Highlights

Performance Trends to Inform Budget Discussions

Performance trends for the third quarter of FY22 show a decline in participation in several state programs. Enrollment in higher education, caseloads in the criminal justice system, and utilization of Medicaid healthcare services are all down. This reduced workload, however, does not seem to have resulted in better performance generally, and the pandemic continues to impact the delivery of home visits to new families and many other health-related services.

In addition, a lack of consistent reporting, including the absence of statewide public school student test scores, continues to hinder assessments of some programs.

LegisSTAT is an innovative process wherein the Legislature holds ongoing, data-driven conversations with agencies to understand
1. Why certain performance trends are occurring,
2. What agencies' strategies are to address challenges, and
3. What agencies specific, near-term next steps are to address those challenges.

Among the findings in the quarterly report cards:

Education

Public Education Department, page 5. Student math and reading scores improved between the beginning- and middle-of-year assessments this year, but math scores remain lower than the prior year. A change in the test prevents the state from measuring impacts of the pandemic; however, national trends suggest students lost learning across the board. Despite this unfinished learning, high school graduation rates remained relatively flat at 76.8 percent this year.

Higher Education Institutions, page 8. Enrollment in higher education institutions fell by 27 percent between 2011 and 2020, while staffing has fallen by 20 percent. Faculty-to-student ratios for New Mexico colleges and universities are roughly similar to national averages.

Many New Mexico students are ill-prepared for transition from high school to college. New Mexico students who perform in the bottom quartile of all New Mexico students have lower average ACT scores than the bottom quartile of students nationally. This indicates lower-performing students in New Mexico are further behind academically than low performers in the rest of the country and will likely require more support to succeed in higher education.

Early Childhood Education and Care, page 11. The Early Childhood Education and Care Department added several additional measures in FY22 for early prevention and intervention programs, including for home visiting services to new families, a cornerstone program to improve long-term outcomes for children and families by providing in-home support, screening, and referrals. Many home-visiting programs continued virtual services during FY21 but are shifting to hybrid delivery models that include both in-home and virtual visits. Nationally, researchers and home visiting programs are studying the shifting delivery models to confirm quality and outcomes.

Health

Department of Health, page 32. The Department of Health reported some improvements in performance on targets across the agency during the third quarter of FY22 but focus on managing the state's Covid-19 response also continues to result in declining performance for other department programs. As part of the state plan to eliminate the waiting list for the Developmental Disabilities and Mi Via Medicaid waivers, Developmental Disabilities Services Division has already begun allocations for clients. As of April 2022, an additional 250 individuals are moving into services.

Aging and Long-Term Services, page 36. The Aging and Long-Term Services Department continued to miss a significant portion of its targets during the third quarter of FY22 but showed some improvement in the Consumer and Elder Rights Program. The department's mission is to serve older adults and adults with disabilities so they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

Human Services Department, page 26. The Human Services Department's Medicaid Program enrolls almost 50 percent of New Mexicans and represents 40 percent of the state's general fund spending, but most of the performance measures for the Medicaid Program appear to be lagging behind the targeted trend, resulting in a red rating. A reported 7.6 percent of children received one or more well-child primary care visits in the third quarter, compared with 38 percent in the second quarter and a target of 88 percent.

Notably, utilization rates appear well below the projected levels on which the per-member per-month payments to the Medicaid managed care organizations were built, resulting in the Medical Assistance Division capturing financial recoupments from the MCOs. Network adequacy must be ensured to enable Medicaid clients to have access to services funded through the MCOs.

In a reflection of statewide employment, the Income Support Division's Temporary Assistance for Needy Families Program reported 0.8 percent out of a targeted 37 percent of TANF recipients were ineligible for cash assistance due to work-related income. Notably, TANF participants had federal work participation requirements waived and were eligible for certain unemployment benefits through 2021. ISD and the Child Support Enforcement Division both received red ratings for the quarter.

Behavioral Health Collaborative, page 30. Proper assessment of the performance of the Behavioral Health Collaborative continues to suffer from the lack of data from across agencies. Performance data across agencies would provide a comprehensive overview of the coordination of behavioral health services, a responsibility of the collaborative, and would allow a review of access to services and systemic outcomes. For example, the BHC report card does not include data on the Children, Youth and Families Department's $20 million FY22 and FY23 special appropriation to expand the provider network for children's behavioral health and community child welfare services. Currently, the BHC report card primarily consists of data from the Behavioral Health Services Division (BHSD) of the Human Services Department, representing only a portion of the state's behavioral health system and service dollars.

Justice and Public Safety

Children, Youth and Families Department, page 13. Although reducing childhood abuse and neglect is the primary goal of the child welfare system, the repeat maltreatment of children who have a previous substantiated case of maltreatment dropped just 3 precentage points between FY17 and the end of the third quarter of FY22—from 17 percent to 14 percent—and remains well above the national benchmark of 9 percent. During the same period, preventive services expenditures grew from about $900 thousand to $10.3 million, a tenfold increase.

Physical assaults in Juvenile Justice Services facilities are significantly down, and the percent of Native American youth supervised in the community who are in an appropriate placement as required by the federal Indian Child Welfare Act and the *Kevin S.* settlement, was close to targeted levels for the first and second quarters. Third quarter data has not been provided yet.

Courts and Justice, page 46. All criminal justice partners saw a significant decrease in cases in FY20 due to the Covid-19 pandemic, and though advocates and agencies feared FY21 would bring a sharp increase in "backlogged" cases, jury trials and caseloads for public defenders and prosecution attorneys remained low throughout FY21 and three quarters of FY22.

Since the district attorneys and the Public Defender Department joined the Administrative Office of the Courts in a comprehensive report card format, the unequal reporting of data across the criminal justice system has become apparent. District attorneys lack critical performance measurements and have not provided action plans where outcomes are poor. PDD has improved dramatically in the quality and consistency of reporting for in-house attorneys but continues to struggle with contract attorney reporting and outcomes

Department of Public Safety, page 43. New Mexico State Police (NMSP) arrests continued to fall this quarter, but DWI arrests increased compared with the past several quarters. The Department of Public Safety experienced significant challenges in state police staffing this quarter, with a record number of retirements driving NMSP's highest vacancy rate in over six years. Large pay raises planned for the coming fiscal year and retention payments may help improve manpower. The forensic laboratory's productivity remained relatively steady with the prior quarter.

Corrections Department, page 39. The Corrections Department saw further improvements in its overall recidivism rate this quarter, but ongoing issues in the agency's reporting on this and other key metrics preclude analyzing this improvement in the context of prior years. The state's prison population continued to decline but may be beginning to level off. Drug use among inmates is up significantly this year after three years of reduced drug use.

Natural Resources

Energy, Minerals, and Natural Resources, page 60. The worst fire season in New Mexico history, coupled with declining reservoir levels, will likely keep state park visitation below-average throughout the summer.

Office of the State Engineer, page 63. The agency still maintains that a high vacancy rate in the Water Resources Allocation Program is hindering its ability to process water rights applications in a timely manner. So far in FY22, however, WRAP has initiated 79 hires and promotions out of its 179 authorized FTE.

Environment Department, page 57. The cash balance of the clean water state revolving fund continues to rise, most recently recorded at over $182 million. The agency is working on a memo for LFC to explain the consistently high balances and efforts to increase utilization of the fund.

Economic Development

Economic Development and Tourism, pages 17 and 20. The Economic Development Department improved performance on nearly every measure in the third quarter of FY22, including rural job creation (which had lagged overall job creation since the pandemic), overall wages of jobs created, and film and media work hours. In contrast, the New Mexico Partnership (created as a mechanism to entice and entertain companies considering relocating to New Mexico) continues to perform poorly in FY22, attracting only 24 jobs to the state in 10 months.

Workforce Solutions Department, page 22. Almost every indicator of the labor force participation rate is lower in New Mexico than the rest of the United States, including by sex, educational attainment, disability, and age, according to the April 2022 Workforce Solutions Department *Labor Market Review*. The Employment Services Program, a keyplayerin addressing the participation rate, reported 12.6 thousand individuals received employment services in a Workforce Connections office, half the target of 25 thousand.

General Government

General Services Department, page 66. Deficits continue to mount in the state group health benefits plan, with the department projecting the fund will end the fiscal year $67 million in the red. Additionally, the net financial position of the states other risk management funds have decreases, though these programs still have sufficient cash to pay claims and expenses.

State Personnel Office, page 70. It takes nearly 10 weeks from the date of posting for state agencies to fill vacant positions and more than 20 percent of positions remain vacant. Additionally, the state continues to face retention issues, with just over half of new employees completing one year of service.

Taxation and Revenue Department, page 72. For the third quarter of FY22, the Taxation and Revenue Department (TRD) remained on track to meet the annual targets for tax investigations, resolved tax protest cases, and implementation of internal audit recommendations. The agency fell short on targets for percent of collectible outstanding balances, collecting only 12.3 percent from the end of the prior fiscal year. However, the agency began reporting collections of business taxes again this quarter. Motor Vehicle Department wait times continue to decrease.

Investments, page 91. Markets dropped in the third quarter of FY22, with state investments losing value. Market volatility has increased due to rising and sustained inflation, federal funds rate hikes, unpredictable oil prices, geopolitical turmoil in Europe, and the rise of the omicron Covid-19 variant. Despite a downturn in the quarter, returns remain above target in the medium- and long-run, bolstered by the previous quarter and sustained strength throughout the last several quarters. Generally, the state's risk-averse investments performed better than peer funds in the near-term amid the increasing volatility. The state's funds tend to underperform or perform around the median in the long run, with the exception of the Educational Retirement Board fund (ERB), which consistently outperforms its peers. Some state investment portfolios will undergo an asset allocation and risk profile review later this year.

For the quarter ending March 2022, the value of New Mexico's combined investment holdings for the pensions and permanent funds shrunk by $824.5 million, to an ending balance of $66.3 billion. For the year, funds grew by $6.5 billion, or 10.8 percent. Over the last five years, the state's combined investment holdings grew $19 billion, or 40 percent. One-year returns remain strong, though substantially lower than the previous three quarters, ranging from 7.8 percent (severance tax permanent fund or STPF) to 14.8 percent (ERB). Average investment returns over the last 10 years ranged from 7.8 percent (STPF) to 8.9 percent (ERB).

Infrastructure

Department of Transportation, page 50. The department continues to manage projects well but faces challenges from inflation and supply change issues. Although bid costs are rising, the department cost overruns remain minimal. However, more projects are falling behind schedule because competition for contractors and construction workers remains high. Additionally, traffic and pedestrian fatalities remain well above targets.

Information Technology Projects, page 76. Of the projects reviewed this quarter, five are considered low risk, seven are moderate risk, and only one is currently rated high risk. The statewide broadband program continues to be rated high risk due to delays in spending and hiring permanent staff for the Office of Broadband Access and Expansion (OBAE), as well as a lack of overall planning for the program. However, a grant program will be awarded using OBAE funds by late summer 2022.

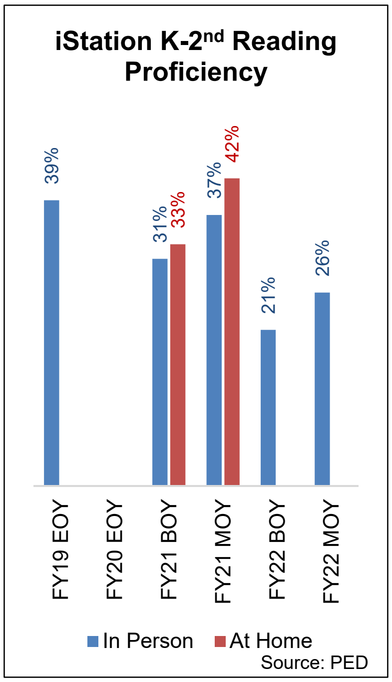
The Human Services Department's Medicaid management information system replacement and the Children, Youth and Families Department's child welfare information system replacement showed progress after receiving federal approvals for project planning and budget documentation but continue to be rated moderate risk due to large costs and expanded timelines. Other projects, such as the Corrections Department's offender management system, are approaching their end, so progress will be closely monitored to ensure projects meet intended functionality upon closeout.

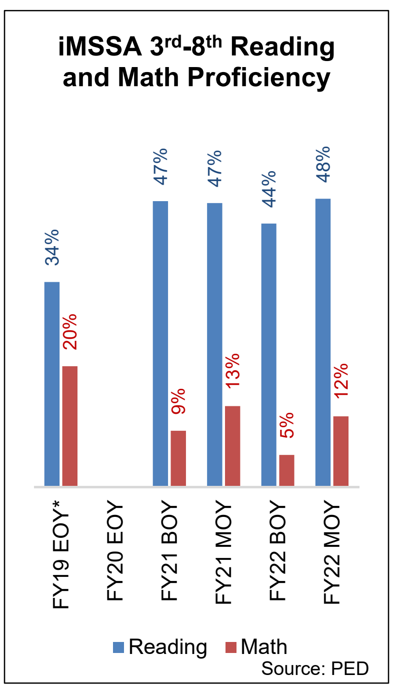
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Public Education Department
Third Quarter, Fiscal Year 2022

ACTION PLAN

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



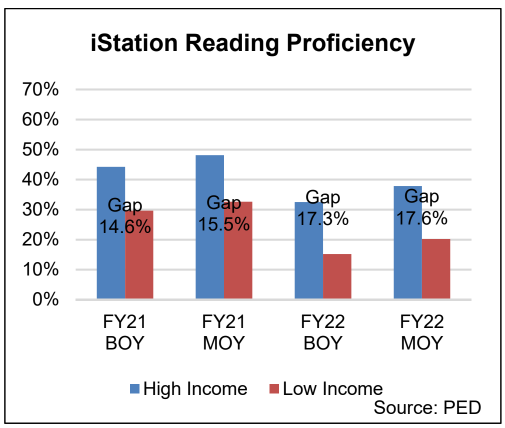


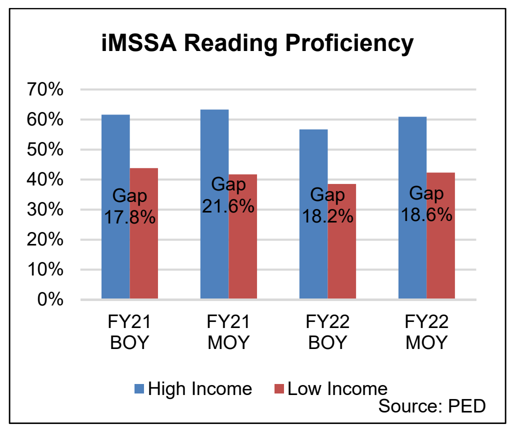
Public Schools

Student Achievement

The transition to New Mexico's new standardized reading and math assessment, or MSSA, has hampered the state's ability to measure the impact of Covid-19 disruptions to the classroom. The previous PARCC test indicated FY19 student reading and math proficiency rates were 34 percent and 20 percent, respectively; however, interim MSSA, or iMSSA, scores suggest FY21 reading and math proficiency is 48 percent and 12 percent, respectively. Although lacking in comparability with PARCC, the transition to iMSSA will help inform teacher practice and state decisions moving forward.

The Public Education Department's (PED) iStation and iMSSA tests show some student growth in math and reading scores during FY21 and FY22. However, only 38 percent of third through eighth graders participated in the optional iMSSA test. As such, the results are not representative of all New Mexico students. Still, both datasets show trends of unfinished learning over the summer, as fewer students were "on target" for reading and math in the beginning-of-year (BOY) assessments.

