

# **LFC 2021 STAFF INTERIM WORK PLANS**

## **TABLE OF CONTENTS**

PAGE NO.

PUBLIC SCHOOLS AND HIGHER EDUCATION	
Sunny Liu/Mark Valenzuela/Martha Becerra .....	1
HEALTH AND HUMAN SERVICES	
Kelly Klundt/Ruby Ann Esquibel.....	6
ECONOMIC DEVELOPMENT	
Jacqueline Martinez .....	21
PUBLIC SAFETY	
Ellen Rabin.....	25
TRANSPORTATION/PENSIONS AND BENEFITS	
Connor Jorgensen .....	31
NATURAL RESOURCES	
Caitlyn Wan .....	34
CAPITAL OUTLAY	
Stevie Olson .....	39
JUDICIARY/GENERAL GOVERNMENT	
Amanda Dick-Peddie .....	41
Jessica Hitzman.....	45
Alison Nichols .....	49
REVENUE/ECONOMISTS	
Dawn Iglesias and Ismael Torres.....	52

## 2021 INTERIM WORK PLAN SUMMARY

### Education (Becerra, Liu, Valenzuela)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: <i>Federal Relief Funds</i>. Schools will receive nearly \$1.6 billion from federal CARES, CRRSA, and ARP funds to address Covid-19 and operational needs. If schools do not use these funds timely, balances will revert to the federal government.</p> <ul style="list-style-type: none"> <li>Goal: Monitor public school federal fund expenditures, particularly items relating to addressing learning loss</li> <li>Goal: Analyze changes in student connectivity due to federal broadband expansion efforts</li> </ul>	<ul style="list-style-type: none"> <li>Policy brief and potential LFC hearing topic</li> <li>Volumes 1, 2, and 3</li> <li>Activity reports</li> </ul>	<ul style="list-style-type: none"> <li>More efficient budgeting and spending practices</li> <li>Improved transparency and accountability</li> <li>Maximized use of state resources</li> </ul>	Liu, Valenzuela, Becerra, Hitzman	April 2021
2	<p>Issue: <i>Multicultural Education</i>. The Legislature appropriated funds to tribal governments and removed credits for federal Impact Aid payments in the public school funding formula. Additionally, investments in bilingual and culturally appropriate curricula, teaching endorsements and other services to close the achievement gap in minority and English language learning students have been made. The state should evaluate how these funds address minority student needs as intended by the Legislature.</p> <ul style="list-style-type: none"> <li>Goal: Analyze tribal education department and tribal library services and requested needs</li> <li>Goal: Monitor spending of tribal remedy framework requests</li> <li>Goal: Monitor spending of uncredited Impact Aid revenue</li> <li>Goal: Review standards of ELL Curricula and Services used and available data to determine if they are meeting their target goal of improving ELL student outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Policy brief and potential LFC hearing topic</li> <li>Site visits</li> <li>Volumes 1 and 2</li> <li>Activity reports</li> </ul>	<ul style="list-style-type: none"> <li>Improved minority student outcomes</li> <li>Equitable distribution of operational and capital outlay funding</li> <li>Increased tribal collaboration and engagement</li> </ul>	Liu, Valenzuela, Becerra	August 2021

3	<p>Issue: <i>Dual Credit</i>. During the 2021 legislative session, members wanted to know the cost of dual credit. Since dual-credit is a program funded and executed by both the 9-12 education system and the higher education system, it is necessary to investigate the cost incurred of each sector to find the total cost. By putting a definitive cost on the program, the legislature can make a more informed appropriation.</p> <p>Goal: Research the ways districts offer and deliver dual credit instruction and the costs incurred by the district and by the partnering higher education n institution of each</p> <p>Goal: identify best practices of delivery and the most cost-effective methods</p> <p>Goal: analyze findings to answer whether the dual credit program is appropriately funded</p> <p>Goal: Research the ways higher education institutions offer and deliver dual credit instruction and the costs incurred by the district and by the partnering higher education institution of each</p> <p>Goal: identify best practices of delivery and the most cost-effective methods</p>	<ul style="list-style-type: none"> <li>• Potential policy brief and LFC hearing topic</li> <li>• Volumes 1, 2, and 3</li> <li>• Activity Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient use of appropriated funds</li> <li>• Improved practices of curricula and service delivery</li> <li>• Closer review of program</li> <li>• Strategic use of resources to improve student outcomes</li> <li>• Policy recommendations</li> </ul>	Becerra, Valenzuela, Liu	August 2021
4	<p>Issue: <i>Higher Education Funding Formula</i>. The higher education performance-based funding formula – intended to signal accountability at institutions by right sizing funding for improved performance – has been effective at increasing the number of student certificates or degrees. Student outcomes, however, have not necessarily improved evenly and several structural or operational flaws (e.g., one-size-fits-all market share approach, singular focus on only a portion of instructional funding - state appropriations, use of hold-harmless or equity adjustments, etc.) create inequities within the statewide higher education system. The result distorts the comparative analysis of performance among campuses. Both the LFC and HED have indicated they will create workgroups to address the issues.</p> <ul style="list-style-type: none"> <li>• Goal: Staff the LFC workgroup or subcommittee who will review the formula and any work done by HED.</li> <li>• Goal: Attend HED Secretary workgroup.</li> </ul>	<ul style="list-style-type: none"> <li>• Agenda items for LFC workgroup</li> <li>• Monthly briefs to support LFC workgroup hearings</li> <li>• Simulation/Scenarios of formula variables to share with workgroups.</li> <li>• Proposal to add or delete performance metrics.</li> <li>• Policy discussion, analysis or charts in Volumes 1, 2, and 3</li> </ul>	<ul style="list-style-type: none"> <li>• Improved transparency and accountability</li> <li>• Consensus agreement on funding formula revisions and operation</li> <li>• Simplified understanding of the mechanics of the formula based on policy guidance</li> <li>• Improved funding formula recommendation reflecting performance of institutions</li> </ul>	Valenzuela, Becerra, Fischer, Lobaugh	Ongoing through interim, December 2021 final for budget recommendation

	<ul style="list-style-type: none"> <li>• Goal: Work with LFC staff to coordinate, research and provide needed information to support the LFC workgroup/subcommittee and HED workgroup as appropriate and as needed.</li> <li>• Goal: Develop a list of possible revisions to the formula for adoption by the LFC.</li> <li>• Goal: Revise the funding formula to ensure it treats all institutions fairly, based on quantifiable performance.</li> </ul>				
5	<p>Issue: <i>Recruitment, Retention and Minority Student Services</i>. Total enrollment at the state's 24 public colleges and universities has declined by 16 percent over the past five years. During the same time period, high school graduation has increased by 11 percent. Several variables may be impacting enrollment: (1) high-school graduates transition to college or career, (2) apprenticeship programs luring candidates away from community colleges, (3) students are graduating on time or dropping out without notice, or (4) students are choosing to leave the state. High schools do not track the career or educational paths after their students graduate and institutions of higher education do not track students who withdraw or transfer from their institution. Additionally, the legislature has invested in RPSP funding targeted at providing additional services to minority students to improve college recruitment, experience, retention, and outcomes.</p> <ul style="list-style-type: none"> <li>• Goal: Work with HED to acquire data from national sources to identify where college or career path for high school graduates in New Mexico.</li> <li>• Goal: Work with institutions of higher education to identify enrollment and recruitment strategies that are in use and are effective.</li> <li>• Goal: Identify major minority student service programs, their inputs and outcomes</li> <li>• Goal: Analyze available data to answer whether these programs are meeting their intended purpose</li> <li>• Goal: Work with institutions of higher education to</li> </ul>	<ul style="list-style-type: none"> <li>• LFC interim hearing</li> <li>• Policy brief for hearing</li> <li>• Background material for LFC budget recommendation</li> <li>• Activity report items</li> <li>• Proposed legislative revisions or additions</li> </ul>	<ul style="list-style-type: none"> <li>• Increased recruitment of New Mexico students to institutions of higher education.</li> <li>• Greater headcount enrollment</li> <li>• Quality data reporting framework to track student enrollment and retention</li> </ul>	Valenzuela, Becerra, Evaluator	July 2021 Hearing December 2021 LFC recommendation

	<p>identify administrative obstacles to enrollment or recruitment strategies.</p> <ul style="list-style-type: none"> <li>Goal: Prepare a white paper on best practices for recruiting local students and retaining them to completion.</li> </ul>				
--	---	--	--	--	--

## SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: <i>Teacher Workforce and Preparation</i>. Laws 2018, Chapter 55, requires LFC, LESC, and PED to evaluate the impact of the teacher cost index on teacher staffing costs, retention, and experience level in FY22. Given increased alternative licensing, low candidate diversity, and chronically high attrition rates, the state needs to create a more sustainable teacher pipeline.</p> <ul style="list-style-type: none"> <li>Goal: Monitor and evaluate statewide trends in teacher compensation, preparation, licensure, retention, recruitment, placement, diversity, experience, and working conditions</li> <li>Goal: identify barriers into the teaching field</li> <li>Goal: Review EPP content and standards</li> </ul>	<ul style="list-style-type: none"> <li>Annual report and potential LFC hearing topic</li> <li>Potential program evaluation</li> <li>School district dashboards</li> <li>Performance measures</li> <li>Volumes 1, 2, and 3</li> </ul>	<ul style="list-style-type: none"> <li>Competitive compensation with other states and professions</li> <li>Adequately and appropriately prepared educators</li> <li>Improved recruitment and retention in hard-to-staff subjects and geographic areas</li> </ul>	Liu, Becerra, LESC, Evaluation Team	October 2021
2	<p>Issue: <i>Extended Learning</i>. The Legislature provided sufficient funding for K-5 Plus, Extended Learning Time Program (ELTP), and additional instructional time (AIT) pilot participation in FY22. Increased statewide participation will reduce funding reversions and improve student outcomes.</p> <ul style="list-style-type: none"> <li>Goal: Monitor FY22 and estimate FY23 K-5 Plus and ELTP participation</li> <li>Goal: Monitor implementation of AIT pilots</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly report card</li> <li>Performance measures</li> <li>Activity reports</li> <li>Volumes 1, 2, and 3</li> </ul>	<ul style="list-style-type: none"> <li>Increased student academic achievement</li> <li>Reduced food insecurity</li> <li>Increased compensation and professional development</li> <li>Reduced childcare costs</li> <li></li> </ul>	Liu	November 2021

