p>Issue: In a suit pending in the U.S. Supreme Court, Texas alleges New Mexico is unlawfully diverting water between Elephant Butte Reservoir and the New Mexico-Texas state line, thereby interfering with Texas' allocation of water under the Rio Grande Compact. The United States is also pursuing claims in the case. If Texas and the U.S. prevail in this action, New Mexico could be liable for monetary damages and water delivery requirements, and pumping in the Elephant Butte Irrigation District could be curtailed.</p> <p>The 2020 GAA includes \$17 million for the State Engineer to develop and implement a pilot water management project for the Lower Rio Grande, which may help settlement efforts as well as address ongoing water use challenges.</p> <p>Goal: Monitor developments in Texas v. New Mexico and creation of pilot project.</p>	<p>Regular meetings with the Office of the State Engineer and other stakeholders to ensure a responsible, cost-effective pilot project is developed and implemented without delay. Expenditure data and status updates on Texas v. New Mexico.</p> <p>Report on progress in quarterly report cards and activity reports; discussion in Volume 1.</p>	<p>Long-term solution to ongoing water use issues that should improve settlement results in Texas v. New Mexico and ensure New Mexico's compliance with interstate compacts, preventing interstate conflict in the future.</p> <p>Accountability and oversight related to a large financial investment.</p> <p>Informative performance reporting that leads to a more informed, data-driven budget recommendation.</p>	Wan	Ongoing

3	<p>Issue: The Legislature increased appropriations to plug abandoned oil and gas wells from \$2.05 million in FY19 to \$4.65 million in FY20, also reducing the use of the oil reclamation fund for personnel costs. The target for FY20 is to plug 50 wells, and thus far in FY20 EMNRD has plugged none.</p> <p>Goal: Monitor plugging activity and ensure adequate steps are taken to address environmental concerns of unplugged wells on state lands. Monitor budget adjustment requests that transfer funds appropriated for well plugging to other purposes, and ensure the appropriate use of the oil reclamation fund for its intended purpose.</p>	<p>Provide updates on the status of well plugging efforts and justification for the agency not meeting its target in quarterly report cards. Track expenditures from the oil reclamation fund.</p>	<p>Keep LFC informed of progress in reclamation of abandoned wells and use of the oil reclamation fund. Use information to make informed, data-driven budget recommendations.</p>	Wan	Ongoing
4	<p>Issue: The State Parks Program has a high vacancy rate, which may be contributing to the program's reduced revenue as entry fees become unenforceable. NM state parks also have a flat day use fee for vehicle entry to all parks, while other surrounding states vary fees by park or charging more on weekends and/or holidays.</p> <p>The State Parks Program received FY20 funding to open the Pecos Canyon State Park. Opening was scheduled for early summer 2020 before the COVID-19 pandemic; emergency measures will likely delay the hiring process for park technicians and the park opening.</p> <p>Goal: Monitor vacancy rate, plans to change the State Parks day use fee structure, and EMNRD's parks modernization initiative. Monitor status of Pecos Canyon State Park.</p>	<p>Track and report on vacancy rate. Analyze fiscal impact of any proposed changes to the state park fee structure and provide updates in activity reports. Attend site visits and meet with State Parks Director/staff to stay updated on modernization initiative, infrastructure improvements, and new park opening; provide updates in activity reports and quarterly report cards.</p>	<p>Keep LFC informed of any proposals to change state park fee structures and the potential fiscal impact. Oversight of state funds. More informed policy and budget recommendations.</p>	Wan	Ongoing

5	<p>Issue: From FY15 to FY19, the game protection fund was partly used to support state parks. For FY20, the governor vetoed the transfer of \$500 thousand from the game protection fund to the State Parks Program, placing a burden on state parks to find alternate sources to support operations.</p> <p>Goal: Monitor EMNRD budget adjustment requests related to state park maintenance to determine what funds are being used in place of the transfer from the game protection fund.</p>	Activity report items.	Keep LFC informed on EMNRD's ability to find alternate funding sources to replace the usual game protection fund transfer to state parks.	Wan	Ongoing
6	<p>Issue: The Environment Department (NMED) primarily relies on federal funds and revenue generated from fees and penalties for its operating budget, but reports these sources are insufficient to fulfill the agency's responsibilities.</p> <p>Goal: Assist NMED with analysis of funding sources and fiscal impact of raising fees and penalties. Determine which revenue sources can be increased through regulation as opposed to legislation and ensure NMED exercises its authority to do so.</p>	Report on fees and penalties showing which entity has authority over each. Activity report items, updates in quarterly report cards, and Volume 1 discussion.	Informed policy and budget recommendations. Increased revenue generation to avoid general fund impact and improve agency performance.	Wan	Summer/Ongoing
7	<p>Issue: Performance measures for the New Mexico Environment Department focus heavily on administrative performance (e.g. number of inspections conducted, percent of regulated entities in compliance with regulations) rather than public health and safety. Quarterly reports do not supplement performance data with qualitative information about the meaning of each measure or which agency goals each measure supports.</p> <p>Goal: Work with NMED and executive staff to develop measures that better reflect public health and safety, and to improve performance reporting to convey the meaning and relevance of the data presented.</p>	Performance measures that focus on public health and safety rather than administrative processes. Quarterly reports that show data trends and progress towards goals and objectives.	Additional information regarding agency performance and areas in need of improvement, leading to a more informed, data-driven budget recommendation.	Wan	Ongoing