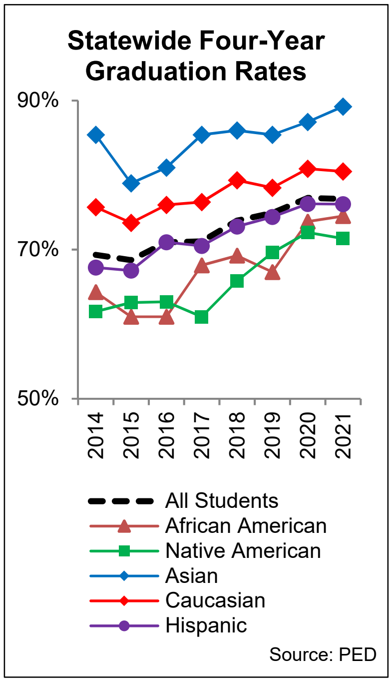


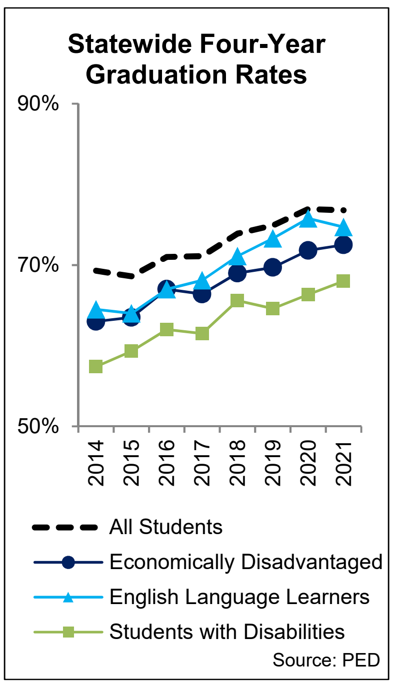


More troubling, the pandemic has worsened achievement levels for both low-income and high-income students and widened the achievement gap. Middle-of-year (MOY) student performance for FY22 remains below FY21 MOY achievement, with larger gaps in earlier grade levels.

Budget: $14,531.9 **FTE: 285.2**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
4th grade reading proficiency†	No Report	52.8%	34%	49.2%	No Report	58.9%	Y
8th grade reading proficiency†	No Report	42.5%	34%	34.3%	No Report	38%	Y
4th grade math proficiency†	No Report	16.4%	34%	4%	No Report	8.7%	R
8th grade math proficiency†	No Report	18.8%	34%	5.8%	No Report	11.1%	R
High school graduation rate	76.9%	76.8%	75%		Reported Annually		Y
Program Rating	R	Y					Y

†FY21 and FY22 proficiencies are not representative samples, given only 38 percent of all students voluntarily participated in testing.





***Martinez- Yazzie* Action Plan**

Written input on PED's Draft Action Plan may be sent to draft.actionplan@state.nm.us.

Graduation Rates

In spite of mixed student achievement, the 4-year high school graduation rate remained relatively flat at 76.8 percent for the class of 2021. Low-income, special education, Black, and Asian students showed marginal improvements in graduation rates from the prior year; however, Native American, English learner, and White student graduation rates fell slightly. Hispanic student graduation rates, which represent the largest student demographic, remained the same. Although New Mexico's graduation rate has grown in recent years, the state's college-going rate has declined, falling to 54 percent in 2020.

New Mexico joins several other states that experienced a dip in high school graduation rates in 2021; however, the national graduation rate for 2021 is 85.3 percent—consistently higher than New Mexico's average. PED and schools relaxed certain graduation requirements during the pandemic, likely contributing to the graduation rate amidst significant lost instructional time. A recent report from ACT found high school seniors' grade point averages (GPA) increased by 0.19 grade points between 2020 and 2021 while ACT composite test scores decreased by 1.23 points over the same period. The report noted GPAs grew faster between 2018 and 2021, and highlighted evidence of grade inflation with a greater degree of inflation for Black students.

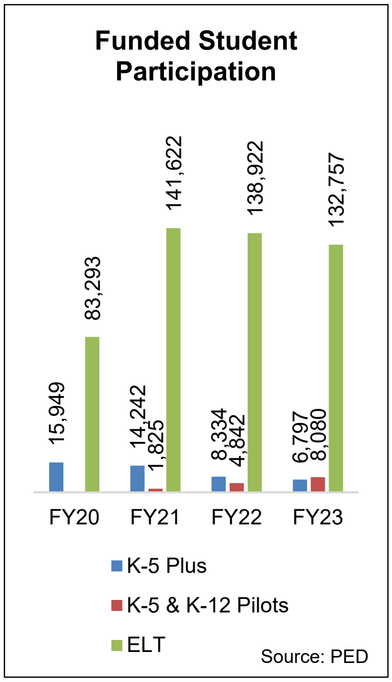
Public Education Department

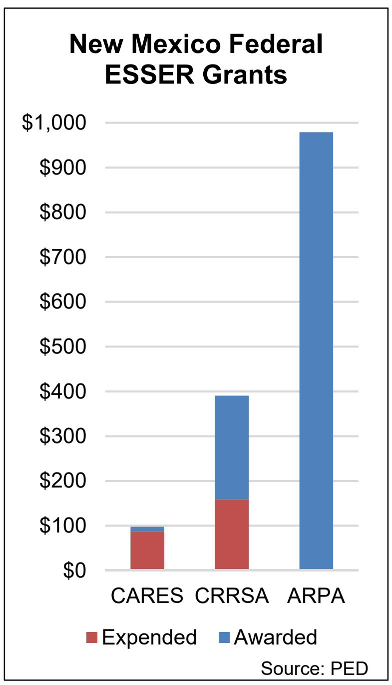
PED recently published a draft action plan to address the *Martinez-Yazzie* lawsuit, providing targets for educator workforce conditions, student performance, extended learning time (ELT) participation, early literacy training, and internet connectivity. Notable targets included a 50 percent increase in reading and math achievement rates for at-risk students by FY26, 90 percent high school graduation rate by 2027, and 50 percent increase in new teacher retention rates by FY26. PED's target for ELT participation was only 85 percent participation by FY27—equivalent to the current state equalization guarantee (SEG) funding level. The K-5 Plus participation target was 50 percent of low-income students by FY27, despite sufficient SEG funding to cover nearly all low-income elementary students.

PED is still collecting feedback on the draft action plan. Proposed performance measures in the plan could be added to the department's Accountability in Government Act performance framework and reflected in LFC's quarterly reporting. The department should consider adding more concrete detail on corrective actions within the draft plan, particularly PED's interventions and supports for low-performing districts or schools.

Budget: $14,531.9 **FTE: 285.2**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Students funded in K-5 Plus Schools	15,949	14,242	N/A*	8,699	8,334	8,334	R
Students in K-5 Plus pilots	5,518	1,825	N/A*	4,412	4,742	4,842	G
Students funded in Extended Learning Time programs	83,293	141,622	N/A*	142,656	139,067	138,922	Y
Average days to process federal reimbursements	31	40	24	19	24	No Report	R
Data validation audits of funding formula	12	24	35	2	18	0	R
Program Rating	R	R					R

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





Extended Learning Time

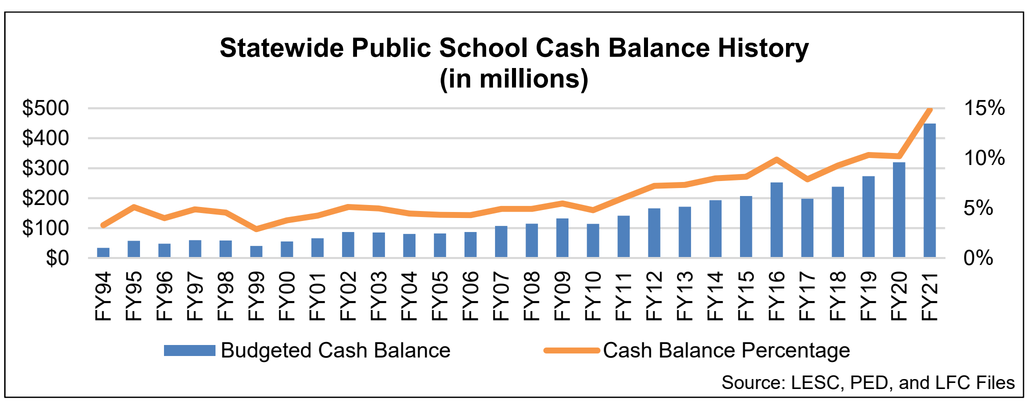
Final funded participation in FY22 for K-5 Plus and ELT stands at 13 thousand students and 138.9 thousand students, respectively—substantially below capacity. As such, the FY22 reversion to the public education reform fund (PERF) is expected to reach $189.2 million. Participation rates in both programs continue to fall, despite re-enrollment of students from Las Cruces (the second largest school district) in ELT for FY23. PED reports projected FY23 enrollment for K-5 Plus is 6,797 students, ELT programs is 132.8 thousand students, and K-12 Plus pilots is 8,080 students. Currently, the estimated FY23 reversion to PERF is $151.8 million.

Despite participating as plaintiffs in the *Martinez-Yazzie* lawsuit, which ordered the state to make K-5 Plus and ELT funding available, several school districts (like Gallup and Santa Fe) have opted out of the programs for FY23. With uneven participation in evidence-based programs statewide and a widening achievement gap, the state should consider requesting a court clarification on whether the Legislature should continue funding ELT programs in spite of low participation or mandate participation for chronically low-performing schools.

School Resources

PED has published an online dashboard to track and report school district and charter school spending on $488 million of the $1.5 billion in federal emergency relief (ESSER) funds for New Mexico educational entities. Schools report spending most of the first round of ESSER funds (CARES) and 40 percent of the second round (CRRSA) of funding. The third and largest round of aid, ARPA, remains mostly unspent and has an expenditure deadline in of September 30, 2024.

A May 2022 U.S. Department of Education letter to the national school superintendents' association suggests the department may consider requests to further extend spending of ARPA up to 18 months. The letter also urged schools to use ARPA dollars to address lost instructional time and student mental health rather than new construction projects.



In addition to federal ESSER funds, New Mexico schools have nearly half a billion dollars in unrestricted cash balances available from FY21. PED recently changed prior guidance prohibiting the use of cash for recurring, operational expenditures (like salaries). These changes could spend down balances but may obligate the state to consider larger, recurring operational costs moving forward.

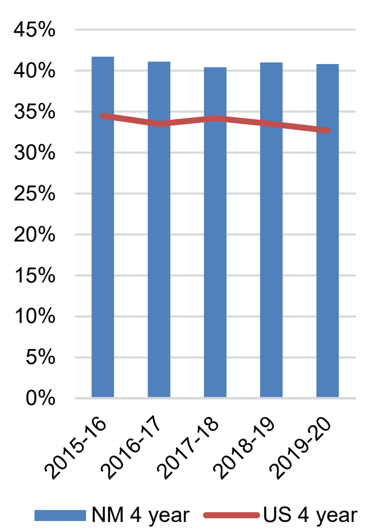
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Higher Education Institutions
Third Quarter, Fiscal Year 2022

ACTION PLAN

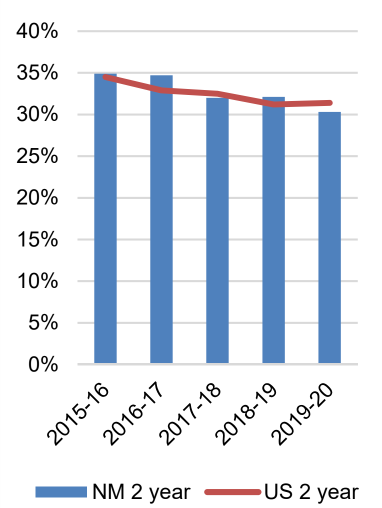
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Pell Grant Eligibility, 4-year



Source: NCES

Pell Grant Eligiblity, 2-year



Source: NCES

Higher Education Institutions

Since 2011, enrollment at higher education institutions (HEI) nationwide has declined 10 percent on average while New Mexico institutions experienced a 27 percent decline. In 2010, New Mexico's college-going rate peaked at 72.4 percent, but has steadily fallen and was down to 54 percent in 2020. Additionally, retention rates for New Mexico college students lag the U.S. average leading to fewer degree completions. New Mexico ranks 39th in the nation in the proportion of the population holding a bachelor's degree.

In addition to facing declining enrollment, New Mexico HEIs must address the needs of a student population that is both poorer and less prepared to succeed in college than their peers nationally. This will require HEIs to both right size staffing and maintain adequate supports to allow students to complete degrees.

Increasing educational attainment increases incomes and improves quality of life for graduates. In 2019, the median earnings of those with a bachelor's degree ($55,700) were 39 percent higher than those with an associate's degree ($40 thousand) and 59 percent higher than those with only a high school diploma. Increasing the populace's income is good for New Mexico. It means fewer people are reliant on state and federal supports, and a more educated workforce makes the state a more attractive place to bring new business and economic development opportunities.

Students

New Mexico is the fourth-poorest state in the nation with a median income of $25,881, well below the national median of $31,133. The relatively low incomes are reflected in the proportion of college students receiving Pell grants, a federal financial aid program targeted at low-income students. In 2019-2020, 41 percent of New Mexico students at 4-year institutions received Pell grants compared with 33 percent for the U.S. on average. New Mexico students at 2-year institutions are slightly less likely to receive a Pell grant than the national average. Numerous studies have shown that low income students receiving Pell grants are less likely than non-Pell grant recipients to graduate.

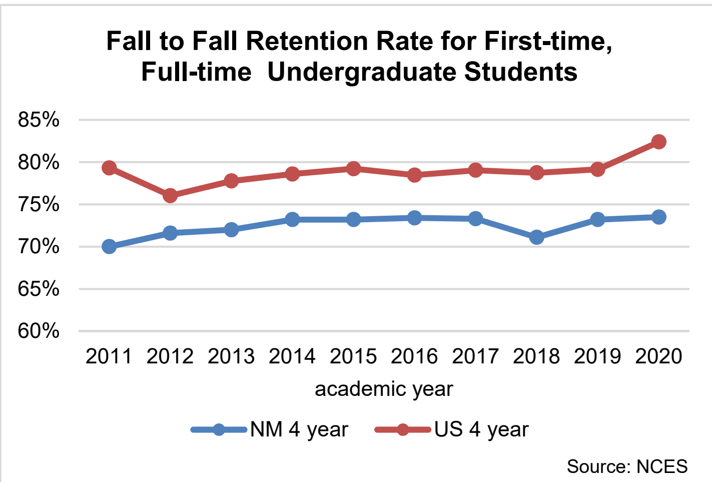
In addition to being poorer than their national peers, New Mexico students are less prepared for college success as measured by ACT scores. According to the U.S. Department of Education, New Mexico students in the 75th percentile scored roughly similar to their national peers, but those in the bottom 25th percentile scored lower than their peers nationally. These test data indicate high-performing students in New Mexico compare well with their peers nationally, but lower-performers have more acute educational deficiencies than their peers and will likely need increased support to succeed.