3	<p>Issue: <i>Community Schools Long-Term Strategic Plan</i> The legislature has invested significantly in the community schools program. A collaboration with the Public Education Department to help the community schools bureau formulate a strategic plan for future use of community schools funds will help ensure efficient and strategic use of funds</p> <ul style="list-style-type: none"> <li>• Goal: Collaborate with PED to develop a 5-year strategic plan</li> </ul>	<ul style="list-style-type: none"> <li>• Potential policy brief and LFC hearing topic</li> <li>• Site Visits</li> <li>• Volumes 1, 2, and 3</li> <li>• Activity Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient use of appropriated funds</li> <li>• More efficient budgeting and spending practices</li> <li>• Policy recommendations</li> <li>• </li> </ul>	Becerra	August 2021
4	<p>Issue: <i>Adult Education Initiatives: Funding and Outcomes.</i> The legislature has made significant investments in adult basic education.</p> <ul style="list-style-type: none"> <li>• Goal: identify program delivery with ABE funds</li> <li>• Goal: analyze available data to identify progress and outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Potential policy brief and LFC hearing topic</li> <li>• Site Visits</li> <li>• Volumes 1, 2, and 3</li> <li>• Activity Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Improved practices of curricula and service delivery</li> <li>• Closer review of program</li> <li>• Strategic use of resources to improve student outcomes</li> <li>• Policy recommendations</li> </ul>	Becerra, Valenzuela	August 2021
5	<p>Issue: <i>Accountability Systems.</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.</p> <ul style="list-style-type: none"> <li>• Goal: Monitor changes to state assessments, teacher evaluation, and school accountability systems</li> <li>• Goal: Establish performance-based budgeting metrics, targets, and reporting requirements for schools</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly report card</li> <li>• School district dashboards</li> <li>• Performance measures</li> <li>• Activity reports</li> <li>• Volumes 1 and 2</li> </ul>	<ul style="list-style-type: none"> <li>• Increased focus on evidence-based practices</li> <li>• Improved transparency and accountability</li> <li>• Improved capabilities to study longitudinal impacts</li> <li>• More timely interventions</li> </ul>	Liu	Ongoing

## 2021 INTERIM WORK PLAN SUMMARY

### Health and Human Services

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: With a waiting list of 5,000 that can take as longer than 12 years before an individual starts receiving services, recent appropriation increases for people with developmental disabilities (DD) and included funding to fill more slots in the Medicaid waivers for people with developmental disabilities. In addition, in FY21 the budget also began the first phase of funding to create the new supports waiver for people on the waiting list. However, enrollment in the new waiver has been slower than expected. In addition, increased federal matching rates have increased the program an estimated \$7 million per quarter. The slow take up rate for the new community supports waiver and increased federal funding is resulting projections of significant unused funding. Unknowns which continue to include why more individuals on the wait list are not choosing to enroll in 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. Increase enrollment for the community supports waiver</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

2	<p>Issue: Department of Health state facilities experienced significant reductions individuals receiving services during the Covid-19 pandemic. This resulted in unused capacity and lower revenues. The Department of Health is projecting a significant deficit in FY21 due to this.</p> <p>Objective: Monitor facility capacity. Visit facilities to better understand underutilized capacity and facility needs.</p> <p>Goal: Increase capacity utilization and third party revenues to reduce or eliminate state facility funding deficits.</p>	<p>Output: Monitor facility capacity. Visit facilities to better understand underutilized capacity and facility needs.</p> <p>Program evaluation and interim legislative hearings</p> <p>Meeting and site visit with state facilities</p>	<p>Outcomes: Improved budget recommendation and performance measures.</p>	Klundt, DOH, Evaluation Unit	
3	<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 2021
4	<p>Issue: The three federal funding packages for Covid-19 relief, CARE, CRRSA, and ARP all included significant funding increases for the</p>	<p>Output: Continued monitoring of childcare assistance spending and plans for federal revenues.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p>	Klundt, ECECD	December 2021



	<p>childcare assistance program, totaling over \$430 million for New Mexico. In addition, childcare assistance enrollment in FY21 has decreased from an average of 20 thousand children to month to 13 thousand resulting in likelihood the state will be unable to \$20 million or more if its \$158 million budget.</p> <p>Objective: Monitor childcare assistance spending. Monitor new federal revenues and provide policy options to ensure revenues are utilized in ways that support continuity of care and quality services.</p> <p>Goal: Monitor childcare system enrollment, spending, and new federal revenues to support continue to improvement of the childcare assistance system.</p>	<p>Identify latest national policy trends regarding new federal funds and what other states are doing to stabilize enrollment.</p> <p>Possible interim legislative hearings</p> <p>Volume 1 Policy Discussion</p>			
5	<p>Issue: The state has invested additional revenues to expand the Medicaid matched home visiting program. Implementation to expand Medicaid eligible providers has lagged behind appropriations resulting in unmatched federal revenues.</p> <p>Objective: Monitor the expansion for the Medicaid matched home visiting program. Provide policy options to expand program more quickly.</p>	<p>Output: Continued monitoring of Medicaid matched home visiting program.</p> <p>Identify latest national policy trends expand program.</p> <p>Possible interim legislative hearings</p> <p>Volume 1 Policy Discussion</p>	Outcome: Improved budget recommendation and performance measures.	Klunt, ECECD	December 2021
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>Output: Continued communications with DOH, ECECD, CYFD, HSD, community healthcare and social service providers, and other state agencies.</p> <p>Possible interim legislative hearings.</p>	Outcome: Improved budget recommendation and performance measures.	Klunt, Esquibel, DOH, ECECD, ALTSD, HSD, CYFD	Ongoing

	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.				
--	--	--	--	--	--

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: As a social safety net agency the Aging and Long-Term Services Department oversees funding the area agencies on aging (AAA), the state also appropriated increases funding for the agency to provide for emergency advancements and additional funding AAA.</p> <p>Goal: Improve Aging Network fund allocations and alleviate need for emergency advancements and monitor expenditures.</p>	<p>Output: Monitor emergency advancements and gain an understanding of the need.</p> <p>Monitor AAA allocations and system needs</p>	Outcome: Ensure no adults go hungry, particularly because of wait lists or untimely reimbursements.	Kluntt, ALTSD	Ongoing
2	<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>	Kluntt, Esquibel,	December 2021
3	<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 FY23 budget.</p> <p>Policy discussions</p>	Kluntt	Ongoing

## 2021 INTERIM WORK PLAN SUMMARY

### Health and Human Services: Ruby Ann Esquibel

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: In FY21, HSD implemented several Medicaid rate increases to offset the economic effects of the pandemic on numerous healthcare providers, hospitals, nursing homes, personal care service providers, and DD waiver providers. HSD also implemented Medicaid funding for new behavioral health inpatient, outpatient, telehealth, and community services.</p> <p>However, many Medicaid members did not utilize services due to restrictive public health orders and fear of Covid-19 contagion while MCOs continued to collect per member per month premiums.</p> <p>Objective: Analyze Medicaid MCO rate data and sufficiency, and monitor sufficient access to quality care is available for Medicaid members, with concurrent improvements in health outcomes.</p> <p>Goal: Provide cost effective, evidence-based, quality healthcare services under the Medicaid program.</p>	<p>Output: Attend Medicaid Advisory Committee meetings as a member of the committee; attend Medicaid projections; attend Medicaid rate meetings.</p> <p>Participate in Medicaid consensus estimating process.</p> <p>Attend monthly meetings with HSD leadership.</p> <p>Review Medicaid projection methodology with HSD regarding data, enrollment projections, and MCO and provider rate and profit assumptions.</p> <p>Gain further understanding of HSD's Medicaid budget projection methodology and its role in HSD's Medicaid budget development.</p>	<p>Outcome: LFC hearings on the status of the Medicaid program's funding and performance outcomes.</p> <p>Recommendations for FY23 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 (LHHS) on Medicaid funding and performance outcomes.</p> <p>Participate in quarterly Medicaid projections with HSD and use the data to inform the HSD and Medicaid budget recommendation.</p>	Esquibel, Rowberry, HSD, LFC, LHHS	December 2021
2	<p>Issue: New Mexicans continue to experience increases in healthcare premiums, high deductibles and out-of-pocket expenses, and increased pharmaceutical costs. Medicaid covers many New Mexicans, but many still lack coverage.</p> <p>SB317/HB122 increased the health insurance premium surtax to provide subsidies to address rising healthcare costs for people in the state.</p>	<p>Output: Collaborate with the Office of Superintendent of Insurance (OSI), Human Services Department (HSD), Department of Health (DOH), and New Mexico Health Insurance Exchange (NMHIX) to maximize Medicaid coverage within funding limitations, and to study policy options to provide coverage for residents of New Mexico.</p>	<p>Outcome: Participate in quarterly meetings with NMHIX.</p> <p>Participate in quarterly projections with HSD regarding Medicaid enrollment and funding as well as the impact of federal funding on the program and NMHIX.</p> <p>Per SB317/HB122, no later than June 30, 2022, OSI shall submit a plan to LFC</p>	Esquibel, Rowberry, HSD, OSI, NMHIX	Ongoing