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	Goal: Attend board and commission meetings (Game Commission, Interstate Stream Commission, etc.) as well as Water and Natural Resource Committee and Radioactive and Hazardous Materials Committee meetings in the interim.	Activity report items to inform legislators of board and commission activities.	Informed policy and budget recommendations.	Wan	Ongoing
3	Issue/Goal: Monitor progress in implementing the replacement for the ONGARD system for the State Land Office.	Regularly receive status and oversight reports from SLO.	Provide additional oversight and accountability for state funds; inform legislators of project progress.	Wan	Ongoing
4	Issue/Goal: Monitor implementation and activity of Volkswagen settlement funds.	Attend and report on VW settlement team meetings. Determine when next round of applications will start and report on process.	Provide oversight and accountability for state funds; inform legislators of project progress.	Wan	Ongoing
5	Issue: The Department of Game and Fish received FY21 appropriations of \$600 thousand for vehicle purchases. Goal: Ensure proper allocation of funds in the agency's FY21 operating budget. Monitor vehicle purchases in remainder of FY20 and in FY21.	Activity report items to update LFC members on agency's progress in replacing vehicles that have reached end of life.	Oversight and accountability for appropriations and legislative intent. Informed, data-driven budget recommendations.	Wan	Ongoing

2020 INTERIM WORK PLAN SUMMARY

Capital Outlay: Stevie Olson

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Capital projects can encounter a number of issues that slow down progress, which can be more quickly recognized and addressed through regular tracking and reporting.</p> <p>Goal: Continue \$1 million and greater quarterly reporting to assess progress and or obstacles for capital funding and quarterly reporting of local projects funded between \$300,000 to less than \$1 million, including water, colonias, tribal infrastructure, and aging projects. Review of select projects in the quarterly report.</p>	<p>Develop reports, and assist entities in resolving obstacles delaying project completion; prepare briefs and report results to LFC. Produce and develop reports by county and fiscal agent of local projects within the specified dollar range.</p> <p>Redesign report to reduce time to generate. Perform site visits, including local projects, to gauge the success and value of capital projects and include highlights in the quarterly reports.</p>	<p>Additional time for site visits and data analysis/presentation; project oversight resulting in quantifiable accountability, reporting, and timely expenditure of funds for state-owned and local projects; effective oversight reporting progress of local projects to LFC, legislators, local entities, and the public.</p>	Olson, and analysts	Quarterly (April, July, October, and January)
2	<p>Issue: There is no formal process for introducing capital outlay legislation each session. Generally, an LFC member introduces a bill to fund state agency needs based on recommendations from LFC staff and local projects are added later.</p> <p>Goal: Develop framework of critical funding needs for state-owned facilities and other capital outlay requests for consideration by LFC and the 2020 Legislature.</p>	<p>Determine priorities by reviewing status of current project funding and progress, infrastructure capital improvement plans, and 2021 requests; perform site visits; and attend HED, executive and FMD interim capital hearings.</p>	<p>Develop legislation for effective funding recommendations based on FCI and critical state-asset needs for LFC and legislative review.</p> <p>Identify and report expected future needs (not necessarily requests) based on site visits and communication with agency staff.</p>	Olson, and analysts	December 2020
3	<p>Issue: Some entities do not spend down capital appropriations as quickly as initially proposed, leaving large outstanding balances and a number of projects with slow progress.</p> <p>Goal: Strengthen the link between the status of prior appropriations and project readiness and recommendations for funding for the 2021 legislative session.</p>	<p>Review and consider current project status and project readiness when producing a framework for critical funding needs.</p>	<p>Funding recommendation that accounts for outstanding funds, an entity's capacity to implement additional projects, and project readiness.</p> <p>Proposed criteria for project evaluation (particularly shovel-readiness) based on best practices.</p>	Olson	October 2020
4	Issue: Many local projects encounter issues that	Develop reports and continue	Ensure accountability of funds	Olson	Ongoing