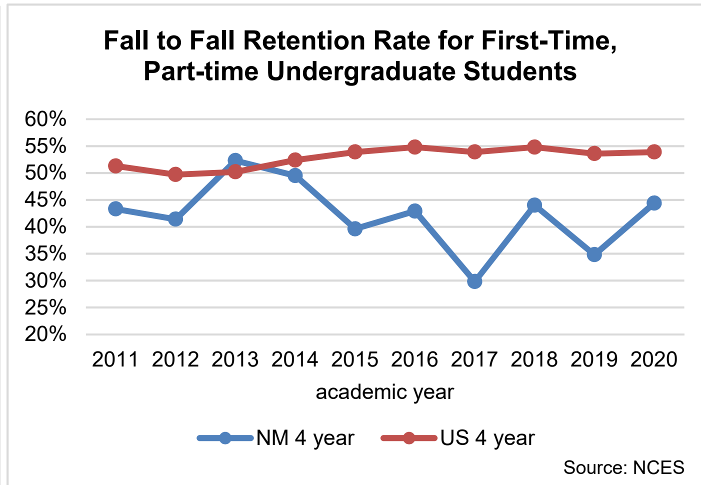
25th Percentile ACT Score Comparison, 2020

	% Taking Test	Composite	Math	English
U.S. Average		**20.1**	**19.1**	**19.0**
Eastern New Mexico University	**76%**	**17.0**	16.0	15.0
New Mexico Tech	**79%**	**23.0**	23.0	21.0
New Mexico State University	**70%**	**17.0**	17.0	16.0
University of New Mexico	**75%**	**17.0**	17.0	17.0

Source: U.S. Department of Education

Data show persistence of full-time students at 2-year colleges is roughly the same as the U.S. average, but part-time 2-year students are retained at a rate slightly less than the national average. Students at 4-year institutions, both full-time and part-time, are much less likely to persist than their peers nationally.





Affordability

Tuition at New Mexico HEIs is significantly lower than the national average for both 2- and 4-year institutions. Net price is the total cost of attendance (including tuition, books, supplies, fees, room and board, and other expenses) minus any federal or state aid or scholarship. New Mexico's net price compares favorably to the region, though the costs are more in-line with regional averages rather than significantly below them, suggesting the cost of attendance is a major driver of costs faced by New Mexico students.

Public HEI Tuition and Fee Comparison

Institution	2019-20
US Avg. 2 yr.	**$3,377**
CNM	$1,650
CCC	$1,376
ENMU-Roswell	$2,256
NMSU-Dona Ana	$1,776
SJC	$1,546
SFCC	$1,755
US Avg. 4 yr.	**$16,647**
ENMU-Main	$6,450
Highlands	$6,318
NM Tech	$8,156
NMSU-Main	$7,087
Northern	$4,952
UNM-Main	$7,875
Western	$6,306

Source: NCES

Average Net Price by Sector and State, 2019-2020

Type	New Mexico	Arizona	Colorado	Oklahoma	Texas	Utah
2 year	7,089	8,762	10,321	7,818	6,642	6,204
4 year	11,357	14,142	13,598	11,218	10,394	11,605

Source: IPEDS

Opportunity Scholarship

The Legislature recognized the importance of higher education in economic development and overwhelmingly supported the creation of the Opportunity Scholarship to pay the portion of tuition and fees not covered by the existing lottery scholarship and other aid programs. The new scholarship will effectively result in tuition-free college for New Mexicans who do not already hold a bachelor's degree.

It is likely the Opportunity Scholarship will provide a powerful inducement for New Mexicans to seek a higher education credential and has the potential to reverse enrollment declines at New Mexico HEIs. Unlike the lottery scholarship, Opportunity will appeal to a group of non-traditional students who were previously ineligible for financial aid. Given the state's underperformance in retention rates for traditional students, it is likely that a new group of non-traditional students will face similar obstacles. For this reason, it will be imperative for New Mexico HEIs to develop performance measures to track these students and ensure they have the supports necessary to successfully complete the degrees they begin.

Right-Sizing Institutions

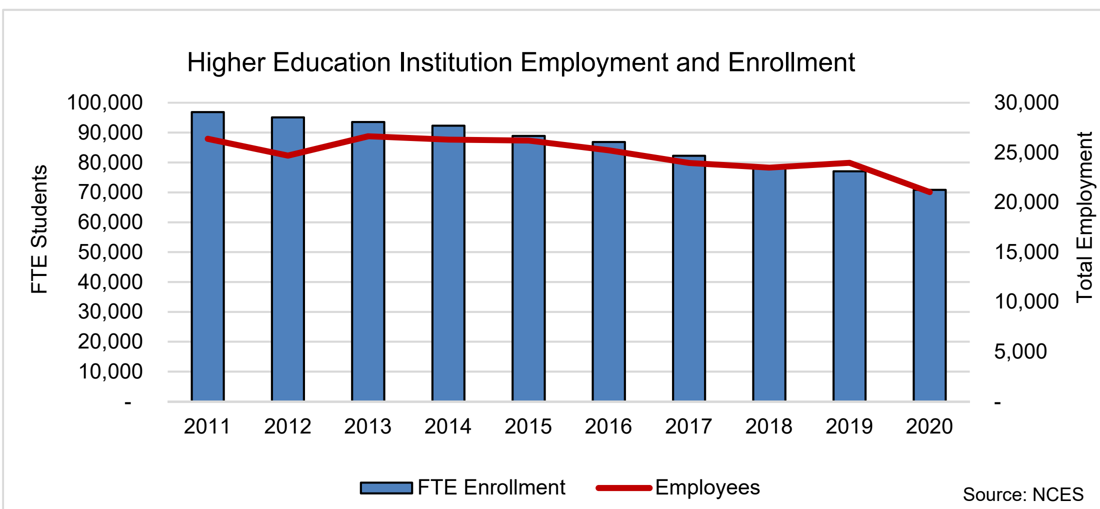
New Mexico's current population trends suggest enrollment declines will continue unless recruitment and retention improve. According to U.S. Census Bureau population data, people under age 18 decreased by 42.8 thousand (8 percent) and people age 18-24 decreased by 7.7 thousand (4 percent) from 2010 to 2019. If these trends continue into the future and further decrease college enrollment, New Mexico's 24 state-funded colleges and universities will need to adapt in two key ways. First, the state's colleges and universities will need to become more streamlined and collaborative in the use of finite resources for instruction, administration, and capital outlay. Second, the state's colleges and universities will need to aggressively improve their recruitment and retention of resident and out-of-state students.

Faculty to Student Ratio, 2018

	New Mexico	U.S. Avg.
2 year	19.3	18.4
4 year	14.3	14.2

Source: NCES

As student enrollment has fallen, so too have New Mexico HEI staffing levels. According the National Center for Education Statistics, the number of people employed by public HEIs in New Mexico fell from 26.4 thousand in 2011 to 21 thousand in 2020, a decline of 20 percent. Over this same time, the number of full-time students fell from 96.9 thousand to 70.9 thousand, a reduction of 27 percent. According to NCES, the faculty to student ratios for 2-year institutions are slightly higher than the national average and the 4 year ratio is roughly equivalent to the national average.



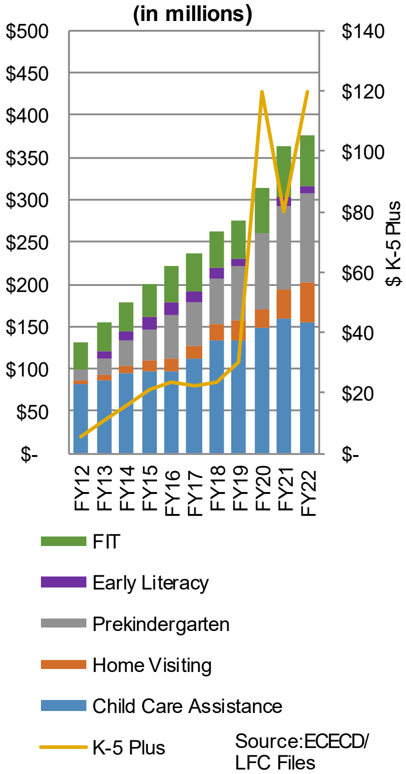
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Early Childhood Education and Care
Third Quarter, Fiscal Year 2022

ACTION PLAN

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

Recurring Early Childhood Funding History FY12-FY22 (in millions)



Source: ECECD/ LFC Files

Additional Home Visiting Measures New Mexico should consider reporting:

- Reduction in emergency room visits
- Fewer hypertensive disorders of pregnancy
- Fewer closely-spaced subsequent pregnancies
- Decreases in prenatal cigarette smoking
- Greater employment for the mothers

Early Childhood Education and Care

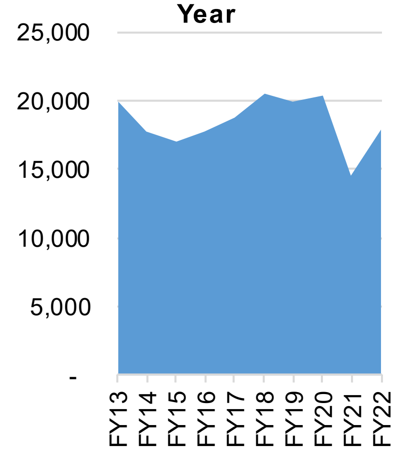
The Early Childhood Education and Care Department (ECECD) added several additional measures in FY22 for early prevention and intervention programs such as home visiting. Home visiting is one of the state's cornerstone programs to improve long-term outcomes for children and families by providing in-home support, screening, and referrals. Many home visiting programs continued virtual services during FY21 but are shifting to hybrid delivery models that include both in-home and virtual visits. Nationally, researchers and home visiting programs are studying the shifting delivery models of home visiting programs to confirm quality and outcomes.

Family Support and Intervention

The program—composed primarily of the Family, Infant, Toddler (FIT) developmental disabilities intervention program, Families First case management program, and home visiting parental education and supports program—reported meeting quarterly performance targets for families demonstrating progress in positive parent-child interactions and children receiving regular well-child visits. These measures monitor home visiting progress in supporting new families to attain health and developmental goals for young children. The program also reported only 249 families were enrolled in Medicaid-funded home visiting, well below the performance target of 2,000. Medicaid-funded home visiting allows the state to receive federal revenues to grow state services. Additionally, ECECD reported the program funded and on-boarded three new programs. To date, seven programs are part of Medicaid-funded home visiting serving eleven counties (San Juan, Rio Arriba, Bernalillo, Torrance, Quay, Curry, Roosevelt, Chaves, Lea, Otero, and Dona Ana). In total, the department is contracting for over four thousand families for home visiting statewide.

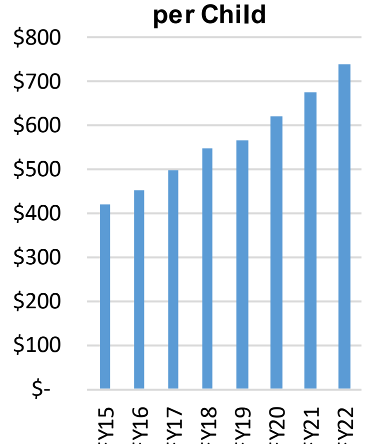
Budget: $66,707.5 **FTE:** 40	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Women in Families First and home visiting and eligible for Medicaid that access prenatal care in the first trimester	NA	NA	74%	86%	88%	90%	G
Women who are pregnant when they enroll in home visiting and Families First who access postpartum care	NA	NA	39%	61%	62%	71%	G
Parents in the New Mexico home visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions	44%	74%	65%	72%	72%	71%	G
Eligible infants and toddlers with an individual family service plan for whom an initial evaluation, assessment and individual family service plan meeting were conducted in the 45-day timeline	NA	NA	100%	92%	91%	93%	Y
Children enrolled in home visiting for longer than six months that receive regular well child exams as recommended by AAP	NA	NA	75%	84%	85%	88%	G
Families enrolled in Medicaid funded home visiting	NA	NA	2,000	127	146	249	R
Children participating in the family infant toddler program for at least six months who demonstrate substantial increase in their development	NA	NA	72%		Reported Annually		
Program Rating	G	G					Y

Early Education, Care, and Nutrition



Childcare Assistance Enrollment by Fiscal Year

Source: ECECD



Childcare Assistance Average Monthly Cost per Child

Source: ECECD

The Early Education, Care and Nutrition Program, primarily composed of childcare assistance, and the Family Nutrition Bureau, met all but one performance targets. Prior to the pandemic, childcare assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. However, in fall 2020, enrollment declined significantly to 15 thousand. In FY21, average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to $676, or $8,117 annually. As of April, monthly enrollment has continued to increase from 15 thousand in July to 20 thousand in April. In April 2022 ECECD announced Childcare Assistance income eligibility would increase to 400 percent FPL and all co-payments would be waived. The department estimated this will cost upward of $60 million annually using non-recurring federal revenue.

Budget: $465,429.0 **FTE:** 152	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Licensed childcare providers participating in Focus tiered quality rating and improvement system	NEW	NEW	45%	51%	50%	49%	G
Licensed childcare providers participating in Focus tiered quality rating and improvement system at the 4- and 5-star level	47%	52%	40%	40%	39%	39%	Y
Infants and toddlers participating in the childcare assistance program enrolled in high-quality childcare programs (4 and 5 star)	NA	NA	40%	62%	62%	60%	G
Program Rating	G	G					G

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

Public PreK

During the pandemic, all public school and most private school prekindergarten programs were forced to close in-person programs and conduct programs virtually. In spring 2021, virtual class sessions lasted on average approximately 30 minutes to 45 minutes, depending on children's ability to remain attentive and parents' ability to assist and support their children in remote learning. The pandemic also resulted in the programs being unable to assess children and provide the data. In FY21, ECECD contracted for 13,608 prekindergarten and early prekindergarten slots.

Budget: $49,856.5 **FTE:** 0	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Children in the state-funded New Mexico prekindergarten program (public and private) for at least six months showing progress on the school readiness spring preschool assessment tool	No Report	No Report	94%		Reported Annually		
Children enrolled for at least six months in the state-funded New Mexico prekindergarten program who score at first step for K or higher on the fall kindergarten observation tool	No Report	No Report	85%		Reported Annually		
Program Rating	R	R					

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

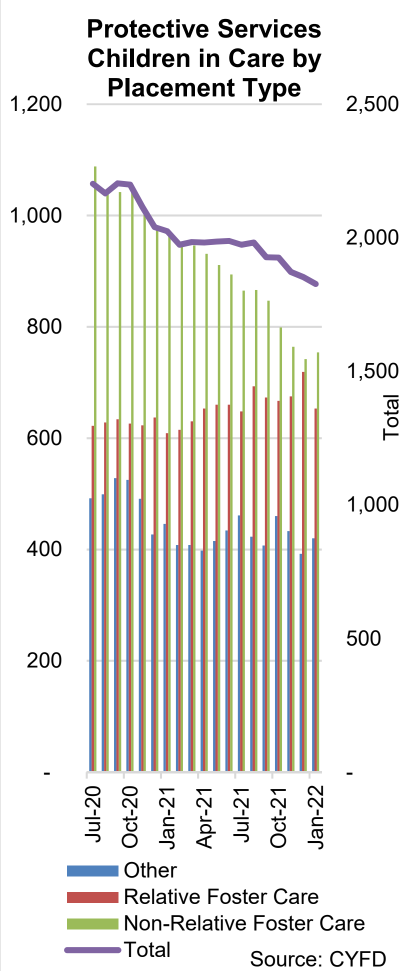
ACTION PLAN

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

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

The Lawsuit against CYFD alleged:

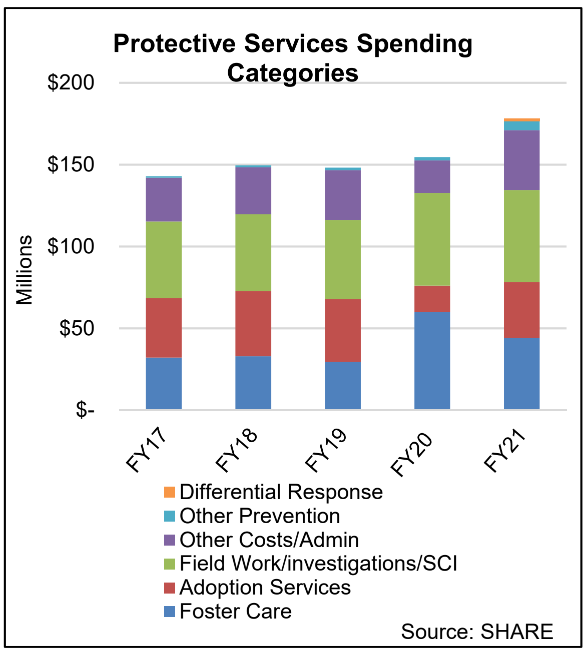
- Systemic failures resulting in harm to children in foster care,
- Lack of stable placements,
- Behavioral health needs unmet,
- No trauma sensitive system, and
- Little behavioral health capacity.