	<p>The Office of Superintendent of Insurance (OSI) and partners are embarking on a significant program of expanding health coverage options for New Mexicans.</p> <p>Objective: Accurately gauge the enrollment and funding for people eligible for Medicaid as the federal maintenance of effort requirements under the pandemic are reduced.</p> <p>Engage with the New Mexico Health Insurance Exchange (NMHIX) regarding expanding the number of people enrolled for coverage there and the resulting impact on Medicaid's enrollment and budget given that Medicaid funds about 80 percent of the budget for NMHIX.</p> <p>Goal: Ensure cost effective health insurance coverage for New Mexicans.</p>	<p>Collaborate with HSD, NMHIX, OSI, New Mexico Medical Insurance Pool (NMMIP) and others regarding most cost effective methods to insure New Mexicans.</p>	<p>and LHHS regarding coverage for eligible New Mexicans beginning July 1, 2023.</p> <p>Per SB317/HB122, prior to July 1 each year, OSI shall provide actuarial data from the health care affordability fund to LFC.</p> <p>Per SB317, OSI shall report by November 1 of each year to the governor, LFC, and LHHS data regarding the elimination of behavioral health coverage cost sharing.</p> <p>Per SB317, LFC shall report by November 1 of each year to the governor and LHHS data regarding the elimination of cost sharing, including effects on providers and patients with regard to costs for behavioral health services and the effects on health and social outcomes for patients, by using a set of performance measurement tools related to health care quality assurance, developed by a nationally recognized organization.</p>		
3	<p>Issue: New Mexico has high rates of substance use disorder (SUD), mental health issues, and homelessness. The Legislature appropriated an additional \$30 million in general fund support for Medicaid behavioral health in FY22, and maintained \$44 million in general fund support within the Behavioral Health Services division to reduce county reincarceration and homelessness rates, housing assistance, medication-assisted treatment in jails and prisons, grants to local Law Enforcement Assisted Diversion (LEAD), and to assist with justice-related services and housing.</p>	<p>Output: Improve access to behavioral health services and maintain a sufficient behavioral healthcare workforce, and improve behavioral health outcomes.</p> <p>Work with DOH, HSD, Corrections Department (CD), and counties and develop recommendations for interventions to improve access to care for substance use disorder, and recommend policy options to address alcohol and methamphetamine misuse.</p>	<p>Outcome: LFC hearing on SUD and behavioral health in August 2021.</p> <p>Reduce incarceration and reincarceration rates and reduce substance use disorder deaths.</p> <p>Track leveraging federal matching funds, how local governments receive and use funding, and the effectiveness of the program and services.</p> <p>Attend quarterly Behavioral Health Collaborative meetings.</p>	<p>Esquibel, Klundt, Rabin, Rowberry, HSD, Medicaid, BHSD, Corrections, DOH</p>	Ongoing

	Goal: Improve access to services and health outcomes from SUD including alcohol and methamphetamine use, as well as behavioral health services for incarcerated and homeless individuals.				
4	<p>Issue: New Mexico has one of the highest overall rates of hunger in the country and is the highest in children with food insecurity.</p> <p>Objective: Ensure access to healthy, sustainable food for New Mexicans by maximizing the Supplemental Nutrition Assistance Program (SNAP) and leveraging this program with other state food programs such as the Women, Infants and Children Program (WIC), school lunches, and senior meal distribution.</p> <p>Goal: Improve New Mexicans' food security.</p>	Output: Participate on HSD's new "Hunger Council."	Outcome: Collaborate with HSD, DOH, CYFD, ALTSD, food banks and other nonprofit and private sector organizations to improve New Mexicans access to healthy, sustainable food.	Esquibel, HSD, DOH, PED/schools, Hunger Council	Ongoing
5	<p>Issue: Maintaining a sufficient healthcare workforce is a major challenge in New Mexico.</p> <p>House Bill 67 passed the Primary Care Council Act to further focus on the issue of addressing New Mexico's healthcare workforce.</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>Participate with the new Primary Care Council.</p> <p>Goal: Maintain Medicaid-funded primary care and other healthcare residencies in rural New Mexico, and increase primary care for New Mexicans.</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>Attend the new Primary Care Council's meetings.</p> <p>Review other opportunities to expand New Mexico's healthcare workforce.</p>	<p>Outcome: HSD, UNM, DOH recommendations for FY23 budget.</p> <p>Policy discussions.</p> <p>Legislative hearings.</p> <p>Medicaid regulatory changes.</p> <p>Participate with the new Primary Care Council on opportunities to expand primary care access for New Mexicans.</p>	Esquibel, Valenzuela	Ongoing
6	Issue: Health and human services agencies performance measures' effectiveness have declined over the past several years.	Output: Collaborate with HSD to add improved performance measures to budgets and quarterly reports.	Outcome: Improved performance measures in HSD's FY23 budget recommendations.	Esquibel, Klundt, Rowberry	December 2021

	<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>Collaborate on "Managing for Results" with DFA and HSD.</p> <p>Coordinate performance measurement efforts with HSD's scorecard reporting.</p>	<p>Improve HSD's quarterly reporting on Medicaid HEDIS measures including EPSDT, prenatal visits, and well child visits. Increase evidence-based performance measurement for the Behavioral Health Collaborative.</p>		
<b>SECONDARY ISSUES</b>					
<b>Rank</b>	<b>Issues/Goals &amp; Objectives</b>	<b>Output</b>	<b>Outcome/Results</b>	<b>Responsibility</b>	<b>Finish Date</b>
<b>1</b>	<p>Issue: Minimum wage increases for frontline healthcare workers, including many contractors and subcontractors under the Medicaid program, drive rate increases for Medicaid and other programs.</p> <p>Objective: House Memorial 27 requests the chair of LFC convene a pay parity task force by May 1, 2021 to identify the impact of minimum wage increases on personal care service (PCS) and childcare providers and ensure wage adequacy.</p> <p>Goal: Recruit and retain frontline healthcare workers to provide quality state-funded services to New Mexicans.</p>	<p>Output: Pending time availability by stakeholders, endeavor to collaborate with HSD, ECECD, CYFD, Home and Hospice Care Association, Child Care and Education Association, and other stakeholders on PCS and childcare workers' pay parity.</p>	<p>Outcome: If stakeholders are available and amendable, conduct policy discussions and analysis, and use the information to inform LFC FY23 budget recommendations.</p>	Esquibel, Klundt	December 2021
<b>2</b>	<p>Issue: Pharmaceutical costs continue to rise and increase costs for Medicaid, Corrections, and the Interagency Benefits Advisory Council (i.e., state and local government employees, APS, NMPSIA, RHCA).</p> <p>Objective: Cost effective pharmaceutical purchasing for state and public entities.</p> <p>Goal: Implement innovative group pharmaceutical purchasing.</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> <p>Deliver cost effective pharmacy benefits for New Mexicans.</p>	Jorgensen, Esquibel, Rowberry	Ongoing

## 2021 INTERIM WORK PLAN SUMMARY

### Health and Human Services

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>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 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>Output: Continue monitoring child welfare caseloads and turnover rates.</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>Outcome: Improved budget recommendation and performance measures.</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>	CYFD	Ongoing
2	<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>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>	CYFD	Ongoing

	Goal: Increase kinship placements and guardianships.				
3	<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 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>Objective: Expand availability of community based behavioral health services.</p>	<p>Output: Continued monitoring of CYFD's efforts to expand community based behavioral health services.</p> <p>Support research and policy discussions around the expansion of services and access to federal funding.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Activity Reports.</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>	HSD, CYFD	Ongoing
4	<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</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>	CYFD	Ongoing



	<p>performance review in 2020 to safeguard the state's entitlement to Title IV funds.</p> <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>				
5	<p>Issue: Following mandated closures due to the COVID pandemic, the Department of Workforce Solutions has received on unprecedented number of unemployment claims. In response to skyrocketing unemployment across the nation, the federal government passed a COVID-19 stimulus bills 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. Going in to 2021 WSD will also need to begin to focus on reemployment services for those whose benefits will be running out. In addition, WSD will need to be diligent in monitoring any UI fraud and that businesses are receiving the appropriate tax rate</p>	<p>Output: Monitor WSD implementation of the COVID stimulus / relief packages and leverage of federal funding.</p> <p>Monitor employment rates</p> <p>Monitor business tax rates</p> <p>Monitor UI Fraud</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>	WSD	Ongoing

	Goal: Ensure all New Mexicans eligible for unemployment benefits are able to receive benefits as timely as possible.				
--	--	--	--	--	--

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<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>	CYFD	Ongoing
2	<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</p>	<p>Output: Continued monitoring of CYFD’s efforts to service older youth</p>	<p>Outcome: Improved budget recommendation and performance measures.</p>	CYFD	Ongoing

	<p>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 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>	Support research and policy discussions around the expansion of services and housing options for older youth.	<p>Activity Reports.</p> <p>Legislative hearings.</p> <p>Increased availability of services, programs and placement options for older youth.</p>		
3	<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</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>	CYFD	Ongoing

	<p>targets are completed then the agreement will expire.</p> <p>Objective: Timely meet the targets as required in the settlement agreement.</p> <p>Goal: <i>Develop a trauma-responsive system for all children in state custody.</i></p>				
4	<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>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>	CYFD, Association of Counties	Ongoing

	Goal: Decrease cost of maintaining secure juvenile facilities while ensuring appropriate and safe placement for incarcerated youth.				
5	<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>	WSD	Ongoing
6	<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 FY23 budget recommendations.</p>		Ongoing
7	<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 FY23 budget.</p> <p>Policy discussions</p>		Ongoing
8	<p>Issue: The Indian Affairs Department reviewed significant funding increases for education, broadband, and other purposes.</p> <p>Goal: Monitor funding increases</p>	<p>Output: Monitor expenditures for increased revenues dedicated for education, broadband, and other purposes</p>	<p>Outcome: Recommendations for FY23 budget.</p> <p>Policy discussions</p> <p>Activity Reports</p>	Analyst, Sunny Liu, Jessica Hitzman	Ongoing

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>	<p>Activity Report Items, memos, budget recommendations,</p> <p>Possible Hearings</p>	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.</p> <p>Goal: Ensure accurate reporting with greater detail, evaluate relationship between JTIP &amp; LEDA awards and job creation levels. Evaluate claw-backs, contracts, and cost per job. Retroactive look at award spending, documentation, how timelines were met in order to receive awards and if exceptions were made during Covid.</p>	<p>Activity report items, possible memo to LFC director</p> <p>Possible Hearing</p>	<p>Track and report JTIP &amp; LEDA expenditures, review recent contracts for claw-back provisions.</p> <p>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.</p>	Martinez/ Evaluators	September 2021 and ongoing
3	<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 for FY21 and FY22.</p> <p>Goal: Ensure PRC is adequately staffed and training current employees.</p>	<p>Budget recommendation, activity report items.</p> <p>Possible hearing.</p>	Review personnel concerns with PRC and State Personnel Staff.	Martinez	October 2021 and ongoing