	<p>delay progress. Individual legislators can communicate with local entities and help to address these issues and advance projects.</p> <p>Goal: Continue to update and distribute capital reports by sponsor, as authorized, for state funded projects to assist members in advancing outstanding funds. Identify and address bottlenecks for local projects.</p>	<p>collaboration with Department of Finance & Administration (Capital Outlay Bureau), Council of Governments, Municipal League and Association of Counties to assist legislators and grantees with moving delayed projects.</p>	<p>allocated in previous years and provide legislators with status reports.</p> <p>Partner with legislators, grantees, and state agencies to encourage expeditious implementation and expenditure of funds for capital projects.</p> <p>Highlight common causes of delays in activity reports, quarterly reports, and possibly a brief.</p>		
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SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: In preparing evaluations and budget recommendations, LFC staff often requires information on the status of capital projects.</p> <p>Goal: Coordinate with and provide information to program evaluators and analysts to ensure the effectiveness of agency capital project accountability.</p>	Generate reports as needed by analysts/evaluators and legislators.	Ensure the effective use of state resources to optimize the balance of state-owned and leased space given current resources, legislative and executive priorities, and agency needs for space utilization.	Olson, analysts, evaluators	Ongoing
2	<p>Issue: Legislators, constituents, and the media often have questions regarding capital outlay projects and funding.</p> <p>Goal: Respond to requests for information timely and accurately.</p>	Generate reports as needed by legislators, constituents, and members of the media.	Informed discussion by legislators and the public of the status of individual capital projects and outstanding funding.	Olson	Ongoing
3	<p>Issue: The state cannot afford the capital or operational costs associated with inefficient and run down prisons that do not meet current security level needs. Significant savings could be realized by taking old</p>	<p>Committee hearing, brief, activity reports, budget narrative, meetings with stakeholders.</p> <p>Engage in the master planning process</p>	Reduced incarceration costs, reprioritization of funding towards recidivism reduction.	Olson, Rabin, Fresquez (OMS and EHR systems only)	Ongoing

	<p>prisons offline.</p> <p>Goal: Assess the viability of current facilities and the feasibility of a new facility or housing units with better access to qualified staffing and resources.</p>	<p>with the Corrections Department, the Department of Finance and Administration, the General Services Department, and other stakeholders to help ensure best outcomes.</p> <p>Work with public safety analysts to develop cost-benefit analyses of different facility and housing options.</p>			
7	<p>Issue: Schools receiving federal Impact Aid have expressed serious concern over the state credit of 75 percent of Impact Aid in the statewide equalization guarantee, especially in relation to their ability to complete capital projects. Other concerns remain regarding the current public school capital outlay funding system.</p> <p>Goal: Identify strategies to address the concerns of Impact Aid districts regarding capital funding while maintaining an equitable system statewide.</p>	<p>Attend relevant meetings and conduct site visits at Impact Aid and non-Impact Aid districts, meet with stakeholders to discuss specific concerns and strategies; conduct site visits in communities with a range of property tax bases, including Impact Aid and non-Impact Aid districts; develop potential committee sponsored legislation to address equity issues in public school capital outlay funding, including Impact Aid</p>	<p>More equitable system for funding public school capital outlay statewide</p>	<p>Public education analysts, Rabin, capital outlay analysts</p>	Ongoing
8	<p>Issue: The desire for “community schools” that provide services for families and the public is challenged by concerns regarding school safety and security. In addition, the public school capital outlay funding system is not currently designed to account for the integrated student supports.</p> <p>Goal: Identify best practices regarding community school design that maintain secure facilities. Identify the aspects of community school design that may be useful to include in the statewide public school facility adequacy standards and/or identify other, compatible funding streams that could be combined with public school capital outlay funding to develop community schools.</p>	<p>Whitepaper or brief detailing best practices and proposed funding strategies.</p>	<p>Increased family and community services at schools while maintain student privacy, safety, and security.</p>	<p>Public education analysts, Rabin, capital outlay analysts</p>	Ongoing
9	<p>Issues: Charter schools lack a practical funding mechanism for facilities, and are often forced to rely on leased space or taking on debt at high interest rates. Some charter</p>	<p>Meet with charter school advocates and Public School Facilities Authority staff; conduct site visits to charter school facilities and under-used traditional</p>	<p>Improved equity in facilities between charter and non-charter schools; decreased state expenses for charter school leases.</p>	<p>Public education analysts, Rabin, capital outlay analysts</p>	Ongoing

<p>schools use cash balances from SEG payments for facilities as well. In addition, the mechanics of facility financing (such as using charter school foundations to purchase facilities) are complex and vulnerable to corruption. Many traditional public schools have seen declining enrollment and currently occupy facilities far larger than needed for their current student body.</p> <p>Goal: Develop a funding system for charter schools that limits state risk while providing a more stable source of facility funding for charters. Identify alternative uses for unused traditional public school facility space, including facility/site-sharing with charter schools.</p>	<p>public school facilities, propose changes to the Public School Capital Outlay Council's lease assistance and capital funding programs to better serve charter schools and encourage facility sharing; potential legislation to encourage facility sharing and address concerns regarding facility ownership</p>			
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2020 INTERIM WORK PLAN SUMMARY