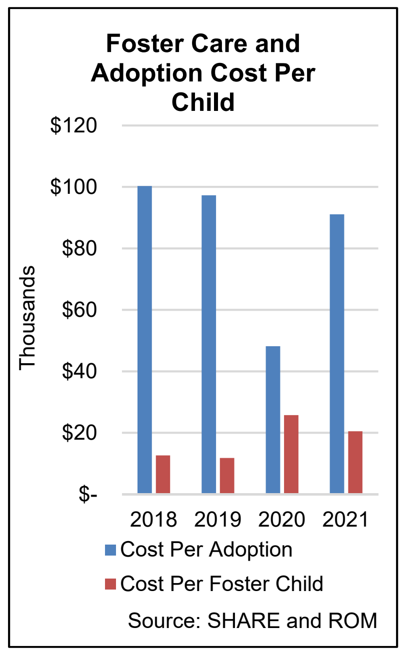


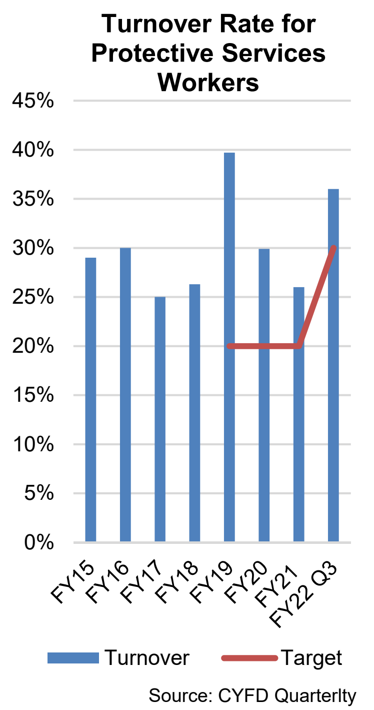
Reducing childhood maltreatment is the primary goal of New Mexico's child welfare system. High poverty rates, complex family needs (such as substance abuse, domestic violence, unmet mental health needs, and unstable housing), lack of services, and poor recruitment and retention have all been cited by the department as obstacles to reducing maltreatment more quickly. In an effort to address all of these obstacles and to ensure the department and the rest of the child welfare system has all of the resources it needs, the Legislature increased appropriations to the Behavioral Health Services Program by 21 percent and Protective Services by 8 percent for FY23. The Legislature also appropriated $20 million to CYFD and HSD to develop more behavioral health provider capacity, $50 million to higher education institutions to increase social worker endowments, $20.7 million for homeless housing assistance, additional capital assistance to local governments for homeless housing projects, and $5 million for food bank services. Now that the system is nearly fully funded, a childhood maltreatment plan is needed.

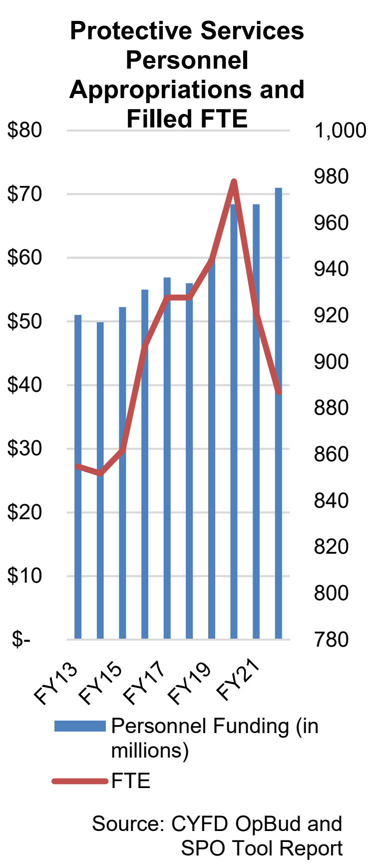
Protective Services

Between FY17 and FY22 (through April), preventive services expenditures grew from about $900 thousand to $10.3 million, a tenfold increase, with most of the increase occurring in the last two years. During the same period, repeat maltreatment decreased from 17 percent to 14 percent, but remains well above the national benchmark of 9 percent. Preventing abuse that results in involvement with the child welfare system is seen as the key to reducing childhood maltreatment. Most of the increase in prevention services comes from increased general fund allotments and federal Title IV-B community-based child abuse prevention and promoting safe and stable families grants. While the increase is welcomed, prevention spending is only 6 percent of the total Protective Services Budget. There is room for the department to continue expanding prevention by continuing to invest savings from reduced foster care caseloads, as LFC recommended in the last two budget cycles, and submitting a plan to the federal government to draw upon Title IV-E families first prevention services grants, as 37 other states have done.





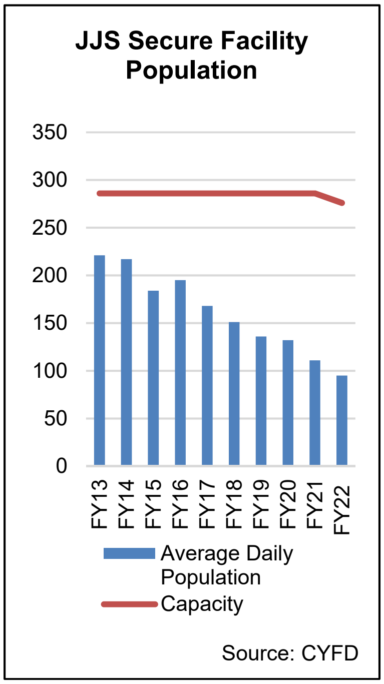




Budget: $179,905.2 **FTE:** 1,081	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Children in foster care who have at least one monthly visit with their caseworker	96%	98%	50%	97%	97%	96%	G
Children in foster care for more than 8 days who achieve permanency within 12 months of entry into foster care	29%	30%	30%	32%	33%	35%	G
Children in foster care for 12 to 23 months at the start of a 12-month period who achieve permanency	40%	40%	35%	38%	41%	38%	G
Children in foster care for 24 months, or more, at the start of a 12-month period who achieve permanency	34%	41%	32%	42%	39%	38%	G
Children who were victims of a substantiated maltreatment report during a 12-month period who were victims of another substantiated maltreatment allegation within 12 months of their initial report	14%	14%	9%	14%	14%	14%	R
Families with a completed investigation that participated in family support or in-home services and did not have a subsequent substantiated abuse report within 12 months	New	New	20%	79%	79%	74%	G
Foster care placements currently in kinship care settings	36%	42%	35%	46%	48%	48%	G
Indian Child Welfare Act foster care youth who are in an appropriate placement	New	73%	35%	62%	61%	68%	G
Initial relative placement that transition to permanency or are still stable after 12 months	74%	78%	25%	74%	75%	70%	G
Rate of maltreatment victimizations per one hundred thousand days in foster care	12.6	14.7	8	15.1	11	9.7	Y
Serious injuries with prior protective services involvement in the last year	New	New	26%	48%	70%	17%	G
Average statewide central intake call center wait time in seconds	15	27	180	27	36	30	G
Children who enter care during a 12-month period and stay for >8 days, placement moves rate per 1,000 days of care	5.8	5.6	4	6.2	6.5	4.8	Y
Turnover rate for protective service workers	30%	26%	30%	31%	34%	36%	R
Program Rating							Y

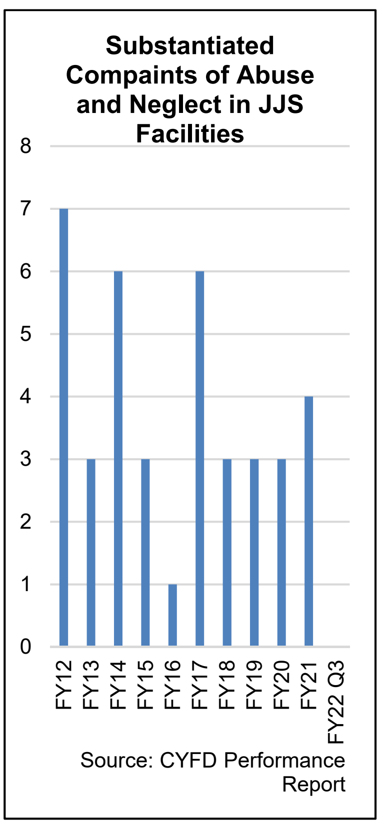
Juvenile Justice Services

Physical assaults in Juvenile Justice Services (JJS) facilities are significantly down, and the percent of Native American youth supervised in the community who are in an appropriate placement as required by the federal Indian Child Welfare Act (ICWA) and



the Kevin S. settlement, was close to targeted levels for the first and second quarters, but third quarter data has not been provided yet. Native American youth have been shown to have better outcomes when in culturally appropriate placements. One area of concern, the turnover rate for youth care specialists increased from 18 percent in FY21 to 30 percent for the third quarter FY22.

Budget: $71,969.8 **FTE: 807**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Physical assaults in Juvenile Justice Facilities *(target is annual; quarterly numbers are cumulative)*	287	224	<285	32	64	55	G
Eligible juvenile justice involved youth that are participating in fostering connections	New	New	60%	40%	54%	64%	G
JJS clients who successfully complete formal probation	94%	90%	85%	91%	86%	85%	G
Recidivism rate for youth discharged from active field supervision	20%	18%	20%	17%	17%	14%	G
Recidivism rate for youth discharged from commitment	41%	33%	55%	27%	33%	38%	G
Clients with improved math scores	68%	No data	56%	N/A	48%	N/A	Y
Clients with improved reading scores	41%	No data	56%	N/A	44%	N/A	Y
Substantiated complaints by clients of abuse and neglect in JJS facilities	3	2	5	0	1	0	G
Turnover rate for youth care specialist	18%	18%	21%	23%	25%	30%	R
Youth being formally supervised by field services currently in kinship care settings	New	17%	35%	17%	15%	13%	R
Indian Child Welfare Act Youth for which proper tribal notification was given	New	61%	90%	84.1%	85%	86%	Y
Program Rating							Y



Behavioral Health Services

Behavioral Health Services reported 100 percent of infants receiving a recommendation for family reunification from a mental health team not being referred back to protective services. This quarter, 105 infants were served but none were recommended for reunification. The program's action plan is to support the community of practice through clinical consultation and increase competency in the delivery of child parent psychotherapy (CPP). The percent of youth receiving services from community behavioral health clinicians did not meet the target of 75 percent and has remained stagnant for the last two years. The program's action plan is to fill vacancies and to work with community providers to build rapport. However, the department's action plan did not change for at least the past two years and the program should look at different strategies to improve performance on the measure.

Budget: $45,658.8 **FTE:** 117	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Infants served by infant mental health teams with a team recommendation for unification who have not had additional referrals to protective services	94%	70%	90%	0%	100%	100%	G

Children and youth in department custody who are placed in a community-based setting	New	90%	70%	89%	89%	92%	G
Clients enrolled in multisystemic therapy who demonstrate improvement in mental health functioning	91%	92%	75%	95%	90%	86%	G
Domestic violence program participants who agree they have strategies for enhancing their safety.	New	0%	80%	94%	90%	93%	G
Domestic violence program participants who agree that staff and advocates regularly discuss their safety needs, including specific things they can do to keep themselves safe	New	95%	80%	89%	93%	91%	G
Increase in supportive or independent housing options for youth ages 16-21 years from baseline FY20 levels	New	15%	20%	25%	25%	25%	G
Department-involved youth in the estimated target population who are receiving services from community behavioral health clinicians	64%	65%	75%	67%	67%	65%	R
Program Rating							Y

PERFORMANCE REPORT CARD
Economic Development Department
Third Quarter, Fiscal Year 2022

ACTION PLAN

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

LegisSTAT Pilot Agency

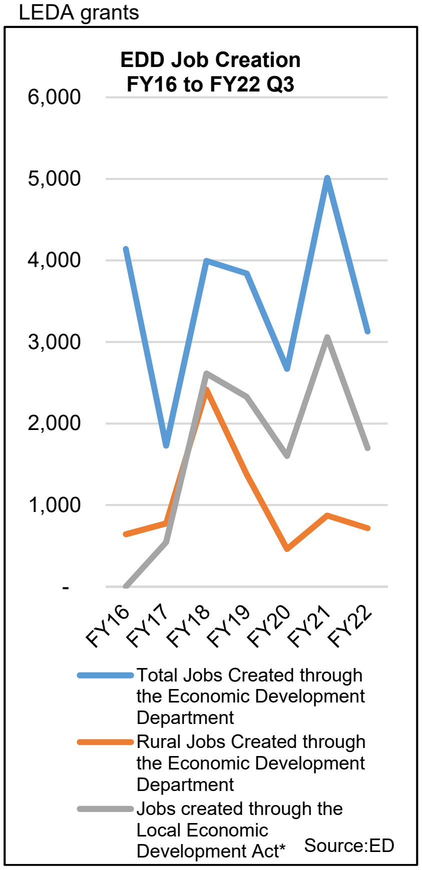
The New Mexico Economic Development Department (NMEDD) participated in the Legislative Finance Committee's first LegisSTAT panel, a new hearing format hyper-focused on performance metrics and agency action plans. The department will update the committee on LegiSTAT measures in June.

The agency addressed the department's role in creating jobs in the state. The department will be asked to update members on recovery metrics in future appearances before the committee including:

-Jobs created through Local Economic Development Act (LEDA) funds

--Rural Jobs Created

-Department return on investment from LEDA grants



The Economic Development Department (EDD) received a 19 percent recurring general fund increase during the 2022 Legislative session, in addition to nonrecurring appropriations totaling $100 million between the 2021 second legislative session and 2022 regular session. The agency will also be expected to help shape other major legislative investments in economic development, including the newly created venture capital fund and opportunity enterprise acts. With over $200 million in new investments for various economic development initiatives, along with EDD's new 20 year strategic plan, the department has an opportunity to diversify and grow the states economy.

The department improved performance on nearly every measure in the third quarter of FY22, including rural job creation (which had lagged overall job creation since the pandemic), overall wages of jobs created, and film and media work hours. In contrast, the New Mexico partnership (created as a mechanism to entice and entertain companies considering relocating to New Mexico) continues to perform poorly in FY22, attracting only 24 jobs to the state in 10 months.

Economic Development

The department saw significant increases in rural job creation, with 519 jobs created in the second quarter versus only 70 is the first. The department awarded state assistance to four companies in rural communities, including WTEC Energy in Chamberino, Pecos Valley Production in Roswell, PESCO in Farmington, and X-Bow Launch Systems in Socorro. The agency's action plan notes there is still work to do to increase job opportunities in rural New Mexico. EDD requested, and the Legislature supported, 6 new FTE to amplify rural economic development efforts in FY23, and the department will continue to prioritize these areas through the remainder of FY22.