4	<p>Issue: The Cultural Affairs Department has Museums and historic sites with substantial deferred maintenance. Cultural Affairs received \$11 million in capital outlay funds during the 2021 legislative session.</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 meetings and 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 2021 and ongoing
5	<p>Issue: Library funding is needed on a recurring basis to help maintain facilities, supplies, etc. Department of Cultural Affairs has successfully completed pilot projects for broadband in rural libraries.</p> <p>Goal: Discuss current funding and analyze annual expenses such as materials, broadband, and bricks and mortar. Ensure that rural libraries are still involved in broadband projects with DCA.</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/Olson/ Hitzman/ Rowberry	September 2021

## 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 awarded \$300 thousand in federal funds 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>	<p>Activity report items, possible memo to LFC director</p> <p>Possible Hearing</p>	Attend meetings with all key players for updates.	Martinez	October 2021
2	<p>Issue: The tourism industry has expanded significantly and received substantial funding.</p> <p>Goal: Review data to determine current rate of expansion, compare with neighboring states and U.S. The Department received substantial additional funding for advertising for FY21 and FY22. How will this be measured in the upcoming fiscal year.</p>	<p>Budget recommendation, activity report items</p> <p>Possible hearing with bullets or brief</p>	Determine future funding needs for tourism advertising	Martinez	Interim
3	<p>Issue: Spaceport Authority has received substantial capital outlay funds, and has stated that the operating budget may not be enough to make it through FY22.</p> <p>Goal: Ensure that Spaceport America is on track with capital projects for Virgin Galactic inaugural flight in FY22. Encourage Spaceport America to be involved in statewide Economic Development Plan. Request periodic sources and uses tables.</p>	<p>Budget recommendation, activity report items</p> <p>Possible hearing with bullets or brief</p>	Meet with Spaceport Authority periodically. Determine future funding needs.	Martinez	September 2021



4	<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 DHSEM is prepared for FPF distributions to continue on schedule.</p>	Attend meetings with PRC	Attend meetings with PRC	Martinez	July 2021
---	---	--------------------------	--------------------------	----------	-----------

## 2021 INTERIM WORK PLAN SUMMARY

### Public Safety: Ellen Rabin

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>New Mexico's criminal justice outcomes remain some of the worst in the nation, resulting in large costs to the state. Significant reforms to the criminal code (including sentencing reform) and the probation and parole systems could produce significant savings to reinvest in evidence-based programs aimed at addressing the underlying causes of crime, improving policing, and reducing recidivism.</p> <p>Goal: Convene criminal justice fiscal working group to propose cost-saving reforms and investments in evidence-based programming and other methods to improve criminal justice outcomes. Monitor the Sentencing Commission's (NMSC) project to rewrite the criminal code.</p>	Work group proposal to committee, monthly meetings with stakeholders, high-level tracking sheet, policy brief(s), recommended legislation.	Reduced costs to the justice system, reprioritization of funding towards evidence-based methods of addressing the underlying causes of crime, improving policing, and reducing recidivism.	Rabin / Courtney	October 2021 (work group proposal); December 2021 (budget narratives, policy brief(s), and high-level tracking sheet)
2	<p>Issue: The Corrections Department's (NMCD) three-year recidivism rate remains extremely high. NMCD has proposed elevating its Recidivism Reduction Division to the program level and consolidating educational and other programming under that program. High-quality reentry programming is necessary to ensure offenders are able to succeed outside prison.</p> <p>Goal: Establish performance measures for the new Recidivism Reduction Program to effectively monitor its effectiveness. Work with NMCD to complete evidence-based program inventory for all existing programs in prisons and through community corrections. Ensure future investments are targeted toward the most effective programs.</p>	Activity reports, budget recommendation, budget narrative, ongoing monitoring of implementations, NMCD program inventory.	Reduced incarceration costs, reprioritization of funding towards recidivism reduction/reentry, including establishing reemployment specialists in Albuquerque and Las Cruces.	Rabin	November 2021

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
3	<p>Issue: The Legislature has made significant investments in prison healthcare, including a \$22 million nonrecurring appropriation to treat hepatitis c among affected inmates in FY20 through FY23, and increases in NMCD's contract for inmate medical care are driving the agency's operational costs while healthcare outcomes (especially those related to the Covid-19 pandemic) decline. Language in 2021 House Bill 2 will require a renegotiation of the terms of the inmate healthcare contract for FY22.</p> <p>Goal: Work with NMCD to better understand and monitor inmate healthcare outcomes. Monitor the agency's progress negotiating a new healthcare contract. Review other states' correctional healthcare systems to identify potential opportunities for cost savings and improved outcomes within the prison healthcare system.</p>	Activity reports, quarterly report cards, budget recommendation, budget narrative.	Decreased long-term prison healthcare costs and improved prison healthcare outcomes.	Rabin	November 2021
4	<p>Issue: New Mexico has the one of the highest per capita rates of people killed by police in the country. The Law Enforcement Academy Board (LEAB) is responsible for overseeing police officer training and conduct but has no power to enforce compliance with its reporting requirements or investigations. Further, the board is established as an independent entity but does not have its own budget and its staff are Department of Public Safety (DPS) employees. Many proposals to improve police training and accountability were introduced during the 2021 regular legislative session, but the only successful proposal (Senate Bill 375) was vetoed by the governor because it removed civilian oversight.</p> <p>Goal: Research and study current law enforcement training practices and identify potential areas of</p>	Site visits, activity reports, budget recommendation, budget narrative, policy brief(s), recommended legislation.	Improved police training and accountability, independent and effective process for addressing officer misconduct, improved public confidence in law enforcement.	Rabin	October 2021

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	improvement. Attend LEAB meetings and monitor work. Work with DPS and LEAB to develop proposed legislation and budget recommendation for an independent board.				

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: NMCD has reported a number of errors in its performance reporting over the past year and has adjusted how it is calculating its measures, some of which does not align to the wording and intent of the measure. Measures that have been rightly corrected lack historical data and the agency's performance cannot be compared to past performance. Some of the agency's reported measures still appear to have outstanding calculation errors.</p> <p>Goal: Request the Sentencing Commission (NMSC) work with NMCD to review its measures and validate any corrections made to how measures are being calculated, help calculate historical measure results, identify how each measure is calculated and whether it aligns to the intent of the measure and performance monitoring plan, validate the underlying data sources for the measures, and make recommendations for improvements. Monitor this project's progress on an ongoing basis.</p>	Periodic meetings, activity reports, report from NMSC, improved FY23 AGA measures and clear performance monitoring plan.	Improved performance measures and reporting.	Rabin / DFA / NMSC	August 2021
2	Issue: DPS's current performance measures do not provide an accurate picture of the agency's most significant operations, especially policing, and are not the metrics the agency uses to assess	Improved FY23 AGA measures, budget recommendation, budget narrative.	Improved performance measures and reporting, improved FY23 budget recommendation.	Rabin / DFA/ DPS	August 2021 (measures); October 2021 (budget

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	<p>its own performance. It is difficult to appropriately leverage performance based budgeting in these circumstances.</p> <p>Goal: Work with DPS and DFA staff to identify measures the agency uses to measure its own success and clarify how measures tie to the budget. Assist the agency in tying better metrics of performance to its FY23 budget request and presentations.</p>				recommendation and narrative)
3	<p>Issue: The process of appropriating funds to NMCD relies on assumptions and does not focus on budget drivers.</p> <p>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.</p>	Budget development tool, budget recommendation.	Improved FY23 budget recommendation.	Rabin	September 2021
4	<p>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.</p> <p>Goal: Work with DPS to identify and establish reliable data streams for relevant criminal justice data. Develop periodic (preferably automated) reports on crime trends. Work with NMSC and other criminal justice partners to develop a comprehensive, high-level criminal justice data</p>	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	September 2021 (initial report/template); Ongoing (periodic reports)

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	set encompassing data related to crime, clearance rates, arrest, prosecution, case disposition, prison admissions, and prison population.				
5	<p>Issue: NMCD'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. The agency also recently announced it would be closing Springer Correctional Center (SCC), a low-security women's facility, and is in the process of determining which jobs may be relocated and how it will house the inmate population.</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 the agency's transition process for SCC inmates and provide updates on agency progress and challenges faced. Evaluate how final transition plans align with the agency's overall facility needs.</p>	Site visits, activity reports, budget narrative.	Improved FY23 budget recommendation.	Rabin / Olson	October 2021
6	<p>Issue: 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.</p> <p>Goal: Monitor implementation of NMCD's \$9.6 million Offender Management IT System (OMS). Monitor planning efforts for NMCD's electronic</p>	Activity reports, budget narrative, 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 / Hitzman	Ongoing

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	health records (EHR) system and evaluate feasibility of using contracts established by the Department of Health for its EHR system. Receive software demonstrations.				
7	<p>Issue: Humanitarian and security needs at the southern border prompted legislative support in 2021. In prior years, funds have been appropriated for emergency broadcast and radio systems as well a public health response.</p> <p>Goal: Monitor border conditions and apprehensions to determine future needs at the southern border.</p>	Activity reports, site visits (if needed).	Improved understanding of border conditions, improved FY23 budget recommendation.	Rabin	Ongoing
8	<p>Issue: Data-based decision making in the criminal justice system is improving and has the potential to reduce crime, recidivism, and spending. A variety of data projects have been initiated and funded as a response to 2019's House Bill 267, but their role within and ability to integrate with the larger framework is unclear. The Administrative Office of the Courts received funding in FY21 and FY22 to eliminate data silos among criminal justice partners.</p> <p>Goal: Track progress of new software implementation and evaluate how data sharing expedites criminal justice processes. Monitor project progress and coordination.</p>	Site visits, memos, activity report, periodic meetings with NMSC, budget recommendation.	Integrated data sharing between justice partners, improved data on how individuals navigate the criminal justice system.	Dick-Peddie / Rabin / Hitzman / NMSC / AOC / AODA / PDD	Ongoing