Courts and Justice: Dick-Peddie

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: In the 2020 legislative session, contract attorney pay at the public defender department was a large topic of discussion. District attorney offices, however, especially in rural areas, have increasingly relied on contract attorneys to supplement state in-house attorneys, and do not publish or otherwise disclose contract attorney rates.</p> <p>Goal: Compare contract attorney rates in each district for both PDD and district attorney offices to better understand how state dollars are being spent in the justice system.</p>	Request information from each district attorney and PDD office, work with evaluator team and pull from evaluation on procurement in New Mexico.	Hearing brief, budget recommendation, improved HB 2 measures, enhanced data	Dick-Peddie	August 2020
2	<p>Drug courts are largely successful nationwide, and there are various ways to fund them, including leveraging Medicaid or federal grants. Given an increase in funding in FY20, the New Mexico drug courts as well as other specialty courts will be pressed to ensure cost-effectiveness and good outcomes.</p> <p>Goal: Evaluate the impact of increased funding, encourage best practices, evaluate conditions for enrollment, and review drug court billing models for cost-effectiveness and improved outcomes.</p>	<p>Site visits to every district, hearing topic, activity report, budget recommendation.</p> <p>Discuss with evaluation team the possibility of revisiting the 2014 drug court evaluation.</p>	Hearing brief, budget recommendation, expansion of quarterly reports, improved HB 2 measures, enhanced data	Dick-Peddie Esquibel, AOC	August 2020

3	<p>Issue: The Unified Priorities process for the district attorneys was successful in helping legislators benchmark needs around the state in the 2019 legislative session, but the district attorneys did not continue the practice for the 2020 legislative session, resulting in widely ranging, disorganized budget requests.</p> <p>Goal: Improve and solidify the Unified Priorities process and resulting requests to the legislature.</p>	Activity reports, budget recommendations.	Optimization of district attorney funding distribution, hearing brief.	Dick-Peddie AODA, District Attorneys	August 2020
4	<p>Issue: The legislature has continued to invest in providing civil legal service aid through funds like the civil legal service fund at DFA, which contracts with private organizations to provide services to indigent clients. However, currently there are few guardrails in place to monitor the effectiveness of those contracts, making it unclear how state dollars are being spent.</p> <p>Goal: Ensure that resources appropriated for the purpose of civil legal service aid are aligned with need. Consider additional monitoring and reporting requirements from contractors to ensure program outcomes.</p>	Site visits, activity report, budget recommendation, hearing brief.	Reporting requirements for contractors receiving state dollars for civil legal services.	Dick-Peddie Nichols, DFA	September 2020

5	<p>Issue: Improved reporting from the Public Defender Department has demonstrated strengths and weaknesses in indigent defense. Contract attorneys lag far behind the in-house public defenders.</p> <p>Goal: Determine the most cost effective and equal access to justice solutions for providing indigent defense in New Mexico.</p>	<p>Review PDD standards of indigence. Evaluate alternatives for providing indigent defense in rural NM and determine which is most efficient and desirable.</p>	<p>Hearing brief, activity report, budget recommendation, potential legislation</p>	<p>Dick-Peddie, Nichols, PDD</p>	<p>September 2020</p>
6	<p>Issue: Following a year of criminal justice reform work from stakeholders in the system, the legislature has enacted significant changes and investments into improving outcomes but with no mechanism for evaluating its success.</p> <p>Goal: Monitor and support implementation of reforms around the state by determining best practices and future needs.</p>	<p>Site visits, hearing topic, activity report, budget recommendation.</p>	<p>Site visits, hearing topic, activity report, budget recommendation.</p>	<p>Dick-Peddie, Rabin, various agencies</p>	<p>September 2020</p>
SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	<p>Issue: New Mexico lags in national rankings in Medicaid fraud recovery despite high number of claims, most notably in the recent audit of behavioral health providers.</p> <p>Goal: Identify areas for improvement in fraud prosecutions to ensure allegations of waste, fraud, and abuse in the Medicaid system are properly investigated and prosecuted.</p>	<p>Organize meeting with agency staff to discuss audit compliance and enforcement efforts; updates on Medicaid fraud prosecutions; determine what actions should be taken to limit Medicaid fraud in New Mexico; activity reports</p>	<p>Better understanding of the Medicaid enforcement system.</p>	<p>Dick-Peddie, Ruby Ann, Evaluators</p>	<p>September 2020</p>

2	<p>Issue: The Texas v. New Mexico lawsuit will conclude in 2020 after several years, and millions of dollars, spent on litigation. The NMAG may be forced to settle the suit and look for alternatives to the water issues facing New Mexico.</p> <p>Goal: Evaluate what worked and what didn't for Texas v. New Mexico, including funding for contract attorneys. Identify policies and funding strategies that maximize potential lawsuit outcomes for the state.</p>	<p>Hearing topic, activity report, budget recommendation.</p> <p>Work with appropriate agencies to ensure policies are in place to implement recent reforms successfully.</p>	<p>Provide the Legislature with actual cost estimates and more transparency of the litigation.</p> <p>Better understanding of interstate water deliveries.</p>	Dick-Peddie, Wan	September 2020
3	<p>Issue: Language in the appropriation for the Public Defender Department (PDD) allows for the use of hourly rates to compensate contract counsel in the most serious cases for a maximum of \$3 million.</p> <p>Goals: review rate methodology and administration within PDD and other government agencies and compare to determine reasonable costs associated with the implementation of the</p>	<p>Report on other rate structures within state government as compared to the rate structure and costs suggested by PDD, evaluate the practicality of implementing hourly rates long term, including</p>	<p>Provide Legislature with actual cost estimates and more transparency in the creation of PDD hourly rate structure.</p>	Dick-Peddie , PDD, AODA	September 2020
4	<p>Judiciary: Attend Justice Coordinating Council meetings, Chief Judges Council meetings, Judiciary Budget Committee meetings, and Drug Court Advisory Committee meetings.</p>	<p>Travel memos, activity reports</p>	<p>Improved communication between the legislative and judicial branches regarding legislative intent, judiciary status, progress, problems, and goals.</p>	Dick-Peddie	Ongoing
5	<p>PDD: attend commission meetings and training events</p>	<p>Travel, memos, activity reports, budget recommendation</p>	<p>Learn more about the relationship between PDC and PDD in order to have better budget and policy</p>	Dick-Peddie	Ongoing
6	<p>DAs: attend meetings and training events</p>	<p>Travel, memos, activity reports, budget recommendation</p>	<p>Better understand budget needs for recommendations.</p>	Dick-Peddie	Ongoing
7	<p>Justice system: Attend various Criminal Justice Coordinating Council meetings around the state</p>	<p>Travel memos, activity reports, measurement of success for coordinating councils</p>	<p>Develop an understanding of cooperation of justice partners across the state</p>	Dick-Peddie, Rabin	September 2020