LEDA and JTIP. The Economic Development Division awarded seven companies just under $17 million in Local Economic Development Act (LEDA) funds in the third quarter of FY22, creating 994 jobs at a cost of about $15 thousand per job. Major LEDA investments in the third quarter include $10 million to Universal Hydrogen Co. (a hydrogen storage module manufacturer) to construct a facility in Albuquerque bringing approximately 500 jobs and $750 thousand to Aspen & Autumn LLC, is a family-owned food and beverage distribution enterprise, to build an 82,000 square-foot distribution hub for food, beverages, and other products throughout the Western US. Heritage Driven LLC, a specialized company focused on the restoration and modification of classic Land Rover Defender vehicles, was also approved for $250 thousand LEDA support to create 30 new jobs, also in Albuquerque.

Outside of Albuquerque, the department awarded a rural infrastructure grant totaling $1.8 million to San Juan for improvements in the publicly-owned San Juan Industrial park to extend a natural gas pipeline into the park, making it more attractive to New Mexico businesses. Artico Cold New Mexico, an agriculture cold storage management company, was also approved for $600 thousand in LEDA support to create a $30 million 120,000 square foot facility in the Las Cruces Innovation and Industrial Park to support 60 new jobs. The average wage of jobs associated with LEDA projects in the third quarter was $58.5 thousand, and the department reports just $2.7 million in unencumbered LEDA funds as of May 15th, 2022.

One Time Economic Development Funding at a Glance (dollars in thousands)		
Purpose	**2021 Second Special Session**	**2022 Regular Session**
Outdoor Equity Fund	3,000	
Trails + Grants	7,000	
Film Academy		40,000
Local Economic Development Act		50,000
Venture Capital Investment Fund		35,000
Federal Grants Administration	435	3,500
Local grant management		1,500
Opportunity Enterprise Fund		70,000
Job Training Incentive Program		6,000
Subtotal	**10,000**	**201,000**
Grand Total		**216,435**

Source: LFC Files

For the Job Training Incentive Program (JTIP), the JTIP board approved 30 companies in the third quarter, bringing 359 new jobs at an average wage of $31.00 per hour. Of the new jobs, 162 were high wage with salaries in excess of $60 thousand. The board also approved 5 internships, all in urban areas, with an average hourly wage of $20.10. Of the total trainees approved, 90 were in rural areas including Deming, Hobbs, Moriarty, Santa Teresa, Silver City, and Taos, with 6 trainees considered high wage and the others averaging salaries above of $40 thousand annually. Additionally, the Film Crew Advancement Program (FCAP), one of the two job training incentive programs for Film and Multimedia programs, approved eight companies to train 43 crew members at an average hourly wage of $41.24. The department reports $8.1 million in available JTIP funds.

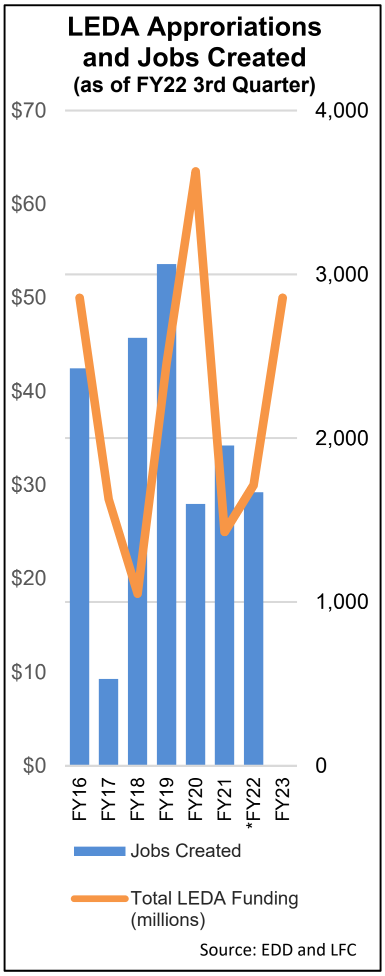
As a part of its strategic plan EDD shifted efforts to attracting companies that offer competitive wages, moving away from low-wage high-volume jobs such as call centers (the department notes there have been 0 call center projects in FY22.) The agency surpassed the target for wages of jobs created in excess of prevailing local wages by $5,000.00, and the average annual wage of new jobs created by the department in quarter three was $59.9 thousand, surpassing both the previous quarter and the target of $47 thousand.

Budget: $10,277 FTE: 25	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Jobs created due to economic development department efforts	2,670	5,012	4,000	887	926	1,317	G
Rural jobs created	460	871	1,320	70	519	128	G
Average wage of jobs created due to economic development department efforts (in thousands)	NEW	$70.6	$47.5	$88.7	$44.2	$59.9	G
Jobs created through business relocations facilitated by the New Mexico partnership	812	147	2,250	15	0	9	R
Potential recruitment opportunities submitted by the New Mexico Partnership	33	60	60	16	15	17	R
Wages of jobs created in excess of prevailing local wages	NEW	$24,948	$5,000	$41,857	$22	$10,907	G
Private sector investment in MainStreet districts, in millions	$24.57	$58	$30	$5.8	$15.6	$34.0	G
Number of company visits to New Mexico for projects managed by the New Mexico Partnership	New	9	12	9	5	9	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	27:1	128:1	20:1	17:1	11:1	23:1	G
Jobs created through the use of Local Economic Development Act funds	1,600	3,058	3,000	337	338	994	G
Workers trained by Job Training Incentive Program	2,202	3,356	1,900	737	750	359	G
Program Rating	Y	Y		Y	Y		Y

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Economic Development Department
Third Quarter, Fiscal Year 2022



New Mexico Film Office

The COVID-19 pandemic brought film and television production to a standstill from March 2020 to September 2020. Productions ramped up quickly at the close of FY21 and have continued momentum in FY22. All measures for the film office improved compared with the previous quarter, with direct spending by the film industry notably increasing from $51 million to $206 million.

Budget: $747.1 **FTE:** 8	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Direct spending by film industry productions, in millions	$257.3	$624	$530	$391	$51.05	$206.41	G
Film and media worker days	266,604	514,580	300,000	384,981	23,308	112,339	G
Total gross receipts paid by film industry productions, in millions	NEW	$30.6	$20	$21.03	$2.89	$10.59	G
Program Rating	Y	Y					G

Outdoor Recreation

The Outdoor Recreation Division's goal is to ensure all New Mexicans share in the public health, environmental, and economic benefits of sustainable outdoor recreation. The two-person division focuses on a few key impact areas: economic development, promotion of outdoor-recreation assets, conservation, and education and public health programs.

The division began accepting grant applications for the "Trails +" outdoor infrastructure grants in early March. The 2022 grant cycle will have two award tiers, one for local projects with awards ranging from $25 thousand to $150 thousand, and one for regional projects with awards ranging from $150 thousand to $500 thousand. The Outdoor recreation division received a total of $10 million for outdoor recreation grants in the second special session of 2021, including $7 million for these Trails + grants, and $3 million for outdoor equity grants. The division is currently focused on awarding significant new grant funding, and reports no new jobs or funded projects in the third quarter.

Budget: $482.2 FTE 2	**FTE:** 8	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY2 2 Q3**	**Rating**
New outdoor recreation jobs created by the outdoor recreation division*	40	9	N/A	6	27	0	
Outdoor recreation projects funded or lead by the outdoor recreation division*	11	9	N/A	0	29	0	
Program Rating							Y

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

ACTION PLAN

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

LegisSTAT Pilot Agency

The New Mexico Tourism Department participated in the Legislative Finance Committee's first LegisSTAT panel, a new hearing format hyper-focused on performance metrics and agency action plans.

The agency addressed key economic recovery indicators, including visitation rates and leisure and hospitality employment rates. The department will be asked to update members on recovery metrics in future appearances before the committee, including:

- Return on Investment (ROI) from various marketing initiatives
- Change in leisure and hospitality employment
- Amount of earned media generated in millions

Tourism Department

With the state's peak tourism season (April-August) in full swing, tourism sector job growth steadily recovering, and a nearly 15 percent budget increase on the horizon for FY23 in addition to $15 million in one-time money appropriated during the second special session of 2021, the Tourism Department (NMTD) is positioned to make real impact in an industry that took seemingly endless hits throughout the pandemic. The department's action plan states it will continue to use data to grow quarterly gains in leisure and hospitality employment, maintain its high earned media outcomes, and navigate the constantly changing marketing industry to strengthen and grow the bruised sector, which makes up approximately 7 percent of the state's total economy.

Marketing and Promotion

After a nearly two yearlong recovery period, jobs in the New Mexico leisure and hospitality sector pulled within 1 percentage point of pre-pandemic employment levels. The department reports 28.9 percent more jobs in the sector in the third quarter of FY22 year over year, and 4,500 more jobs compared with last quarter.

The department participated in the ongoing LegisSTAT hearing format, wherein agencies consistently respond to specific metrics to gauge economic recovery. In response to an August LegisSTAT hearing where members questioned how the department could collaborate with state and local organizations to recover the tourism sector workforce, the department collaborated with the New Mexico Small Business Development Center to provide counseling and resources to save 2,000 tourism related jobs this fiscal year. NMTD also partnered with the Department of Workforce Solutions to launch a website showcasing all leisure and hospitality jobs in the state, which the department partially credits for additional job growth in the third quarter.

Budget: $14,795.1 **FTE:** 16 **Measure**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Year over year change in New Mexico leisure and hospitality employment	-27.5%	-14%	3%	21%	19.5%	28.9%	G
Change in total digital engagement	New	16.8%	3%	0.9%	-20%	-39%	R
Amount of earned media value generated in millions	New	$1.7	$1.0	$0.8	$1.6	$2.1	G
Program Rating	R	Y					Y

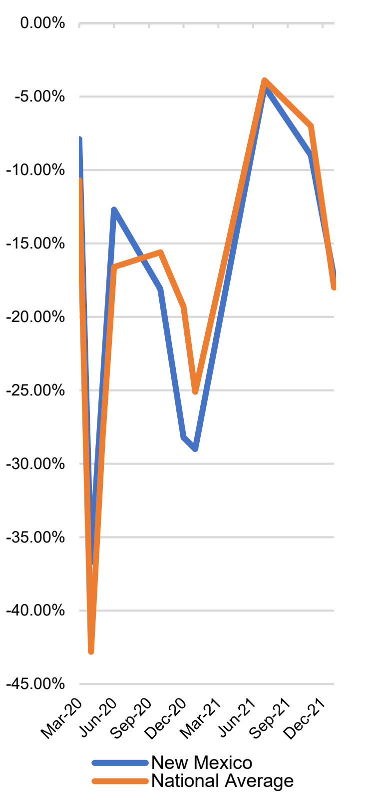
The department leveraged pandemic-related closures to significantly grow its social media presence in FY21, but digital engagement fell in every quarter of FY22. The agency offers several explanations for decreased engagement, most notably that new platform algorithms tend to boost "incendiary" or "controversial" posts. The agency's strategic plan addresses this directly, noting that the department made a deliberate shift in posting neutral but engaging content, and the department is working closely with LFC to voluntarily report other, more useful measures. The department secured two times the target for earned media in the third quarter alone from various news sports and magazine features, and reports a return-on-investment of $5.60 in earned media for every $1.00 spend on national marketing.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Tourism Department
Second Quarter, Fiscal Year 2022

Tourism Recovery Metrics		
	February 2020	February 2021
Travel Spending*	-67.1%	-11%
Drive Market Visitors*	-54%	-4%
Passengers Deplaned At Albuquerque International Sunport	20,313	122,931
Hotel Occupancy rates*	25.9%	40.3%
*percentage increase (decrease) compared with FY19		

Retail and Recreation Visitation throughout Covid 19



Source, NMTD

NMTD focuses on data for tourism revitalization, and hosts a public economic recovery dashboard on its website. The dashboard features data from various sources on visitor spending, vaccination rates, small business performance, and hotel occupancy rates. This tool enables legislators and members of the public to track the efficacy of marketing and promotion spending, and the department should consider continuing the dashboard post-pandemic in addition to including relevant measures its quarterly reports.

New Mexico Magazine

New Mexico Magazine did not reach its target for advertising revenue per issue, in part because the agency reduced the number of issues from 12 to 10 per year, with the first two quarters having less issues than quarters three and four. The agency also notes it has shifted much of its readership and advertising to online rather than in print, and will work with LFC and state budget division to formulate new, more appropriate measures to gauge actual revenue. The magazine's digital engagement reaches more than 200 thousand visitors per month across various platforms.

Budget: $3,231.9 **FTE:** 10 **Measure**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Advertising revenue per issue, in thousands	$75	$182.2	$80	$65	$64	$61	Y
Program Rating	G	G		Y			Y

Tourism Development Program

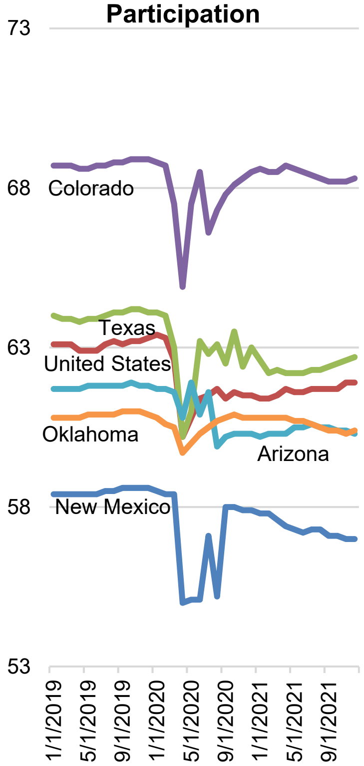
The program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants. The program made collaboration with Native American partners a priority in recent years, hiring a full-time cultural heritage coordinator in late FY20. The New Mexico True Certified program continued to grow in the second quarter of FY22, and helped businesses weather the pandemic through creating holiday gift guides and various road trip guides. NMTD notes that the New Mexico True certified program has quadrupled since its creation in 2014, and projects continued growth as more businesses realize its branding potential.

Budget: $2,305.8 **FTE:** 18 **Measure**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Number of meetings or events conducted with Native American entities	NEW	21	16	12	6	3	G
Number of participants in New Mexico True Certified Program	NEW	414	250	450	452	410	G
Program Rating		G		G			G

ACTION PLAN

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

Percentage Labor Force Participation



Source: Federal Reserve of St. Louis

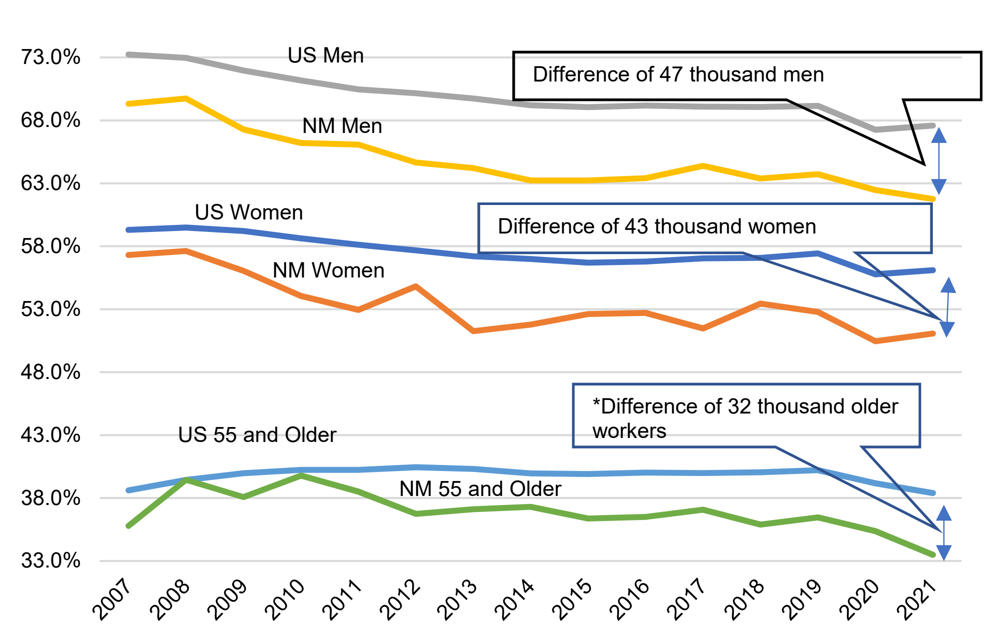
During the 2021 legislative Session, the Legislature set aside $600 million of funding through the American Rescue Plan Act (ARP) to pay off federal loans and replenish the unemployment trust fund. The governor vetoed this funding but then allocated a similar amount to the trust fund to restore balances.