## 2021 INTERIM WORK PLAN SUMMARY

**Connor Jorgensen**

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issues: The Legislature provided nonrecurring appropriations for road construction for the third consecutive year. The \$300 million contained in the 2021 GAA brought the total nonrecurring funding allocated for road projects to \$880 million over the past three years. Additionally, the Legislature authorized the department to sell over \$200 million in transportation project bonds and there was additional federal funding appropriated to the department. The additional funding for state and local governments could be used to significantly improve road conditions.</p> <p>The significant additional funding for transportation projects may increase construction costs as the demand for construction services and materials increase.</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 and how the department will control costs.</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>	Improved project oversight and transparency for road projects	Jorgensen	Ongoing
2	<p>Issues: The health insurance program for state employees is facing a deficit created in large part by insufficient rate increases in prior years. For the second consecutive year, the Legislature provided supplemental funding to cover deficits in the program, but this is likely insufficient to pay for the total cost of the shortfall.</p> <p>The 2021 budget includes language requiring the General Services Department to raise matching funds from local government participants and to increase health rates for FY22.</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</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>	Recommendation for health benefits insurance rates that fully fund the cost of the benefit offered.	Jorgensen	November, 2021



## 2021 INTERIM WORK PLAN SUMMARY

### Connor Jorgensen

	employers to ensure the all participants are paying for the benefits they receive.				
3	<p>Issues: The State Road Fund (SRF) receives a large portion of revenue from fuel taxes. As adoption of electric vehicles accelerates, the funding available for road construction and maintenance will be reduced.</p> <p>Objective: Work with DOT to project the potential impact of reduced fuel consumption on SRF revenues and review strategies to stabilize SRF revenue sources.</p>	<p>Activity reports</p> <p>Policy considerations for Volume I</p>	Options for stabilizing SRF revenue	Jorgensen	Fall, 2021
4	<p>Issues: Pension shortfalls continue to grow. The Legislature significantly increased employer contributions for ERB during the last session and requested additional options to improve pension funding without additional employer contributions.</p> <p>Hybrid plans that offer a defined benefit and a defined contribution component have been used by multiple states and the federal government to limit pension liabilities.</p> <p>Objective: Work with actuaries and staff of New Mexico's pension plans to determine how a hybrid pension would impact pension funding.</p>	<p>Activity reports</p> <p>Interim policy brief</p>	A more sustainable postemployment benefit package	Jorgensen	Fall, 2021
5	<p>Issues: Health insurance is provided through 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 significantly more than state employees for similar insurance plans.</p> <p>Of the three insurance purchasing entities, only GSD produces a quarterly report.</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. Work with insurance purchasing agencies to create a suite of uniform performance measures to better</p>	<p>Attend NMPSIA board meetings.</p> <p>Activity reports</p> <p>Interim policy brief</p> <p>Budget recommendations for Volume II.</p> <p>A set of performance measures that can be the basis for a regular, uniform report on insurance purchasing.</p>	A comparison of actual costs by plan and plan sponsor.	Jorgensen	August, 2021

## 2021 INTERIM WORK PLAN SUMMARY

### Connor Jorgensen

	monitor cost trends for health and risk insurance.				
6	<p>Issues: The state workforce shrunk by several thousand positions since peak employment. Additionally, a number of agencies have stated they intend to continue with remote work for some employees. The combination of a smaller workforce and more teleworkers should greatly reduce the need for leased space and allow for more consolidation of agencies into existing state space.</p> <p>Objectives: Work with agencies and GSD to identify potential areas for savings and to 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>Activity reports</p> <p>Attend monthly agency capital outlay meetings.</p> <p>Oversight Issues for Volume II</p> <p>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>	<p>Jorgensen/ Olsen</p> <p>analysts, and evaluators</p> <p>GSD staff</p>	Ongoing
7	<p>Issues: A number of state agencies face high vacancy rates in critical positions. SPO conducts salary studies to determine whether pay is adequate to attract and retain qualified applicants. 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>Objective: Determine adequacy of state salaries and benchmark the components of the New Mexico compensation package to other states and industries to determine competitiveness.</p>	<p>Attend monthly SPO board meetings.</p> <p>Activity reports</p> <p>Interim policy brief</p> <p>Monthly headcount report</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
<b>SECONDARY ISSUES</b>					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Monitor effectiveness of other enterprise services:</p> <ul style="list-style-type: none"> <li>State fleet operations</li> <li>State purchasing</li> <li>Surplus property sales</li> <li>State printing and graphic services</li> </ul>	<p>Identify policies and practices that may negatively impact operations.</p> <p>Monitor operating revenues and expenses from enterprise operations.</p>	<p>Successful delivery of high-quality, responsive services from GSD</p> <p>Activity reports</p>	<p>Jorgensen</p> <p>GSD staff</p>	Ongoing

## 2021 INTERIM WORK PLAN SUMMARY

### Connor Jorgensen

2	Additional meetings to attend: 1. Public Employees Retirement Association 2. Educational Retirement Board 3. Retiree Health Care Authority 4. Interagency Benefits Advisory Council 5. Public Employee Labor Relations Board	Ongoing updates	Better program understanding and more informed budget recommendations  Activity reports	Jorgensen	Ongoing
---	---	-----------------	---	-----------	---------

## 2021 INTERIM WORK PLAN SUMMARY

**Natural Resources: Caitlyn Wan**

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p><b>Issue:</b> The 2020 GAA included \$7 million for the State Engineer (OSE) to develop and implement a pilot water management project for the Lower Rio Grande, which should address ongoing water use challenges and may help Texas v. New Mexico settlement/trial efforts.</p> <p><b>Goal:</b> Monitor pilot's accomplishments and expenditures with regular updates from OSE and provide LFC with a project status, including expectations for future program activities and outcomes.</p> <p><b>Challenge:</b> General requests made to OSE to keep LFC informed have largely been ignored. May need to more formally request updates.</p>	<p>Meetings with OSE and other stakeholders to ensure the pilot is cost-effective and responsibly implemented. Report on progress in quarterly report cards and activity reports; discussion in Volume 1. Brief?</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 monitoring and updates; summer or early fall for potential brief
2	<p><b>Issue:</b> The Texas v. New Mexico lawsuit has entered the final stage of litigation which will result in either trial or settlement.</p> <p><b>Goal:</b> Closely monitor litigation, provide comprehensive analysis on outcome, money spent on litigation, and implications for future water use in New Mexico.</p>	<p>Hearing topic, activity report, budget recommendation.</p> <p>Work with appropriate agencies to ensure policies are in place to implement reforms successfully.</p>	<p>Hearing brief: provide the Legislature with actual cost and policy implications of case outcome.</p> <p>Better understanding of interstate water deliveries.</p>	Dick-Peddie, Wan, Evaluators	September 2021

3	<p><b>Issue:</b> The Environment Department (NMED) attempted to increase revenue for program costs by raising certain fees set by statute. The governor vetoed the legislation, and unless another funding source (e.g. federal stimulus funds) materializes, NMED will need to reduce drinking water testing services. Without NMED assistance, small public water systems will struggle to afford these services and will likely need to raise user fees.</p> <p><b>Goal:</b> Determine whether federal stimulus funds or an emergency loan from the Board of Finance can be obtained to fill the revenue gap temporarily. If no alternative revenue source is found, determine impact to public water systems – how many raise user fees, by how much, do any forgo testing due to expense?</p>	<p>Updates from NMED on attempts to secure alternative funding, impact to public water systems and residents they serve, and long-term solution. Activity report items and Volume 2 discussion.</p>	<p>Provide data that demonstrates the consequences of governor's veto so that informed decisions can be made in the future. Continued testing for drinking water contaminants in small, low-income, and rural communities.</p>	Wan	Summer/ Ongoing
4	<p><b>Issue:</b> Legislation to implement a clean fuel standard in New Mexico passed the Senate during the 2021 regular session and may be introduced again in the future. A policy analysis and review of clean fuel standard programs adopted by other states would prepare legislators for another attempt at this legislation and aid in the development of an improved proposal.</p> <p><b>Goal:</b> Comprehensive research and policy analysis of a clean fuel standard that examines the intended environmental and economic development impact, challenges and potential negative consequences, and results of similar programs in other states, along with any other issues helpful to the Legislature.</p>	<p>Brief, either for LFC hearing or preparation for future legislation.</p>	<p>Strengthen any future clean fuel standard policy proposals and help legislators make informed decisions. Provide research and data for a more informative fiscal impact report if legislation is introduced in a future session.</p>	Wan, economists?	Summer

5	<p><b>Issue:</b> State parks were closed or operating at limited capacity for one year. The public is eager for outdoor recreation and the State Parks Program needs visitation and concessionary revenue to support programmatic and infrastructure costs. Parks have returned to normal seasonal operations, but medium- and long-term strategic planning is needed to ensure capital improvements are made and state parks are a key component of New Mexico's tourism and economic growth efforts.</p> <p><b>Goal:</b> Evaluate EMNRD's plan (after ensuring one exists) to meet or exceed pre-pandemic visitation and self-generated revenue numbers. Participate in collaborative efforts with other agencies to promote and make improvements to parks. Ensure significant progress is being made</p>	<p>Quarterly performance reporting, Volume 1 discussion, activity report items. Attend Rio Grande Trail Commission meetings. Attend interagency planning meetings, when possible. Visit parks to observe condition of facilities, paths, signage, etc. Meet with new State Parks Director to discuss vision and goals, get updates on modernization initiative and infrastructure improvements.</p>	<p>Long-term strategy and objectives for promoting state parks and increasing visitation that LFC can use to measure program performance and efficacy of spending.</p>	Wan	Summer
6	<p><b>Issue:</b> Remediation of the Carlsbad brine well is incomplete and paused indefinitely until additional funding is secured. It was discovered in early FY21 that an additional \$18 million was needed to fully stabilize the cavern and protect groundwater. The 2021 GAA includes \$5 million for the project, but the governor vetoed a 50% local match. Without additional funding, remediation cannot resume.</p> <p><b>Goal:</b> Find funding sources to supplement the state appropriation. Recently introduced federal legislation may provide financial assistance.</p>	<p>Report on federal legislation and any other federal funding opportunities. Report on fiscal status of Eddy County and the City of Carlsbad. Include other updates in quarterly report cards and activity reports.</p>	<p>Complete the remediation while limiting the financial impact to the state.</p>	Wan	Ongoing