2020 INTERIM WORK PLAN SUMMARY

Department of Information Technology (DoIT): Brenda Fresquez

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: In FY19 and FY20 the Legislature appropriated a total of \$142 million from all sources, including \$53.4 million from the general fund for several agency's information technology (IT) projects. There are concerns with some ongoing projects that are high risk due to the complexity and overall cost, and others that have fallen significantly behind schedule, and have limited status reporting. While DoIT requires state agencies to submit monthly project status reports, it may not have the resources to adequately monitor projects, including risks, to ensure projects are successfully implemented.</p> <p>Several large, costly and risky IT projects underway, were granted additional funding in the 2020 General Appropriation Act and some have demonstrated limited progress.</p>	<p>Program evaluations on DoIT's Cybersecurity project, and the Corrections Department's replacement of its Offender Management System, included in the Program Evaluation Work Plan;</p> <p>Monthly Project Certification Committee participation;</p> <p>Quarterly IT report cards;</p> <p>Attend and report to Science, Technology and Telecommunication Committee during the interim;</p> <p>Activity reports.</p>	<p>Keep legislators and stakeholders informed of key decisions regarding IT systems;</p> <p>Identify/propose language in the General Appropriations Act that could improve IT oversight to improve efficiency and accountability;</p> <p>Informed IT funding recommendations.</p>	Fresquez, Analysts	Ongoing; Hearing.
2	<p>Issue: Laws 2018 appropriated funding \$1 million to DoIT for a statewide cybersecurity assessment and to identify and implement security-related tools for compliance monitoring and cybersecurity risk management. In November 2018, the Project Certification Committee approved \$80 thousand the initiation phase. While DoIT has contracted for a cybersecurity subject matter expert, the status of the project is unknown. Further, Laws 2019, Chapter 271 appropriated \$6 million to implement an enterprise cybersecurity operation center system.</p> <p>Goals/Objectives: Determine the status of DoIT's cybersecurity assessment, and the status of the State's IT security posture.</p>	<p>Program Evaluation Report on DoIT's cybersecurity project and the status of the State's IT security posture;</p> <p>Monthly Project Certification Committee participation;</p> <p>Quarterly IT report cards;</p> <p>Attend and report to Science, Technology and Telecommunication Committee during the interim;</p> <p>Activity reports;</p> <p>Volume I Policy brief.</p>	<p>Keep legislators and stakeholders informed on key decisions and status of the state's cybersecurity posture.</p> <p>Informed IT budget recommendations.</p>	Fresquez	Ongoing Hearing

3	<p>Issue: DoIT's 2014 Statewide Strategic Broadband Plan for availability has yet to be updated, and existing efforts to improve access may be duplicative or poorly leveraged.</p> <p>Laws 2019, Chapter 271, appropriated capital outlay funding of \$10 million to DoIT for broadband expansion, including assessments and contracts, in rural areas statewide. DoIT will likely have broad discretion on how it will use the funding and has reported limited progress.</p> <p>Goals/Objectives: Determine the progress of DoIT's rural broadband project, including the rural broadband assessment and the status of an updated strategic plan.</p>	<p>Report on status of the DoIT's rural broadband project, including the development of a statewide plan, monitor spending, and progress on DoIT broadband initiatives;</p> <p>Attend pertinent broadband meetings at DoIT, and other appropriate entities;</p> <p>Report on status of broadband infrastructure and deployment of rural broadband;</p> <p>Attend and report to Science, Technology and Telecommunication Committee during the interim;</p> <p>Policy brief.</p>	<p>Update for legislators and stakeholders on key decisions and accomplishments regarding broadband access.</p> <p>Informed IT budget recommendations.</p>	Fresquez, Hoffmeyer, Capital outlay analyst(s)	Ongoing Hearing
4	<p>Issue: DoIT establishes rates for providing IT services to state agencies, having impact on agency budgets. DoIT recently modified its rate-setting and cost allocation process and concerns remain because rate-setting is not always substantiated by a documented process and not transparent. DoIT budget requests typically overestimate the amount of revenue the enterprise rates will generate. Also, in the past DoIT has exceeded full cost recovery for some services.</p> <p>DoIT's new billing system project includes the implementation of a cost module that will provide DoIT the capability to develop a cost allocation methodology that will improve rate setting process.</p> <p>Goals/Objectives: Ensure DoIT provides IT services and infrastructure for state agencies at appropriate rates and promote transparency and accountability of the state investment in agency's IT systems.</p>	<p>Monitor progress on DoIT's implementation of the cost allocation model in the cost module of the new billing system;</p> <p>Analysis of rate-setting process;</p> <p>Evaluate rates and impact on agency budgets;</p> <p>Participation in IT rate committee meeting;</p> <p>Attend DoIT planning meeting for the C2 process; review agency IT requests; participate in state agency presentations;</p> <p>Preparation for development of IT recommendations for FY22.</p>	<p>Improved accountability and transparency in the IT rate setting process;</p> <p>Propose legislation for improving the state's IT governance structure;</p> <p>Informed budget recommendations.</p>	Fresquez	Ongoing