Workforce Solutions

Across sectors, the state is in need of every worker it can get, especially teachers, nurses, social workers, and service industry workers. Improving participation in the labor force is a key strategic goal for the state to recover from the pandemic, meet long-term needs, and address labor shortages. However, almost every indicator of the labor force participation rate (LFPR) is lower in New Mexico than the rest of the U.S. including by sex, educational attainment, disability, and age according to the April 2022 Workforce Solutions Department *Labor Market Review*. The review found participation rates dropped 9 percent between 1999 (peak LFPR) and 2021 for men between the ages of 25-34, the largest reduction for any age group and close to double the national decline. In 2021, the LFPR for men in New Mexico ranked third from the bottom nationally. Also in 2021, New Mexico had the fourth lowest LFPR among women and the reduction between 1999 and 2021 was greatest for women aged 35-44 at 5.2 percent. Between 2010 and 2020, participation dropped the most for those with just a high school education. The one bright spot showed that women with children under 6 years old participated in the labor force at a slightly higher rate than the national average.

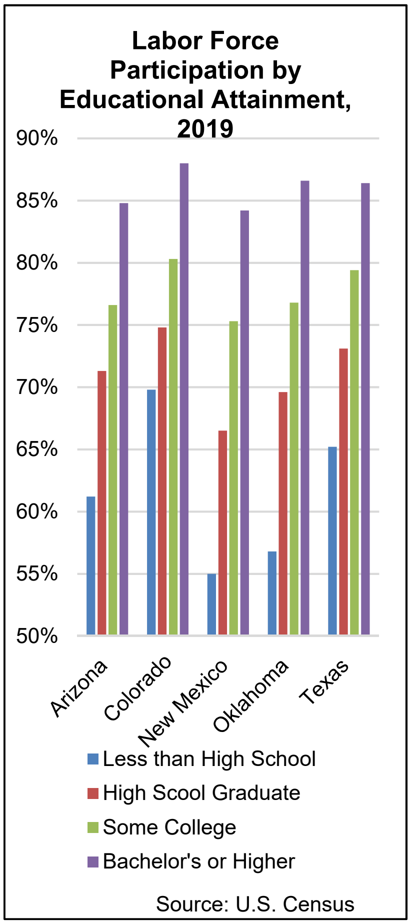
U.S. Bureau of Labor Statistics, studies show low labor force participation rates cause rising dependency ratios because fewer workers are available to support those who do not work, higher tax rates because of a shrinking base, and slower economic growth because fewer people are working. Reasons for low participation include out migration of working aged adults, an aging population, and more people receiving disability. The number of people receiving disability between 1999 and 2020 nearly doubled from 31 thousand to 61.3 thousand. The study also suggested a correlation between low LFPR and comparatively low real per capita income.

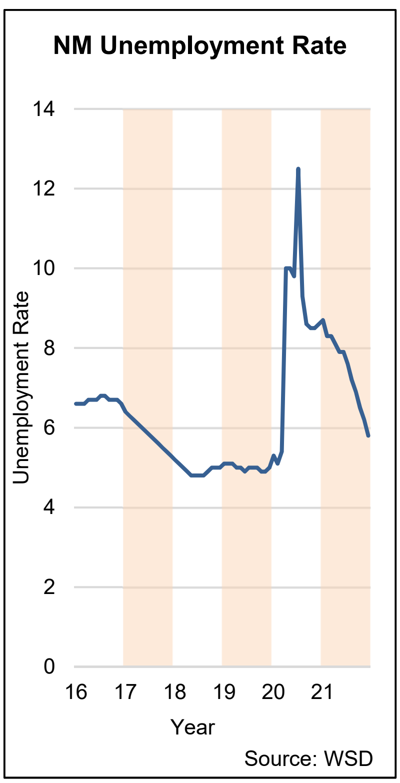
US and New Mexico Labor Force Participation for Select Groups



*includes overlap with men/women

Source: WSD, BLS, U.S. Census



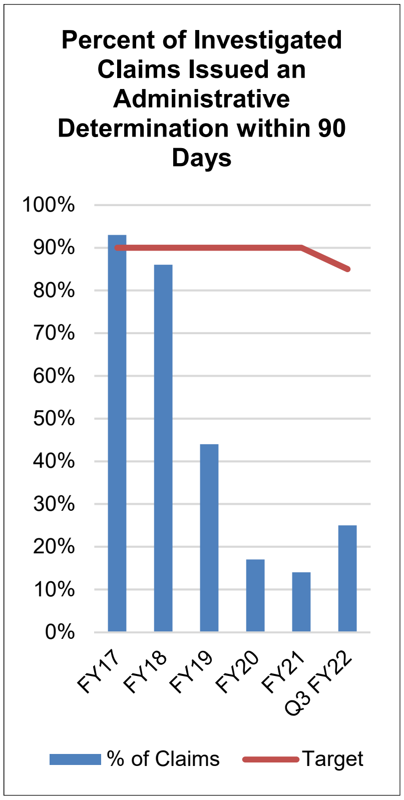


The Legislature made large investments this year to address labor shortages in key areas. The department directly received $10 million for reemployment services, case management, and youth apprenticeships. Higher education institutions also received about $100 million for teaching endowments in social worker and nursing programs, $7 million for the teacher student loan repayment fund, and $20 million for work-study programs. There is no shortage of funding for training future workers but a plan and further coordination between the entities is needed to spend funding strategically. There will be an LFC hearing in July on this topic.

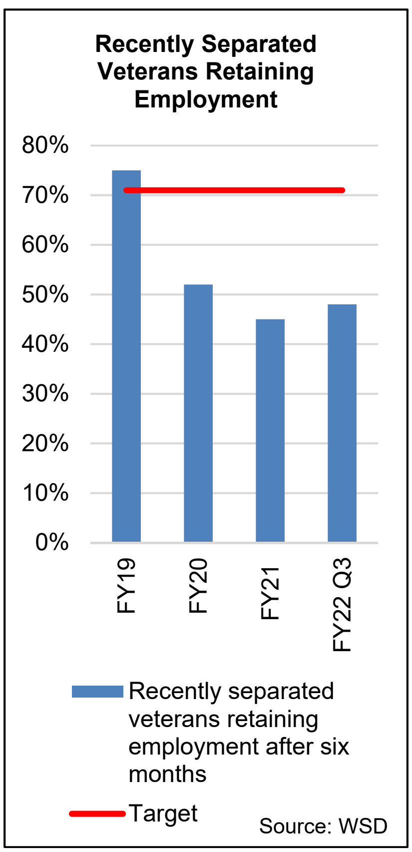
Employment Services

The Employment Services Program plays a key role in addressing the low LFPR and is a central player in developing a plan. The program oversees the state's network of workforce connections centers and operates several programs related to the federal Workforce Innovation and Opportunities Act (WIOA). The Legislature appropriated $10 million to the department from American Rescue Plan Act funds for reemployment case management and youth apprenticeships. Much of the funding could be used to augment already existing evidence-based workforce programs the federal government funds through WIOA. In the third quarter, 12.6 thousand individuals received employment services in a connections office, roughly half the targeted 25 thousand. The plan to improve the participation rate will require a large outreach effort and case management ensuring prospective workers take advantage of generous state programs such as near universal childcare.

Budget: $22,505.4 **FTE: 149**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office.	$11,936	$13,594	$12,750	$14,321	$15,060	$15,012	G
Recently separated veterans entering employment.	49%	47%	50%	42%	44%	48%	R
Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office.	44%	47%	50%	38%	44%	51%	G
Individuals receiving employment services in a Connections Office.	91,743	107,366	100,000	23,417	12,947	12,620	R
Unemployed individuals employed after receiving employment services in a Connections Office.	67%	57%	60%	43%	50%	56%	Y
Individuals that have received employment services in a Connection Office, retaining employment services after six months.	69%	57%	75%	48%	52%	58%	R
Recently separated veterans retaining employment after six months	52%	45%	71%	45%	47%	46%	R

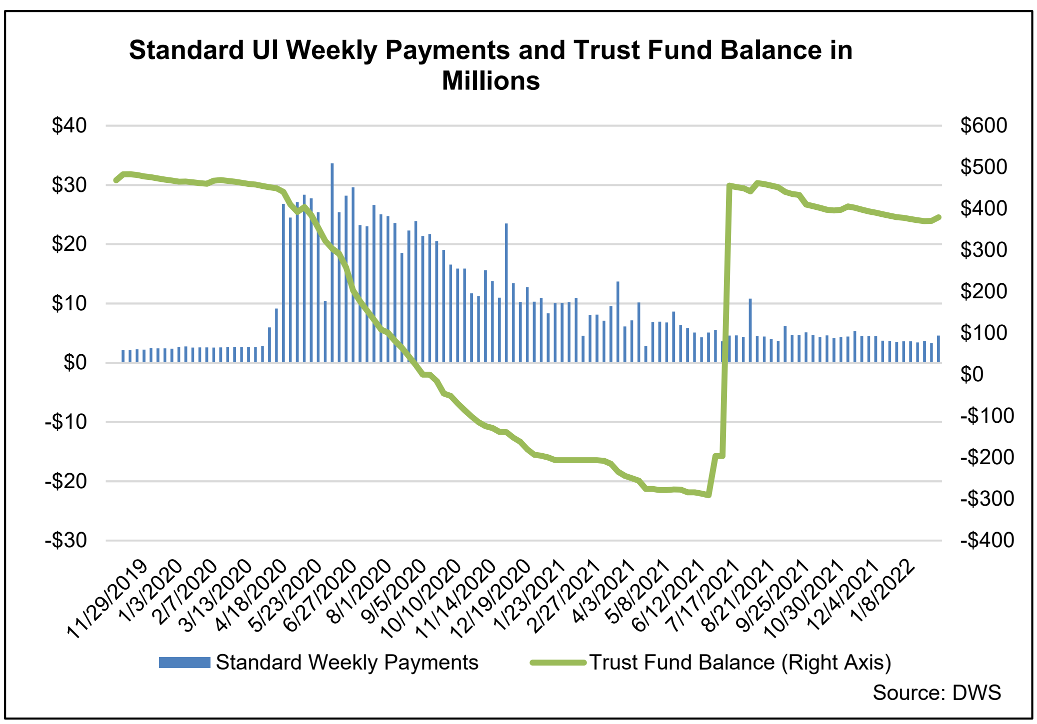


Average six-month earnings of unemployed veterans entering employment after receiving veterans' services in a Connections Office.	$9,478	$14,193	$17,000	$17,801	$21,558	$17,000	G
Average change in six-month earnings of working individuals after receiving employment services in a Connections Office.	New	No report	$1,500	$1,790	$1,458	$1,398	R
Audited apprenticeship programs deemed compliant.	New	67%	75%	0%	0%	100%	G
Total number of individuals accessing the agency's online Job Seeker portal.	New	293,837	125 thousand	47,100	20,740	22,399	G
Apprenticeships registered and in training	New	1,837	1,500	1,835	1,833	1,500	G
Program Rating							Y

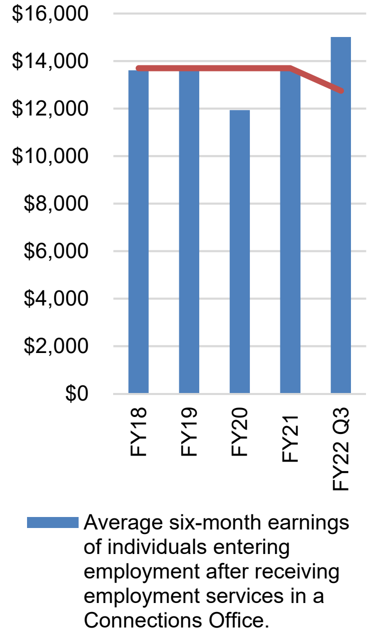


Unemployment Insurance

In May 2021, LFC published an unemployment insurance spotlight evaluation and estimated the state had paid about $250 million in benefit overpayments since the start of the pandemic. In an effort to address overpayment issues and reduce call center wait times, the department hired more than 100 call center staff. Some of the staff were repurposed contact tracers from the Department of Health (DOH) and others were brought on as exempt staff through the governor's office. However, since the federal government instituted the overpayment waiver, the workload of these staff should have been reduced.



Six-Month Earnings After Receiving Employment Services



Source: WSD

Budget: $14,107.4 FTE: 164	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Eligible unemployment claims issued a determination within 21 days from the date of claim.	73%	55%	89%	34%	28%	36%	R
Percent of all first payments made within 14 days after the waiting week.	84%	60%	90%	61%	47%	45%	R
Accuracy rate of claimant separation determinations.	N/A	53%	91%	50%	53%	79%	R
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a new unemployment insurance claim, in minutes.	24:48	18:69	18:00	5:27	5:41	6:25	G
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes.	18:48	16:55	15:00	6:13	9:08	8:16	G
Program Rating							Y

Labor Relations

In 2021, the Legislature passed the Healthy Workplaces Act requiring employers within the state to provide sick leave of one-hour per 30-hours worked with earned sick leave carrying over from year-to-year with the maximum total carryover not to be less than 64-hours. The department is required to investigate complaints related to the act, which may significantly increase investigations. The timeline to publish rules to implement the act was pushed back and the new rules will not be published until June 27th, just a few days before the law takes effect. The department posted guidance with frequently asked questions on its website to support businesses implementing the law. On the measure for claims issued a determination within 90 days, the agency received a yellow rating because it closed 339 cases while it received only 221, making significant backlog progress.

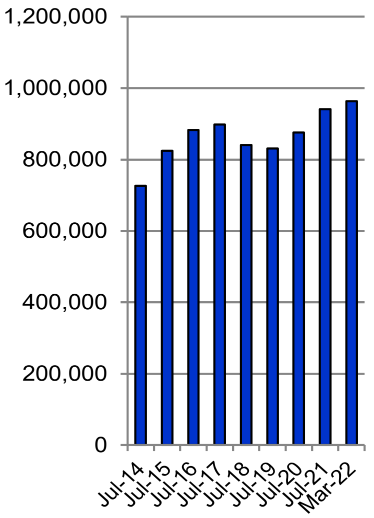
Budget: $2,947.4 FTE: 41	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Investigated claims issued an administrative determination within 90 days.	17%	14%	85%	59%	64%	25%	Y
Total public works projects inspected.	New	0%	80%	45%	81%	80%	G
Discrimination claims investigated and issued a determination within two-hundred days.	New	27%	75%	17%	28%	27%	R
Program Rating							Y

PERFORMANCE REPORT CARD
Human Services Department
Third Quarter, Fiscal Year 2022

ACTION PLAN

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

Total Medicaid Enrollment



Source: HSD

The Medicaid caseload in March 2022 was 962,985 individuals, a 4.7 percent increase over a year ago. The count of Medicaid recipients increased by 1,776, or 0.2 percent, over February.