7	<p><b>Issue:</b> Performance measures for OSE do not effectively demonstrate progress towards the agency's key objectives and overall mission. Data on metrics of interest to legislators, such as statewide dam safety, are also absent.</p> <p><b>Goal:</b> Work with OSE and DFA to develop measures that better reflect the agency's work and core purpose, and to improve performance reporting to convey the meaning and relevance of the data presented. Work with OSE to ensure strategic plan has meaningful goals and objectives that can be measured.</p>	Performance measures that focus on progress towards OSE's strategic goals rather than administrative processes. More informative quarterly performance report cards.	Additional information regarding agency performance and areas in need of improvement, leading to a more informed, data-driven budget recommendation.	Wan	July
---	--	--	--	-----	------

#### SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	<p><b>Issue:</b> The Legislature made substantial investments in the Energy, Minerals and Natural Resources Department's (EMNRD) abandoned oil and gas well plugging program in the past two fiscal years, but scheduling conflicts with the well-plugging contractor caused the program to fall short of its goal in FY20.</p> <p><b>Goal:</b> 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. Follow recently introduced federal legislation that would provide funding to the state for well plugging.</p>	Provide updates on the status of well plugging efforts and justification for the agency not meeting its target in quarterly report cards and activity reports. Track expenditures from the oil reclamation fund. Activity report updates on progress of federal legislation.	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.	Wan	Ongoing
2	<p><b>Goal:</b> 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.</p>	Activity report items to inform legislators of board and commission activities.	Informed policy and budget recommendations.	Wan	Ongoing

3	<b>Issue/Goal:</b> 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	<b>Issue/Goal:</b> 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	<b>Issue:</b> The Department of Game and Fish received FY21 appropriations of \$600 thousand for vehicle purchases.  <b>Goal:</b> Monitor vehicle purchases in remainder of 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



## 2021 INTERIM WORK PLAN SUMMARY

### Capital Outlay: Stevie Olson and Capital Outlay Analyst

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p><b>Issue:</b> Capital projects can encounter several issues slowing down progress, which are more quickly recognized and addressed through regular tracking and reporting.</p> <p><b>Goal:</b> Continue \$1 million and greater quarterly reporting to assess progress or obstacles and quarterly reporting of local projects funded between \$300,000 to less than \$1 million, including earmarked funding and senior center projects. Review of select projects in the quarterly report. Track larger capital projects in a standardized fashion allowing for cost comparisons.</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 “select” local projects within the specified dollar range. Develop benchmarks through a spreadsheet to compare costs per square foot of similar projects greater than a million dollars. Including longitudinal analyses in quarterly reports or an independent brief.	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.	Olson and vacant position	Quarterly (March, June, September, and December)
2	<p><b>Issue:</b> 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><b>Goal:</b> Develop framework of critical funding needs for state-owned facilities and other capital outlay requests for consideration by LFC and the 2022 Legislature.</p>	Determine priorities by reviewing status of current project funding and progress, infrastructure capital improvement plans, and 2018 requests; perform site visits; and attend HED, executive and FMD interim capital hearings.	Develop legislation for effective funding recommendations based on critical state-asset needs for LFC and legislative review.	Olson, vacant position, and other analysts	December 2021
3	<p><b>Issue:</b> Many local projects encounter issues that delay progress. Individual legislators can communicate with local entities and help to address these issues and advance projects.</p> <p><b>Goal:</b> 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>	Develop reports and continue collaboration with Department of Finance & Administration (Capital Outlay Bureau), Council of Governments, Municipal League and Counties Association to assist legislators and grantees with moving delayed projects.	<p>Ensure accountability of funds 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>	Olson and vacant position	Ongoing

4	Monitor NMFA financing programs and other activities.	Develop briefs, attend board and legislative oversight committee hearings, participate on “water infrastructure team” and provide updates to LFC.	Informed recommendations and accountability for program and funding recommendations.	Olson and vacant position	Ongoing

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	<p><b>Issue:</b> In preparing evaluations and budget recommendations, LFC staff often requires information on the status of capital projects.</p> <p><b>Goal:</b> Coordinate with and provide information to program evaluators and analysts to ensure the effectiveness of agency operating funds and capital project accountability.</p>	Generate reports as needed by analysts/evaluators and legislators. Attend agency meetings as needed.	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, vacant position, other analysts, and evaluators	Ongoing
2	<p><b>Issue:</b> Legislators, constituents, and the media often have questions regarding capital outlay projects and funding.</p> <p><b>Goal:</b> 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 and vacant position	Ongoing
3	<p><b>Issue:</b> Public schools receive significant capital outlay funds. Changing in crediting federal Impact Aid in the statewide equalization guarantee, desire for community schools, and charter school funding are all salient issues.</p> <p><b>Goal:</b> Support education analysts as needed.</p>	Attend meetings as needed, discuss concerns and strategies detailing best practices and proposed funding strategies.	More equitable and effective system for funding public school capital outlay statewide.	Public education analysts, Olson, and vacant position	Ongoing

## 2021 INTERIM WORK PLAN SUMMARY

### Courts and Justice: Dick-Peddie

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Courts, District Attorneys, and Public Defenders were challenged to deliver timely and appropriate justice during the public health emergency. Though many district attorneys hold there is no “backlog”, courts and public defenders are increasingly concerned about balancing new and pending cases.</p> <p>Goal: Determine where backlogs exist, assess how various justice partners plan on addressing backlogs, and evaluate why some districts were affected more than others.</p>	Site visits, hearing topic, budget recommendation.	Hearing brief, budget recommendation, enhanced data	Dick-Peddie	July 2021
2	<p>Drug courts are largely successful nationwide, and there are various ways to fund them, including leveraging Medicaid or federal grants. Given increased funding in recent years, 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, and review drug court billing models for cost-effectiveness and improved outcomes.</p>	Site visits to relevant districts, hearing topic, activity report, budget recommendation.	Hearing brief, budget recommendation, expansion of quarterly reports, improved measures, enhanced data	Dick-Peddie, Esquibel, Courtney, AOC	July 2021
3	<p>Issue: The Unified Priorities process for the district attorneys was successful in helping legislators benchmark needs around the state, but faces headwinds in continuing implementation.</p> <p>Goal: Improve 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 2021

4	<p>Issue: Data-based decision making in the criminal justice system is improving and has the potential to reduce crime, recidivism, and spending. The Administrative Office of the Courts received funding in FY21 and FY22 to eliminate data silos among criminal justice partners.</p> <p>Goal: Track progress of new software implementation and evaluate how data sharing expedites criminal justice processes.</p>	Site visits, memos, activity report, budget recommendation.	Integrated data sharing between justice partners, improved data on how individuals navigate the criminal justice system.	Dick-Peddie, Rabin, Sentencing Commission, AOC, AODA, PDD.	July 2021
5	<p>Issue: Improved reporting from the Public Defender Department has demonstrated strengths and weaknesses in indigent defense. The legislature recognized contract attorneys lag far behind the in-house public defenders, and increased resources for contract defenders accordingly.</p> <p>Goal: Evaluate pay scales for contract and in-house defense, determine the most cost effective and equal access to justice solutions for providing indigent defense in New Mexico.</p>	Review PDD standards of indigence. Evaluate alternatives for providing indigent defense in rural NM and determine which is most efficient and desirable.	Hearing brief, activity report, budget recommendation, potential legislation	Dick-Peddie, PDD	June 2021
6	<p>Issue: The passage of recreational cannabis and expungement for cannabis related crimes will affect not only courts records, but the case management system housed at the Administrative Office of District Attorneys.</p> <p>Goal: Monitor and support implementation of expungement across justice partners by determining best practices and future needs.</p>	Site visits, activity report, budget recommendation.	Site visits, hearing topic, activity report, budget recommendation.	Dick-Peddie, Rabin, various agencies	August 2021, ongoing
<b>SECONDARY ISSUES</b>					
<b>Rank</b>	<b>Issues/Goals &amp; Objectives</b>	<b>Output</b>	<b>Outcome/Results</b>	<b>Joint Project</b>	<b>Finish Date</b>

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. Though statutorily required to provide Medicaid fraud data to the legislature, current reports from the agency lack meaningful insights.</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, work with agency to create improved reporting dashboard.</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	Better understanding of the Medicaid enforcement system, improved quarterly data.	Dick-Peddie, Esquibel, Evaluators	September 2021
2	<p>Issue: The Texas v. New Mexico lawsuit has entered the final stage of litigation which will result in either trial or settlement.</p> <p>Goal: Closely monitor litigation, provide comprehensive analysis on outcome, money spent on litigation, and implications for future water use in New Mexico.</p>	<p>Hearing topic, activity report, budget recommendation.</p> <p>Work with appropriate agencies to ensure policies are in place to implement reforms successfully.</p>	<p>Hearing brief: provide the Legislature with actual cost and policy implications of case outcome.</p> <p>Better understanding of interstate water deliveries.</p>	Dick-Peddie, Wan, Evaluators	September 2021
3	<p>Issue: In the last couple of years, revenue generated from state-involved litigation has significantly increased, but the Legislature typically is not informed of ongoing settlements until after adjudication, making it difficult to predict how much revenue will be available for appropriation.</p> <p>Goal: While staying mindful of confidentiality, work with the AG's office for periodic updates and reports on litigation, settlement projections, and fund restrictions.</p>	Activity Report, Revamped Consumer Settlement Fund sources and uses document.	Improved and more regular contact between the Legislature and the Attorney General, more legislative input on how settlement revenues can be leveraged for evidence-based programs in and out of agency operating budget.	Dick-Peddie	September 2021
4	Judiciary: Attend Justice Coordinating Council meetings, Chief Judges Council meetings, Judiciary Budget Committee meetings, and Drug Court Advisory Committee meetings.	Travel memos, activity reports	Improved communication between the legislative and judicial branches regarding legislative intent, judiciary status, progress, problems, and goals.	Dick-Peddie	Ongoing