2020 INTERIM WORK PLAN SUMMARY

General Government: Alison Nichols

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The 2020 election faces a number of potential risks, including cyber threats, misinformation, interference from foreign actors, as well as a possible threat from an ongoing COVID-19 spread.</p> <p>Goals:</p> <ul style="list-style-type: none"> • Review key risks to 2020 election. • Assess how SoS is preparing for election risks. • Assess contingency plans in the case of ongoing COVID-19 spread, including coordination with other agencies (e.g. DOH). 	<ul style="list-style-type: none"> • Site visits • Brief • Activity reports • Reporting to Director/Deputy Director 	<ul style="list-style-type: none"> • Better election preparedness • Lessons learned for future elections • Improved budget recommendations for FY22 	Nichols	December 2020
2	<p>Issue: The upcoming 2020 Census is critical for New Mexico to maintain its federal representation, as well as receive federal funds for key programs like Medicaid. As in previous census years, New Mexico is at risk of undercount. In the 2020 legislative session, DFA received \$8 million in general fund appropriations to conduct census outreach activities.</p> <p>Goals:</p> <ul style="list-style-type: none"> • Assess readiness for April start to Census. • Assess contingency plans in the case of ongoing COVID-19 spread, including coordination with other agencies (e.g. DOH). • Account for spending of \$8 million. • Review Census operations post-Census. 	<ul style="list-style-type: none"> • Brief or memo (e.g. lessons learned review) • Activity reports • Reporting to Director/Deputy Director 	<ul style="list-style-type: none"> • Lessons learned for next Census • Transparent accounting of how state funds were spent 	Nichols	August 2020

3	<p>Issue: New Mexico's Gross Receipts Tax (GRT), which taxes a broader range of services than most states, and poses tax pyramiding problems, is often cited as a barrier to doing business in the state. Possible reforms have been discussed over the years.</p> <p>Goals:</p> <ul style="list-style-type: none"> • Review previous and current GRT reform efforts. • Identify barriers to GRT reform. • Monitor status and output of governor's expert tax advisory committees. 	<ul style="list-style-type: none"> • Memo • Activity reports • Reporting to Director/Deputy Director 	<ul style="list-style-type: none"> • Options for GRT reform 	Nichols	October 2020
4	<p>Issue: The State Ethics Commission (SEC) started operations at the beginning of 2020. As of March, the Commission had received one complaint. It is important that lawmakers stay informed of the Commission's activities and operations, including how it is spending appropriated funds.</p> <p>Goals:</p> <ul style="list-style-type: none"> • Monitor the SEC's activities, including complaints and advisory opinions. • Track SEC spending of state funds. 	<ul style="list-style-type: none"> • Brief or memo • Activity reports • Reporting to Director/Deputy Director • Possible budget recommendations 	<ul style="list-style-type: none"> • Effective operations of the ethics commission • Oversight of commission spending of state funds 	Nichols	Ongoing

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	<p>Issue: DFA does not have a robust process for oversight of capital outlay funds to local governments.</p> <p>Goals:</p> <ul style="list-style-type: none"> • Understand and assess DFA's oversight of local government capital outlay funding. • Monitor and report on how local governments are spending capital outlay funds. 	<ul style="list-style-type: none"> • Activity reports and/or memos • Reporting to Director/Deputy Director 	<ul style="list-style-type: none"> • Enhanced oversight of capital outlay funds • Efficient and effective spending of local capital outlay funds 	Nichols	Ongoing