5	PDD: attend commission meetings and training events	Travel, memos, activity reports, budget recommendation	Learn more about the relationship between PDC and PDD in order to have better budget and policy	Dick-Peddie	Ongoing
6	DAs: attend meetings and training events	Travel, memos, activity reports, budget recommendation	Better understand budget needs for recommendations.	Dick-Peddie	Ongoing
7	Justice system: Attend various Criminal Justice Coordinating Council meetings around the state	Travel memos, activity reports, measurement of success for coordinating councils	Develop an understanding of cooperation of justice partners across the state	Dick-Peddie	September 2019

## 2021 INTERIM WORK PLAN SUMMARY

### Department of Information Technology (DoIT): Jessica Hitzman

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p><b>Issue:</b> General fund spending on Information Technology projects reached historic levels in FY21, with over \$51 million in general fund revenues appropriated to IT projects. In FY22, general fund spending for IT projects totaled \$17.6 million following expected budget shortfalls resulting from the Covid-19 pandemic. Several large, costly, and risky IT projects received additional funding in the 2021 General Appropriation Act and several other projects received appropriation extensions.</p> <p>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. Monthly status reporting to DoIT continues, but with limited accuracy and consistency across agencies.</p> <p><b>Goals/Objectives:</b> Monitor and report on the status of ongoing and new IT projects.</p>	<p>Monthly Project Certification Committee participation;</p> <p>Quarterly IT report cards;</p> <p>Review best practices in IT project management planning and oversight;</p> <p>Attend and report to Science, Technology and Telecommunication Committee during the interim;</p> <p>Activity reports on relevant agency IT projects and progress.</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>	Hitzman, Related Analysts	Ongoing

2	<p><b>Issue:</b> Since 2018, the state has appropriated a total of \$7 million to prevent cyber-attacks and manage the associated risks, but a majority of this funding has gone to support pilot-type activities and needs assessments. In addition, during the 2021 Legislative Session, DoIT was appropriated \$1 million for cyber security services, but language requiring the agency to submit a cybersecurity plan to the LFC by March 2021 was vetoed by the governor, leaving the agency without a unified strategic plan to address the state's cybersecurity posture, as is best practice.</p> <p><b>Goals/Objectives:</b> Monitor cybersecurity project and continue to evaluate progress with cybersecurity needs assessments, upgrades, and project management services.</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>Attend cybersecurity webinars.</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> <p>Adherence to best practices in risk/vulnerability scanning and reporting.</p>	Hitzman	Ongoing Hearing
3	<p><b>Issue:</b> DoIT completed a Statewide Broadband Strategic Plan in June 2020, but the plan provides exorbitant cost estimates and lacks actionable steps to improve statewide connectivity. With \$133 million appropriated for different broadband projects and services during the 2021 Legislative Session, progress reporting and establishing project priorities is essential for successful implementation of statewide broadband services.</p> <p><b>Goals/Objectives:</b> Track DoIT spending on the rural broadband projects and evaluate progress on reaching statewide connectivity, digital equity, and digital inclusion goals.</p>	<p>Report on status of the DoIT's rural broadband project, including quarterly IT report cards;</p> <p>Monitor spending and progress on DoIT broadband initiatives (both federal and state-level funds);</p> <p>Attend pertinent broadband meetings at DoIT, and other appropriate entities;</p> <p>Attend relevant webinars and meetings about federal/state broadband initiatives;</p> <p>Attend and report to Science, Technology and Telecommunication Committee during the interim.</p>	<p>Update for legislators and stakeholders on key decisions and accomplishments regarding broadband access.</p> <p>Informed IT budget recommendations.</p> <p>Accurate tracking and reporting on broadband funds and initiatives.</p>	Hitzman, Fischer, Liu Capital outlay analyst(s)	Ongoing Hearing



4	<p><b>Issue:</b> Equipment replacement funds allow DoIT to save up money over time for large equipment replacements relating to SHARE and its other enterprise services. However, the methodology for rate setting, which is the primary revenue source for the funds, is not transparent and the uses of the equipment replacement fund could be better documented to provide information about the benefits to agencies, replacement schedules, and depreciation calculations for assets.</p> <p>DoIT has recently made progress in lowering their fund balances for the ERF. However, evaluating the uses of ERF could improve transparency and ensure uses are aligned with best practices.</p> <p><b>Goals/Objectives:</b> Ensure DoIT provides IT services and equipment replacement in a manner consistent with best practices and recommend solutions to improve ERF planning and allocation.</p>	<p>Monitor progress on DoIT's implementation of the ERF and monitor use of funds;</p> <p>Analysis of rate-setting process;</p> <p>Participation in IT rate committee meeting;</p> <p>Attend DoIT planning meeting for the C2 process;</p> <p>Review agency IT requests and participate in state agency presentations;</p> <p>Assist evaluators with ERF documentation and plans;</p> <p>Prepare IT recommendations for FY22 and review associated BARs.</p>	<p>Improved accountability and transparency in the IT rate setting process;</p> <p>Improved transparency and planning for ERF uses and expenditures;</p> <p>Propose legislation for improving the state's IT governance structure;</p> <p>Informed budget recommendations.</p>	<p>Hitzman, Lobaugh, Tolman, Courtney Fischer &amp; Related Analysts</p>	<p>Ongoing  Hearing (May)</p>
---	---	---	--	--	---------------------------------------

5	<p><b>Issue:</b> The Children, Youth, and Families Department's CCWIS/MMIS project is at risk for falling further behind schedule and losing federal funding participation without planning approvals. The project has continued despite the lack of federal approval for matching funds, leaving the state to pick up the remaining cost.</p> <p>See evaluator's work plan for more details.</p> <p><b>Goals/Objectives:</b> Provide assistance with evaluators to develop plans and recommendations for legislative action.</p>	Assist with evaluation projects as needed, plans TBD.	<p>Informed budget recommendations.</p> <p>Improved capacity for IT project evaluations;</p>	Hitzman, Evaluators as needed	Ongoing Hearing
---	---	---	--	-------------------------------	-----------------

## 2021 INTERIM WORK PLAN SUMMARY

**General Government: Alison Nichols**

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p><b>Issue:</b> New Mexico's tax structure should be evaluated to determine whether it supports or hinder economic development and economic prosperity.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Work with tax policy experts to help inform legislators on importance of tax policy</li> <li>• Discuss potential policy solutions to tax issues such as narrowing of tax base, rising GRT rates, and high level of tax expenditures</li> </ul>	<ul style="list-style-type: none"> <li>• Panel or hearing</li> </ul>	<ul style="list-style-type: none"> <li>• Increased awareness of key tax policy issues among legislators</li> </ul>	Nichols/Economists	July
2	<p><b>Issue:</b> MVD services and operations have undergone significant changes due to Covid-19 restrictions, with limited office capacity leading to expanded online services and other offerings. MVD should assess its future staffing, office space, and budget needs, and assess how to best meet customer needs through online and in-person services (including private contractors)</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Assess MVD performance and compare current performance to pre-pandemic performance</li> <li>• Assess customer needs and determine how MVD can best meet needs</li> <li>• Assess budget and staffing needs for MVD</li> </ul>	<ul style="list-style-type: none"> <li>• Hearing brief</li> <li>• Activity reports</li> <li>• Site visits (as feasible)</li> <li>• Volume I, II</li> </ul>	<ul style="list-style-type: none"> <li>• Improved MVD performance and services</li> <li>• Enhanced oversight of MVD contractors</li> <li>• Alignment of MVD services with actual customer volumes and needs</li> <li>• Improved budget recommendations for FY23</li> </ul>	Nichols	August 2021
3	<p><b>Issue:</b> Occupational licensing laws that restrict license mobility can create unnecessary barriers for workers moving to New Mexico and potentially lead to workforce shortages in key areas.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Understand how New Mexico's occupational licensing laws govern license mobility and compare to other states</li> <li>• Assess how licensing mobility affects workforce in key areas (e.g. social work, psychology, engineering)</li> <li>• Recommend potential changes to licensing laws and rules</li> </ul>	<ul style="list-style-type: none"> <li>• Hearing brief or memo (in collaboration with education analysts)</li> <li>• Activity reports</li> <li>• Potential program evaluation (?)</li> </ul>	<ul style="list-style-type: none"> <li>• Increased ease of licensing</li> <li>• Growth in workforce for key areas</li> </ul>	Nichols	August 2021

4	<p><b>Issue:</b> For at least two years, TRD has fallen significantly behind its performance target for audit collections. The agency has implemented a new analytics tool that appears to be contributing to modest improvement in performance but further progress needs to be made on this measure to help address the state's tax gap.</p> <p><b>Goal:</b></p> <ul style="list-style-type: none"> <li>• Monitor performance and progress on collectible audit assessments</li> <li>• Assess performance and efficacy of analytics tool</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting through quarterly report card</li> <li>• Volume II</li> </ul>	<ul style="list-style-type: none"> <li>• Improved oversight and monitoring of key performance metric</li> </ul>	Nichols	Ongoing
5	<p><b>Issue:</b> DFA lacks a robust process for oversight of capital outlay funds to local governments.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Understand and assess DFA's oversight of local government capital outlay funding</li> <li>• Monitor and report on how local governments are spending capital outlay funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Activity reports and/or memos</li> <li>• Reporting to Director/Deputy Director</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced oversight of capital outlay funds</li> <li>• Efficient and effective spending of local capital outlay funds</li> </ul>	Nichols/Olson	Ongoing
<b>SECONDARY ISSUES</b>					
<b>Rank</b>	<b>Issues/Goals &amp; Objectives</b>	<b>Output</b>	<b>Outcome/Results</b>	<b>Joint Project</b>	<b>Finish Date</b>
1	<p><b>Issue:</b> The State Racing Commission is scheduled to sunset on July 1, 2021 and cease operations on July 1, 2022. A sunset review hearing must be held to make a recommendation on extension of agency life.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Provide relevant information to legislators on commission performance, budget, policy issues, etc.</li> <li>• Hold a sunset review hearing</li> </ul>	<ul style="list-style-type: none"> <li>• Sunset review brief on Commission performance, budget, responsibilities, key industry issues, etc.</li> <li>• Sunset review hearing</li> <li>• Volume II</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendation on extension of agency life</li> </ul>	Nichols	June 2021