2	<p>Issue: The Taxation and Revenue Department (TRD) is making ongoing changes and upgrades to its IT systems, partly in response to 2019 legislation that made significant changes to the tax code. These changes may require further funding, including \$5 million in contingency funding from the 2020 legislative session.</p> <p>Goals:</p> <ul style="list-style-type: none"> Monitor spending and progress on IT initiatives. Understand future IT budget needs. 	<ul style="list-style-type: none"> Activity reports Reporting to Director/Deputy Director 	<ul style="list-style-type: none"> Effective spending on IT projects Timely completion of needed IT changes 	Nichols	Ongoing
3	<p>Issue: The Law Enforcement Protection Fund (LEPF) distributes money to local and tribal police departments for equipment, training, as well as for the Peace Officer Survivors' Fund. There is limited oversight of how funds are distributed or effectiveness of spending.</p> <p>Goals:</p> <ul style="list-style-type: none"> Assess whether funding is efficiently and equitably distributed to police departments. Monitor and review how funds are spent, including adherence to evidence-based practices. Assess potential changes to distribution and/or spending requirements of funds. 	<ul style="list-style-type: none"> Activity reports and/or memo Reporting to Director/Deputy Director Possible budget recommendation 	<ul style="list-style-type: none"> Improved oversight of LEPF distributions and spending Improved LEPF program outcomes Improved FY22 budget recommendation Potential changes to LEPF distribution formula 	Nichols	Ongoing
4	<p>Issue: There is a lack of oversight on how Local Driving While Intoxicated (LDWI) funds are spent and the impacts of programs. The program could likely leverage Medicaid more effectively and better coordinate programming with the Behavioral Health Services Division (BHSD).</p> <p>Goals:</p> <ul style="list-style-type: none"> Monitor and review how LDWI funds are spent. Assess how the program leverages Medicaid funding. Assess how LDWI programming adheres to evidence-based practices and aligns with BHSD programming. Assess outcomes of LDWI programs. 	<ul style="list-style-type: none"> Activity reports Reporting to Director/Deputy Director Possible budget recommendation 	<ul style="list-style-type: none"> Improved oversight of LDWI spending Improved LDWI program outcomes Improved FY22 budget recommendation 	Nichols	Ongoing

5	<p>Issue: The legislature has continued to invest in providing civil legal service (CLS) aid through funds like the civil legal service fund at DFA, which contracts with private organizations to provide services to indigent clients. However, currently there are few guardrails in place to monitor the effectiveness of those contracts, making it unclear how state dollars are being spent.</p> <p>Goals:</p> <ul style="list-style-type: none"> • Ensure that resources appropriated for CLS aid are aligned with needs. • Consider additional monitoring and reporting requirements from contractors to ensure program outcomes. • Assess outcomes of CLS programs. 	<ul style="list-style-type: none"> • Site visits • Activity reports and/or memo • Possible budget recommendation 	<ul style="list-style-type: none"> • Improved oversight of CLS program • Improved CLS program outcomes • Improved FY22 budget recommendation 	Nichols, Dick-Peddie	September 2020
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2020 INTERIM WORK PLAN SUMMARY

LFC Economists

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Develop economic impact analyses on the effects of COVID-19 on state finances and macroeconomic factors. The pandemic's impacts and governmental and consumer responses have significant implications on economic behaviors that directly affect tax revenue. Research and analyze these impacts as they pertain to revenues and the state economy. Provide comparisons to other states.</p> <p>Work with consensus estimating group to produce monthly revenue scenario updates to policy makers.</p>	Memo(s), hearing topic for interim committees, estimates of fiscal impact, incorporation to CREG estimates	Informed legislators, staff, and public	LFC economists, TRD economists, DFA economists, other experts	Interim
2	<p>Work with TRD to ensure continuity in tax revenue reporting, particularly in developing more comprehensive GRT reporting. Work with DFA to optimize general fund report to increase level of detail while maintaining consistency with historical data. As TRD takes over the management of insurance premium tax revenues, work with TRD on reporting outputs for this revenue source.</p> <p>Create and maintain a repository of sun-setting tax credits and deductions to incorporate into official CREG documents. Improve accuracy of existing revenue forecasting models. Revise GRT effective tax rate calculations and improve forecasting of revenue impacts from significant changes in the oil and gas industry. Update databases used for fiscal impact reports and revenue forecasting models. Update oil and gas rules of thumb for revenue impacts.</p>	Improved LFC revenue models and tracking	Reduced forecasting error, improved confidence in revenue forecasts and fiscal impact report estimates, improved oil and gas impact forecasting for gross receipts and income taxes	LFC economists, TRD economists, DFA economists	Interim
3	<p>Continue researching the effects of chapter 270 of the 2019 session (HB 6) which implemented several significant tax changes, including an additional income tax bracket, combined reporting for corporate income taxes, expansion of the GRT base to certain hospitals and online sellers, and addition of local GRT increments to online sales and compensating tax.</p> <ol style="list-style-type: none"> 1. Work with TRD to research and update estimates of out-of-state revenues from internet sales and revenues from nonprofit hospitals. 2. Work with TRD to research the impacts of a new tax bracket for high income earners, compare the effects in revenue stability of adding a new top rate versus a more progressive rate structure that also widens existing brackets. 	<p>Memo comparing PIT rate changes to a more gradual rate structure; possible hearing</p> <p>Memo summarizing research on combined reporting</p> <p>Updated revenue forecasting models</p>	Informed legislators, staff, and public	LFC economists, TRD economists, DFA economists, other experts	Interim

4	Chapter 87 of the 2019 session (SB 2) significantly expanded the film tax credit and required additional reporting from the industry and state agencies, including an annual requirement for LFC, TRD, and EDD to produce a joint, annual report to the LFC. Work with TRD and EDD to analyze the impacts of the credit, to collect additional information from the film industry and find areas of improvement in performance measurements. Use additional reporting to research the cost and timing of the credit and the response of the film industry to changes in the credit.	Possible memo based on additional reported data, possible hearing topic, estimates of fiscal impacts	Informed legislators, staff, and public	LFC economists, EDD economists, TRD economists, economic developers	Interim
5	<p>The failure of oil exporting countries to reach production agreements has cratered oil prices less than four years after the last oil production crash, and subsequent production boom. The extreme volatility coupled with the outsized share of recurring revenues leaves state finances and economic health vulnerable to non-business cycle swings.</p> <p>Work with LFC staff, relevant state agencies, and field experts to develop diversification strategies that will support the state's financial security through industry development, tax reform, and other relevant income streams.</p>	Hearing, brief, research materials	Informed legislators, staff, and public	LFC economists, LFC analysts, Relevant Experts, State Agencies	Interim

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	The LFC economist manual needs continual refreshing to improve instructional guides. Update resource library, improve summaries essential economist functions and procedures, and update instructional guides for existing forecast models.	An updated LFC economist manual A centralized repository of LFC forecasting models	An improved resource library and guidance for current future economists	LFC economists	Interim
2	Continuing education in advanced modeling techniques, statistical analysis, and national tax policy trends through online education courses and industry conferences.	Activity report items	Improve revenue forecast results	LFC economists	Interim

3	<p>Legalization of recreational cannabis was on the governor's call during the 2020 session, was the focus of a governor's task force, and will likely be introduced in the upcoming session. Research potential methods of taxation and tax rates imposed by other states, and estimate potential revenues. Work with TRD and DFA on revenue estimates and tax policy analysis. Collaborate with TRD to reach a consensus on estimates of the 2020 legislation.</p>	<p>Possible memo, forecast models for FIR analysis</p>	<p>Informed legislators, staff, and public</p>	<p>LFC economists, TRD economists, DFA economists, other experts</p>	<p>Interim</p>
4	<p>LFC produces Finance Facts topics are periodically updated. Proposed updated topics include general fund reserves and oil and natural gas revenue. LFC's website includes an extensive document titled "The Fiscal Structure of New Mexico" that was last updated for FY02. Update the fiscal structure document to reflect changes made up through the 2020 legislative session.</p>	<p>Production of updated finance facts & update fiscal overview</p>	<p>Informed legislators, staff, and public</p>	<p>LFC economists</p>	<p>Interim</p>
5	<p>The executive's authority to allocate funding for emergencies is not well understood and there is little accountability for such expenditures. Minimal changes have been made since a 2006 LFC program evaluation found that state law is unclear on the definitions of "disaster" and "emergency" for funding purposes and that executive orders have been used to fund recurring expenditures better suited for agency operating budgets. In FY19, the executive spent almost \$30 million in disaster allotments, while LFC projections only budgeted \$16 million. Furthermore, general fund reversions have been historically difficult to predict, with confusion between the Legislature and Executive on how to account for increased reversion expectations. Work with LFC analysts to study the processes and indicators of the two fiscal issues and develop new approaches to manage their impacts.</p>	<p>Possible memo, forecast models</p>	<p>Improve revenue forecast results and accountability of emergency funding and reversions</p>	<p>Rabin/ Latimer/ LFC economists</p>	<p>Interim</p>
6	<p>At the end of FY19, the Office of the Superintendent of Insurance (OSI) transferred management of the Insurance Tax program to the Taxation and Revenue Department (TRD). Prior to the transfer, it was unclear why the Department of Finance and Administration (DFA) receipts of the revenue did not match the reported revenue by OSI. Work with TRD to breakout insurance revenues and match reporting with bookings by DFA.</p>	<p>Forecast models, tracking reports</p>	<p>Improve revenue forecast results and revenue tracking procedures that improve revenue accountability</p>	<p>LFC economists/ TRD economists/ DFA</p>	<p>Interim</p>

7	<p>Without a robust process for oversight, capital outlay distributions to local governments are frequently sidelined for years due to a number of issues from underfunding to a lack of preparedness or expertise. The inefficient deployment of capital funds results in an economic opportunity loss for which the funds and time could have been used to develop state infrastructure and spur growth and business activity.</p> <p>In collaboration with LFC staff, assess current capital outlay oversight and develop recommendations for its improvement.</p>	Activity reports, memos	Enhanced oversight of capital outlay funds, efficient and effective spending of local capital outlay funds	LFC economists, Nichols	Ongoing
8	<p>Consumer spending declines resulting from the COVID-19 epidemic will negatively impact associated gross receipts tax revenues. As a result, local government funding from this source is expected to decline.</p> <p>Support local governments in estimating the gross receipts tax impacts of COVID-19 and develop recommendations for supporting local tax revenues.</p>	Activity reports, memos, forecast models, tracking reports	Improved revenue estimation for local and state finances through collaboration	LFC Economists, Nichols	Ongoing