2	<p><b>Issue:</b> New Mexico has a selective sunset review process, with a limited number of entities subject to periodic review. In addition, the process is somewhat ad hoc, with limited time and resources available for in-depth review of entities scheduled for sunset review. The legislature could consider a more comprehensive sunset review process encompassing more agencies, with a more standardized, in-depth process that also considers occupational licensing regulatory issues.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>Review sunset review best practices and evaluate New Mexico's process compared to best practices</li> <li>Make recommendations for potential legislative and/or internal changes to sunset review</li> </ul>	<ul style="list-style-type: none"> <li>Recommendations memo</li> <li>Creation/enhancement of sunset review procedures and templates</li> </ul>	<ul style="list-style-type: none"> <li>Improved sunset review process</li> <li>Recommendations to legislature and/or LFC on potential sunset review changes</li> </ul>	Nichols	October 2021
3	<p><b>Issue:</b> SOS received a significant increase in general fund revenue for FY22 to hold regular local elections and provide reimbursements to counties for election costs. SOS has limited oversight of county spending</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>Review county election spending and SOS oversight on spending</li> </ul>	<ul style="list-style-type: none"> <li>Activity reports and/or memo</li> <li>Volume II</li> </ul>	<ul style="list-style-type: none"> <li>Improved budget recommendations for FY23</li> </ul>	Nichols	August 2021
4	<p><b>Issue:</b> Local governments will receive direct funding (\$703 million) from the latest federal stimulus package (ARPA) for broad allowable uses.</p> <p><b>Goal:</b></p> <ul style="list-style-type: none"> <li>Monitor spending of ARPA funds</li> </ul>	<ul style="list-style-type: none"> <li>Activity reports</li> <li>Reporting to Director/Deputy Director</li> <li>Volume I</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of stimulus funds</li> </ul>	Nichols	Ongoing
5	<p><b>Other work:</b></p> <ul style="list-style-type: none"> <li>Quarterly report card review team</li> <li>Staff newsletter</li> <li>Budget replacement system project team</li> <li>Monitor meetings (Board of Finance, TRD Tax Policy Workgroup, boards and commissions as relevant)</li> </ul>	<ul style="list-style-type: none"> <li>Activity reports and/or memos</li> <li>Reporting to Director/Deputy Director</li> </ul>		Nichols	Ongoing

## 2021 INTERIM WORK PLAN SUMMARY

### LFC Economists

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Several significant, outstanding tax policy issues were unaddressed this session. Various tax credits, deductions, and exemptions – tax expenditures – have narrowed the tax base, leading to the need for higher rates to maintain equivalent revenue levels. Narrowing of the tax base also often results in inequities in taxation and uneven playing fields for businesses providing the same products or services, and rising GRT rates exacerbates the effects of tax pyramiding. Work with tax policy experts on how taxes matter for the state’s economic prosperity.	Hearing, brief or memo	Informed legislators, staff, and public	LFC economists, TRD economists, DFA economists, other tax policy experts	July
2	Analyze economic recovery from effects of COVID-19 on state finances and macroeconomic factors, including oil demand and prices, GRT responses, industry impacts (e.g. tourism, retail, entertainment). Provide comparisons to other states.	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
3	New Mexico’s received billions of dollars in federal aid and stimulus throughout the pandemic. In addition, the state enacted several of its own stimulus and pandemic relief measures. Work with LFC staff to determine how the federal dollars were spent. Work with LFC Evaluators, TRD and DFA economists to determine the economic impact of federal and state stimulus and relief measures.	Possible hearing, possible evaluation, brief or memo	Informed legislators, staff, and public	LFC economists and evaluators, TRD and DFA economists, Relevant agencies	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 staff, TRD, and EDD to produce a joint, annual report to the LFC. Collaborate with TRD and EDD to analyze the impacts of the credit, collect additional information from the film industry, find areas of improvement in performance measurements, and report to the LFC on findings. Use additional reporting to research the cost and timing of the credit and the response of the film industry to changes in the credit and develop accurate film tax credit forecasting techniques.	Annual report to the LFC, possible hearing topic, estimates of fiscal impacts	Informed legislators, staff, and public	LFC economists, EDD economists, TRD economists	September or October

5	<p>Work with TRD to ensure continuity in tax revenue reporting, particularly once the department transitions from the combined reporting system. Work with DFA to optimize general fund report to increase level of detail while maintaining consistency with historical data. Develop insurance premium tax reporting with TRD.</p> <p>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 and including effects of federal fiscal stimulus. 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
---	--	--	---	--	---------

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Adult-use recreational cannabis was legalized in the 2021 First Special Legislative Session. Work with TRD and RLD on production, demand, and revenue estimates. Monitor and research market development of the recreational cannabis industry to develop tax policy recommendations and a new consensus revenue estimating forecast framework.	Possible memo, forecast models, FIR analysis on cannabis changes	Informed legislators, staff, and public	LFC economists, TRD economists, DFA economists, RLD staff	Interim
2	When the distribution of excess severance tax revenue to the tax stabilization reserve (TSR) was created in the 2017 session and the TSR was transformed into a working rainy day fund, the existing operating reserve cap issue was not revisited. Because the operating reserve is capped but the TSR is not, distributions to the TSR continue regardless of the size of the fund or the state's total reserves. To the extent the Legislature has a target level for reserves, there is a risk of growing the more restrictive TSR at the expense of the less restrictive operating reserve. Evaluate the state's general fund reserve buckets and provide recommendations for changes that both increase the Legislature's flexibility while also protecting the state's rainy day fund.	Possible hearing, brief or memo	<p>Informed legislators, staff, and public</p> <p>Recommendations for legislation</p>	LFC Economists	Interim

3	<p>To the maximum extent possible, the state should be able to gauge the amount of taxes it is due from businesses and citizens and then collect those taxes wholly and efficiently. However, a 2016 LFC program evaluation and 2017 progress report highlighted persistent issues in state law and in TRD operations that resulted, instead, in a significant state tax gap. Work with LFC evaluators on an tax gap progress report to update estimates of the state tax gap, report on TRD efforts to improve staffing and use technology to reduce the tax gap, and (potentially) provide an update on efforts to review the impact of statutory tax exemptions, credits, and refunds.</p>	Evaluation progress report, hearing	Informed legislators, staff, and public	LFC Evaluators, LFC Economists, Nichols, TRD	Interim
4	<p>The extreme volatility in oil and gas prices/production coupled with the outsized share of recurring revenues leaves state finances and economic health vulnerable to non-business cycle swings. Evaluate effects of pandemic and federal policies on New Mexico production, including long-term production potential.</p> <p>Rystad Energy projects New Mexico oil production will peak by 2030. 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
5	<p>With the move to destination-based sourcing of GRT in FY22, local governments will see significant shifts in GRT revenues. Since local governments will be able to add their local increments to internet sales, the effect is expected to be overall positive. However, some municipalities will lose out on revenues in cases where sourcing moves from the municipality to the county-remainder, particularly for municipalities in oil and gas-rich counties. The state also stands to gain revenues this instance, as it would no longer be required to distribute 1.225 percent to municipalities on those gross receipts. Work with TRD to determine the net changes to state and local government revenues, and identify any winners and losers of the move to destination sourcing. Identify any potential issues with the change and whether statutory adjustments are needed.</p>	Possible hearing, memo or brief	Informed legislators, staff, and public	LFC economists, TRD economists, other experts	Interim
6	<p>The health insurance premium surtax was raised during the 2021 Regular Legislative Session with expectations of large increases in related revenues. Work with other LFC staff, TRD, OSI, and HSD to determine fiscal impacts, updated revenue forecasts, and market impact analyses. Support other analysts in tracking related program revenue and design including the health insurance marketplace subsidy program.</p>	Forecast models, tracking reports	Improve revenue forecast results and revenue tracking procedures that improve revenue accountability	LFC economists, TRD economists, OSI, Esquibel	Interim



7	Discussions in the 2021 regular session contained a fair amount of debate regarding revenue generation from the state's considerable renewable resources. Wind and solar production receive considerable tax breaks at the federal and state level; however, as the economy transitions away from fossil fuels, the state needs to develop a strategy for bringing renewable energy into the recurring tax base. Work with other LFC staff and industry experts to identify the various tax incentives for renewable energy development and production, and research viable ways to incorporate renewables into the state tax base without harming New Mexico's competitiveness for renewable production.	Possible hearing, brief or memo	Informed legislators, staff, and public	LFC Economists and other staff, Industry experts	Interim
8	The pandemic-induced recession and surge in unemployment exhausted Unemployment Insurance Trust Fund balances and initiated unprecedented borrowing from the federal government to sustain the social insurance program. Continue to analyze and forecast issues related to the fund, engage with the WSD and stakeholders, support staff evaluations of the program, and produce ongoing recommendations for fund solvency.	Activity reports, possible memos, forecast models, hearing topic, possible briefs	Improved agency and LFC understanding of the issue, financial improvement of the fund and program	LFC economists and other staff, WSD	Ongoing
9	Produce Finance Facts and periodically update existing publications. Proposed updated topics include general fund reserves and oil and natural gas revenue. Update the fiscal structure Finance Facts to reflect changes made up through the 2021 legislative session.	Production of updated finance facts & update fiscal overview	Informed legislators, staff, and public	LFC economists	April
10	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
11	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