In March 2022, 386,115 children were on Medicaid, an increase of 7,875 children, or 2.1 percent, over March 2021. The number of children on Medicaid increased by 1,483 members, or 0.3 percent, from February to March.

The Human Services Department's Medicaid Program enrolls almost 50 percent of New Mexicans making it the largest per capita Medicaid Program in the country. The Medicaid Program also represents 40 percent of the state's general fund spending. However, most of the performance measures for the Medicaid Program appear to be lagging behind the targeted trend resulting in a red rating which is concerning for a program of this size and import. A reported 7.6 percent out of a targeted 88 percent of children received one or more well-child primary care visits. The previous quarter reported 38 percent of children received one or more well-child primary care visits. With almost 8,000 children added to Medicaid during the federally declared public health emergency, positive performance outcomes are crucial for infant and maternal health.

Medicaid managed care organizations (MCOs) receive per member per month (PMPM) payments for most Medicaid enrollees regardless if they access services. Notably, utilization rates appear well below the projected levels on which the PMPM rates were built, resulting in the Medical Assistance Division capturing financial recoupments from the MCOs. Network adequacy must be ensured to enable Medicaid clients to have access to services funded through the MCOs.

Labor force participation is needed at all levels in the state. However, the Income Support Division's (ISD) Temporary Assistance for Needy Families (TANF) Program reported 0.8 percent out of a targeted 37 percent of TANF recipients were ineligible for cash assistance due to work-related income. Notably, TANF participants had federal work participation requirements waived and also were eligible for certain unemployment benefits through 2021. ISD and the Child Support Enforcement Division both received a red rating for the third quarter.

Pandemic-Related Enrollment and Funds. The public health emergency (PHE), federal policy, and workforce participation greatly impact the Medicaid program's enrollment, utilization, costs, and outcomes. In 2020, the Families First Coronavirus Response Act included a 6.2 percent increase in the federal Medicaid matching rate. States receiving the increase are required to continue Medicaid eligibility for any individuals enrolled during the public health emergency which extends through December 2022, unless the individual voluntarily terminates eligibility or is no longer a resident of the state. During the PHE between March 2020 and March 2022, Medicaid enrolled over 160 thousand new members, for a total approaching 970 thousand.

HSD Scorecard. The Human Services Department's (HSD's) website added a performance "scorecard" in 2020. The scorecard provides comparative annual data on Medicaid MCO contract management performance measures and high level data on the performance of HSD programs and services. Examples include how MCOs compare with ensuring follow-up appointments, child support payments collected, and percent of follow-up appointments with mental health practitioners. Some of the dashboard's measures are included in the LFC quarterly performance report cards.

Medical Assistance Division

The Medicaid Program received a red rating for the third quarter based on performance continuing to fall short of targeted levels and national benchmarks on several measures, including infant and maternal health. The Medical Assistance Division (MAD) reports it is working with MCOs to ensure every qualified New Mexican receives timely and accurate benefits. Provision of data on appointment no show rates would be a helpful benchmark.

The performance measure, "infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months" is a new measure created by National Committee for Quality Assurance in 2020. HSD added the well-child measure as a Medicaid MCO tracking measure in FY22 and requested MCOs provide detailed action plans with their quarterly performance measures. MCO strategies to improve well-child visits include increasing outreach calls; instituting value-based contracts with providers; creating a reward program for well-child visit compliance; offering assistance with scheduling appointments and transportation; and implementing a member texting campaign.

Home Visiting. The Centennial Home Visiting Program (CHV), established in 2020, provides in home services to young children, children with special health care needs, and to the parents and primary caregivers of those children. The CHV's goals are to improve maternal and child health, promote child development and school readiness, encourage positive parenting, and connect families to support in their communities. MAD requires the prenatal and postpartum performance measures and each MCO is expected to meet the target of 64.8 percent.

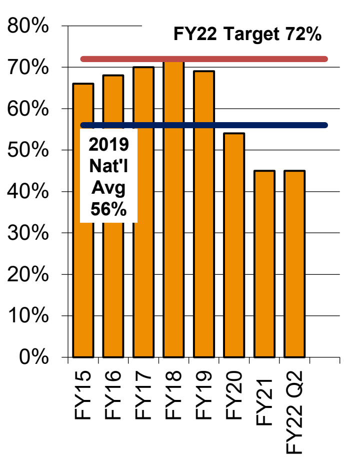
Budget: $6,351,758.6 **FTE:** 215.5	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months*	52%	51.6%	N/A	53%	54%	38.5%	R
Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year*	33%	67.2%	88%	30%	38%	7.6%	R
Children ages 2 to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	54%	49.5%	72%	45%	50%	No Report	R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	4.9%	6.7%	<5%	8%	8%	5.1%	Y
Hospital readmissions for adults 18 and over within 30 days of discharge	9.3%	No Report	<8%	9%	11.7%	8.9%	R
Emergency room use categorized as non-emergent per one thousand Medicaid member months	61%	50%	50%	51%	53%	53%	R
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization*	72%	No Report	83%	56%	56%	54%	R
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was >9 percent during the measurement year*	54%	No Report	86%	75%	67%	87%	G
Program Rating	Y	Y					R

*Measures are Healthcare Effectiveness Data and Information Set (HEDIS) measures, which represent a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. The most recent unaudited data available includes the last quarters of FY21 and the first quarters of FY22. The data for HEDIS measures is preliminary and will be finalized in June 2022.

The Office of Superintendent of Insurance (OSI) implemented network adequacy compliance reporting requirements for commercial health insurance beginning January 1, 2022. OSI also implemented more rigorous standards for existing network adequacy compliance reporting.

Medicaid MCOs should be required to comply with OSI regulations for network adequacy and reporting.

Children in Medicaid Receiving Annual Dental Visit

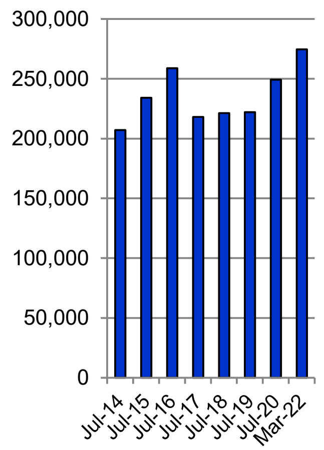


Source: HSD Quarterly Report

The Supplemental Nutrition Assistance Program (SNAP) caseload in March 2022 was 274,715, a 2.8 percent decrease from a year ago, and a decrease of 7,498 cases, or 2.7 percent, below February.

The Temporary Assistance for Needy Families (TANF) caseload was 12,176 in March 2022, a decrease of 2 percent from a year ago, and a decrease of 486 cases, or 3.8 percent, below February.

SNAP Caseload



Source: HSD

HSD's partnership with the Workforce Solutions Department (WSD) to provide work program case management services to mandatory TANF participants is reportedly unfolding slowly. WSD is slated to assist TANF participants with gaining the skills, experience, and resources to improve the family's financial stability, find employment, and receive living wages.

However, WSD is experiencing staffing issues while learning TANF rules and regulations. ISD received several federal waivers to help families during the peak of the pandemic such as automatic extensions on certifications and waived interviews. New Mexico also opted to pause all work program noncompliance on households for nonparticipation. The number of mandatory TANF recipients also increased while during the pandemic, resulting in larger caseloads.

Income Support Division

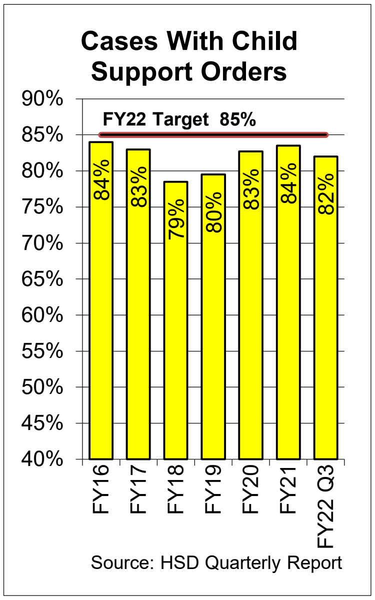
The Income Support Division's (ISD) Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads rose over the previous year but declined in the third quarter. The performance measure, "TANF recipient's ineligible for cash assistance due to work-related income," reflects adults whose new employment income exceeded TANF guidelines. Although unemployment has declined in New Mexico, less than 1 percent of TANF recipients were ineligible for cash assistance due to work-related income. However, TANF recipients had work participation requirements waived and were eligible for certain unemployment benefits through September 2021, possibly affecting their workforce participation into the second and third quarters.

Many TANF participants have significant barriers which prevent full workforce participation and require more intense case management to help alleviate the barriers. Participants may be unable to keep their scheduled appointments which prolongs engagement in work program activities. Often participants cannot easily be contacted because their phone numbers or addresses have changed. The federal Administration for Children and Families allows states to reduce its targeted work participation rate based on additional state and local expenditures on low-income programs that impact TANF related goals.

The Workforce Solutions Department (WSD) is partnering with ISD to establish employment placements for TANF Career Link Program and Wage Subsidy Program participants. WSD started a campaign called "Ready NM" with access to training, education and employment resources that c.an assist TANF participants.

Budget: $1,080,047.7 **FTE:** 1,133	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	98.8%	98.6%	96%	98%	97.6%	98%	G
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	98.8%	98.5%	98%	98%	97.5%	97.3%	Y
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	14.1%	7.6%	37%	3%	0.8%	0.8%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	28.2%	3.5%	52%	3.1%	1.6%	No Report	R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	24.3%	4.2%	37%	1.8%	1.8%	No Report	R
Program Rating	Y	R					R

Child Support Enforcement Division



The Child Support Enforcement Division (CSED) is engaged in modernizing the program to set accurate child support obligations based on the noncustodial parent's ability to pay; increasing consistent, on-time payments to families; moving nonpaying cases to paying status; improving child support collections; and incorporating technological advances and evidence-based standards that support good customer service and cost-effective management practices. These modernization efforts were tested in pilot offices and have since been implemented statewide beginning in February 2022. CSED is expecting performance to improve with these efforts, although the performance in the third quarter continues to lag somewhat behind targeted levels.

CSED reported child support collections are not on track to meet the FY22 target of $145 million for the year. The decrease in collections began in September 2021 when many non-custodial parents lost unemployment benefits, which were being collected as part of wage withholding payments. The third quarter of each fiscal year sees an increase in payments due to federal and state tax interceptions. With the implementation of Laws 2021, Chapter 20 (Senate Bill 140, Child Support Changes), CSED is setting orders based on the new guidelines and reviewing cases for possible modifications for right-sized court orders that the non-custodial parents can pay on a more consistent basis. Total dollars collected per dollars expended is a federal fiscal year performance measure. CSED expected to see a drop in this measure due to several IT expenditures for modernization projects, the largest of which is the Child Support Enforcement System mainframe platform project, which was implemented in February 2022.

Budget: $32,794.2 **FTE:** 370	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Noncustodial parents paying support per total cases with support orders	51.7%	55.7%	58%	55%	51%	52%	R
Total child support enforcement collections, in millions	$156.1	$147.4	$145	$33.6	$29	$33.5	R
Child support owed that is collected	58.7%	60.9%	60%	59%	56%	57%	R
Cases with support orders	83.2%	83.5%	85%	84%	83%	82%	R
Total dollars collected per dollars expended	$3.44	$2.90	$4.00	No Report	No Report	No Report	R
Noncustodial parents paying support to total cases with support orders	New	New	N/A	$129	$113	$132	Y
Program Rating	R	Y					R

Note: Children with paternity acknowledged or adjudicated are reported in the federal fiscal year.

PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Third Quarter, Fiscal Year 2022

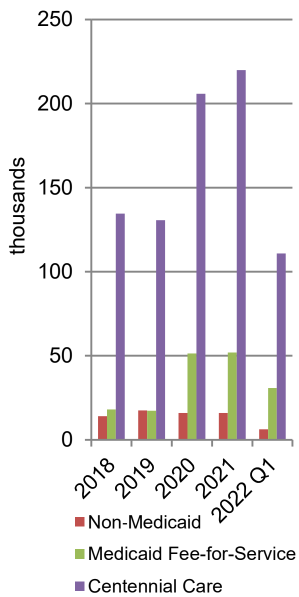
The Behavioral Health Collaborative (BHC) needs to enhance its role coordinating overarching behavioral health services across state agencies. Performance data across agencies would provide a comprehensive overview of the coordination of behavioral health services in the state system, access to services, and systemic outcomes. For example, the BHC report card does not include data on the Children, Youth and Families Department's $20 million FY22 and FY23 special appropriation to expand the provider network for children's behavioral health and community child welfare services. Currently, the BHC report card primarily consists of data from the Behavioral Health Services Division (BHSD) of the Human Services Department representing only a portion of the state's behavioral health system and service dollars.

Several of the performance measures regarding behavioral health outcomes in the state show declines from the previous quarter. For example, performance measures performing less effectively are "Medicaid members 18 and older discharged from inpatient psychiatric hospitalization receiving community-based follow-up at seven days," "percent of emergency department visits for Medicaid members ages 13 and older with alcohol or drug dependence who receive follow-up at seven and 30 days," and "persons receiving behavioral health services via the telephone." The report card only includes performance measures with quarterly data although BHSD added additional performance measures that provide annual or biannual data. However, lacking quarterly data makes it difficult to determine if the state's behavioral health investment is effectively serving New Mexicans.

ACTION PLAN

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

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



Source: HSD

Existing Problem

New Mexico has some of the poorest substance use and behavioral health outcomes in the country even before the Covid-19 pandemic further exacerbated anxiety, depression, and substance use. In New Mexico, 19 percent of adults experience mental illness, and as of 2019, New Mexico had the highest suicide rate in the nation, a rate of 24.1 per 100 thousand people compared with the national rate of 13.9. BHSD reports in the past year over 60 percent of adults with moderate mental illness and 30 percent of adults with serious mental illness did not receive treatment.

The U.S. Centers for Disease Control and Prevention reports in 2019 New Mexico had the 12th highest drug overdose death rate in the United States. New Mexico's drug overdose death rate, 30.4 per 100 thousand population, was 40 percent higher than the U.S. rate. New Mexico's alcohol-related death rate, 73.8 per 100 thousand population, was over 100 percent higher than the U.S. rate of 35.1. About two out of three drug overdose deaths in New Mexico in 2019 involved an opioid, and the methamphetamine death rate grew 2.4 times higher than in 2015. The fentanyl-involved death rate in 2019 was seven times greater than in 2015.

LFC Progress Report: Addressing Substance Use Disorders

In August 2021, an LFC progress report recommended the state
- Improve prevention and early intervention programs to address the underlying causes of substance abuse, including poverty and childhood trauma; and
- Improve the quality of behavioral healthcare, boost access, increase financial incentives, and build a workforce that better represents the state's cultural and racial demographics.

Behavioral Health System of Care

In 2021, BHSD reported there were 6,295 prescribing and 4,057 non-prescribing Medicaid behavioral health providers in New Mexico. During the pandemic, New Mexico Medicaid managed care organization (MCOs) and non-Medicaid programs allowed behavioral health providers to bill for telephone visits using the same rates as in-person visits. In FY20, 22,575 unduplicated members were served through telehealth services; however, in FY22 use of telehealth services are declining.

PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Third Quarter, Fiscal Year 2022

Two initiatives for BHSD that assisted with more persons receiving behavioral health services were federal emergency Covid-19 grants from the Federal Emergency Management Agency (FEMA) and the Substance Abuse and Mental Health Services Administration (SAMHSA). The grants enhanced access to care for individuals with serious mental illness (SMI), serious emotional disturbance (SED), substance use disorder (SUD), those with co-occurring SMI/SED and SUD due to Covid-19.

A dedicated crisis line was also created for healthcare practitioners. Priorities are to train and provide ongoing coaching to providers on evidence-based practices that can be delivered via telehealth; enhance the statewide crisis and access line; screen, assess, and serve the health workforce; implement peer recovery supports; and support the network of crisis response, including telepsychiatry.

BHC Budget: $756,044.1 **BHSD FTE:** 53	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	40.6%	38.3%	35%	42%	43%	36%	G
Medicaid members ages 6 to 17 discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	43.2%	53.7%	51%	53%	56%	44.5%	R
Medicaid members ages 18 and older discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	43.2%	53.7%	51%	39%	33%	28.6%	R
Increase in the number of persons served through telehealth in rural and frontier counties*	308%	68.8%	N/A	-10%	-12%	-4%	Y
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	8.9%	10.8%	5%	10.3%	8.3%	5.6%	Y
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	273,198	200,932	172,000	200,932	287,866	148,088	R
Emergency department visits for Medicaid members ages 13 and older with a principal diagnosis of alcohol or drug dependence who receive follow-up visit within seven days and 30 days	14.3% 7 day; 21.8% 30 day	13.3% 7 day; 19.7% 30 day	25%	13.6% 7 day; 20.7% 30 day	14% 7 day; 21% 30 day	11% 7 day; 16% 30 day	R
Persons receiving telephone behavioral health services in Medicaid and non-Medicaid programs	NEW	NEW	60,000	33,934	43,655	54,452	R
Program Rating	R	R					R

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

Spanish Language Campaign to Combat Opioid Overdoses

The Human Services Department's Behavioral Health Services Division and Office of Substance Abuse Prevention launched a Spanish language campaign to combat opioid misuse in Hispanic communities. "¡El Opio Drama!" includes a six-part series of animated 30-second telenovela-style programming aimed at bridging multi-generational gaps within Spanish speaking households. The campaign included paid advertising on Spanish language television networks such as Telemundo and Univision, websites, social media and community-focused outlets. In addition to increasing public awareness about the dangers of opioid abuse and providing information in Spanish on the safe use, storage and disposal of opioids, the campaign aimed to reduce stigmas and myths associated with opioid addiction.

According to the federal Substance Abuse and Mental Health Services Administration, 75 percent of people addicted to opioids began taking the drugs with a prescription.

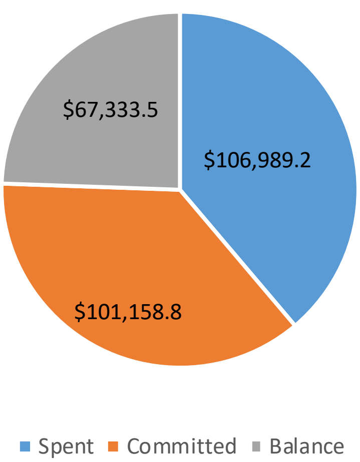
Unintentional drug overdoses accounted for almost 86 percent of drug overdose deaths from 2015 to 2019 in New Mexico, according to the Department of Health. Forty-five percent of those accidental overdoses were caused by prescription opioids, and 33 percent by heroin. Of those preventable deaths, nearly 40 percent were of Hispanic males and 18 percent were Hispanic females.

One of the most cited barriers to prevention, treatment and recovery from opioid abuse in Hispanic and Latino communities has been the lack of effective bilingual educational resources. "¡El Opio Drama!" emphasized opioid overdose prevention tactics presented in Spanish. Since the video series launched on YouTube, it received over 700 thousand views.

ACTION PLAN

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

Department of Health Cornonravirus Federal Grants*
(in thousands)



Source: DFA
* as of May 2022

Department of Health

The Department of Health (DOH) reported some improvements in performance on targets across the agency during the third quarter of FY22 but focus on managing the state's Covid-19 response also continues to result in declining performance for other department programs. As part of the state plan to eliminate the waiting list for the Developmental Disabilities (DD) and Mi Via Medicaid waivers, DDSD has already begun allocations for clients. As of April 2022, an additional 250 individuals are moving into services.

Public Health

The Public Health Program continues to be a cornerstone of the state's response to the Covid-19 pandemic. Given the significant size of the program's response to the pandemic and statewide closures, the program has reported declining performance on tobacco cessation services. However, successful overdose reversals per client enrolled in the DOH Harm Reduction Program may reach targeted performance. A recent LFC report found drug overdoses and alcohol-related deaths in New Mexico reached all-time highs in 2020, even though the state has tripled spending on substance use treatment since 2014. In FY16, New Mexico enacted legislation to reduce barriers in providing naloxone to individuals at highest risk of experiencing an opioid overdose. DOH reported in FY21, challenges in providing services as a result of federal funding no longer being available for the harm reduction program and the pandemic's impact on staffing. DOH also believes this measure is likely an undercount of opioid overdose reversals as it is based on self-reporting when individuals return to receive a refill.

Budget: $181,884.1 **FTE:** 783	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of preschoolers (19-35 months) who are indicated as being fully immunized	63%	65%	65%	67%	67%	65%	G
Percent of NMDOH funded school-based health centers that demonstrate improvement in their primary care or behavioral health care quality improvement focus area	50%	73%	95%	Reported Annually			
Percent of female clients ages 15-19 seen in NMDOH public health offices who are provided most or moderately effective contraceptives	86%	88%	63%	84%	82%	89%	G
Percent of New Mexico adult cigarette smokers who access cessation services	2.6%	1.9%	2.6%	0.6%	0.5%	0.4%	R
Number of successful overdose reversals of clients enrolled in the NMDOH Harm Reduction Program	3,444	2,572	2,750	1,035	904	714	G
Program Rating	Y	R					Y

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

Epidemiology and Response

The Epidemiology and Response Program (ERD) also plays a key role in the state's response to the pandemic, including case investigations of individuals who test positive for Covid-19 and contact tracing of individuals with direct exposure to Covid-19. The program did not meet a majority of performance targets. However, ERD reported most pharmacies in the state are continuing to dispense naloxone, an important tool for substance use treatment and support in the state. DOH also reported the decline in cities and counties with Access and Functional Needs (AFN) plans was largely a result of local emergency managers who were primarily focused on vaccine distribution efforts.

Budget: $118,065.7 **FTE:** 341	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of death certificates completed by Bureau of Vital Records and Health Statistics within 10 days of death	61%	50%	50%	53%	51%	53%	G
Rate of drug overdose deaths per 100,000 population*	Not Reported	Not Reported	N/A	Reported Annually			
Percent of retail pharmacies that dispense naloxone	95%	88%	85%	88%	87%	89%	G
Rate of alcohol-related deaths per 100,000 populations*	Not Reported	Not Reported	N/A	Reported Annually			
Percent of cities and counties with Access and Functional Needs (AFN) plans that help prepare vulnerable populations for a public health emergency	5%	65%	33%	10%	5%	5%	R
Program Rating	Y	R					Y

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

DOH reported the current department falls prevention program is fragmented. Although all facilities have falls prevention programs, DOH lacks a comprehensive program that would allow best practices to be shared. The program would facilitate information sharing and standardize protocols. DOH intends to put together a program within the next 90 to 120 days and reach the goal of reducing the number of falls to meet the standard.

Facilities Management

The global pandemic has affected the intake and capacity of the facilities management program (FMD) which provides services for mental health, substance abuse, long-term care, and physical rehabilitation in both facility and community-based settings. Many of the state facilities with declining occupancy will also experience significant operational funding strains if they are unable to reverse the trend. To increase census, the program is developing a needs assessment at the facilities level to determine how to safely open more beds, which provided recommendations such as developing a recruitment and retention campaigns and case mix to ensure admitted patients won't require immediate increased staffing. As of May 11, 2022, the facilities statewide census was 65 percent of total operational beds. Additionally, the program has continued to report an increase in third-party revenue collections, which is vital to FMD's financial stability.

Budget: $167,287.2 **FTE:** 1,930	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of eligible third-party revenue collected at all agency facilities	81%	92%	95%	77%	98%	100%	G

Number of significant medication errors per 100 patients	0.2	0.6	2	0.4	0	0.2	G
Percent of long-term care residents experiencing one or more falls with major injury	5.3%	4%	3.5%	4.2%	4.1%	3%	G
Percent of beds occupied	NA	NA	75%	50%	51%	50%	R
Percent of patients educated on MAT option while receiving medical detox services	NA	NA	90%	80%	85%	91%	G
Percent of Medication Assisted Treatment (MAT) inductions conducted or conducted after referrals on alcohol use disorders	NA	NA	65%	82%	72%	77%	G
Percent of Medication Assisted Treatment (MAT) inductions conducted or conducted after referrals on opiate use disorders	NA	NA	65%	81%	67%	64%	Y
Number of Narcan kits distributed or prescribed	NA	231	180	56	67	83	Y
Percent of medical detox occupancy at Turquoise Lodge Hospital	68%	70%	75%	71%	67%	57%	R
Program Rating	Y	Y					Y

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

In April 2022, U.S. Magistrate Judge John F. Robbenhaar granted the state's motion to dismiss the Jackson lawsuit. Filed in 1987, the Jackson litigation centered on significant deficiencies at a pair of since-closed state-run institutions for intellectually and developmentally disabled New Mexicans. Attorney fees and associated costs for the state have topped $80 million over the course of the litigation. DOH and the plaintiffs reached a settlement agreement in 2019.

Scientific Laboratory

The Scientific Laboratory (SLD) provides a wide variety of laboratory services to programs operated by numerous partner agencies across the state of New Mexico. The program met its targeted performance for the third quarter, but should consider adding additional quarterly performance reports. The SLD Toxicology staff analyze samples for blood alcohol concentration (BAC) and drugs to determine cause of impairment in drivers, as well as Office of Medical Investigator (OMI) samples for carboxyhemaglobin.

Budget: $14,825.2 **FTE:** 190	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases that are completed and reported to law enforcement within 30 calendar days	91%	99%	95%	99%	98%	98%	G
Program Rating	Y	G					G

Developmental Disabilities Supports

DOH reported an increase in the number of individuals receiving services in the Developmental Disabilities (DD) and Mi Via Medicaid waivers programs. The number of individuals on the wait list is decreasing as the program continues the plan to eliminate the wait list. Of the individuals on the wait list, 501 have placed their allocation on hold, meaning these individuals were offered waiver services and have chosen to continue on the wait list for now. In addition to the provider rate which will increase in FY23, DD waiver providers statewide recently received a one-time payment of $136 million. This payment is part of the federal plan for super allocation, DD providers will receive temporary Covid-19 economic recovery payments which will boost provider rates over three years; starting at 15 percent in year one and scaling down to 10 percent in year two, and 5 percent in year three.

DOH reported a large decrease in the number of individuals on the wait list for waiver services as, "The wait time for Home and Community-Based Services (HCBS) Waivers varies widely by state. In New Mexico, the HCBS Waivers with a wait list include the Developmental Disabilities (DD) and Mi Via Waivers. Individuals are offered waiver services as funding for allocation slots becomes available. Individuals meeting the requirements can receive standard Medicaid benefits and other services while on the waiting list. As of March 31, 2022, there were 2,543 individuals on the wait list for HCBS Waivers."

Budget: $174,908.1 **FTE:** 188	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Number of individuals on the Developmental Disabilities Waiver waiting list*	4,743	4,669	N/A	4,174	4,604	2,543	
Number of individuals receiving Developmental Disability Waiver services*	4,934	5,111	N/A	5,088	5,022	5,722	
Percent of Developmental Disabilities Waiver applicants who have a service plan and budget within 90 days of income and clinical eligibility	96%	97%	95%	100%	96%	93%	Y
Percent of adults of working age (22 to 64 years), served on the DD Waiver (traditional or Mi Via) who receive employment supports	28%	18%	27%	16%	9%	10%	R
Percent of Developmental Disabilities Waiver providers in compliance with General Events timely reporting requirements (2-day rule)	87%	83%	86%	83%	87%	87%	G
Program Rating	Y	Y					Y

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

Health Certification Licensing and Oversight

The Health Certification, Licensing, and Oversight Program met a majority of performance measures targets in the third quarter of FY22. The program did not report on the rate of abuse or re-abuse for individuals on the Developmental Disabilities and Mi Via waivers, but plans to report annually.

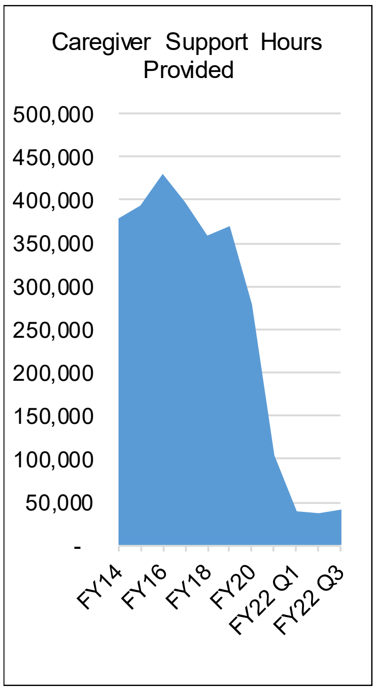
Budget: $14,371,1 **FTE:** 182	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Rate of abuse for Developmental Disability Waiver and Mi Via waiver clients*	12.8%	5.5%	N/A	Reported Annually			
Rate of re-abuse for Developmental Disabilities Waiver and Mi Via Waiver clients*	8.5%	6.1%	N/A	Reported Annually			
Percent of abuse, neglect, and exploitation investigations completed within required timeframes	82%	96%	86%	99%	94%	96%	G
Percent of (acute and critical care) health facility survey statement of deficiencies (CMS form 2567/state form) distributed to the facility within 10 days of survey exit	75%	71%	85%	95%	100%	95%	G
Percent of Nursing Home citation(s) upheld as valid when reviewed by the Centers for Medicare and Medicaid Services (CMS) and through informal dispute resolution	86%	90%	90%	100%	100%	82%	Y
Program Rating	Y	G					G

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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



Aging and Long Term Services

The Aging and Long-Term Services Department (ALTSD) continued to miss a significant portion of its targets during the third quarter of FY22 but did show some improvement in the Consumer and Elder Rights Program. The department's mission is to serve older adults and adults with disabilities so that they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

Consumer and Elder Rights

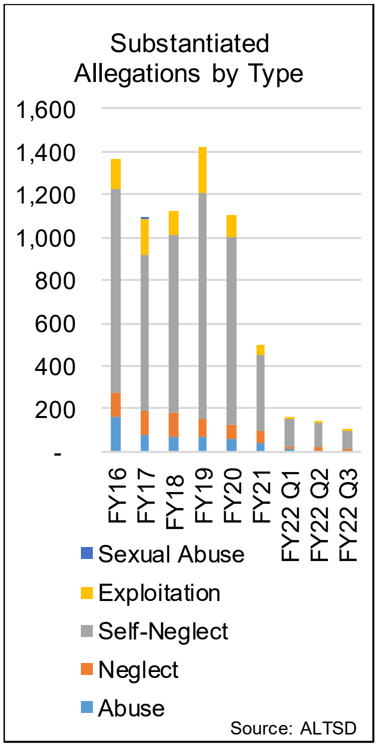
During FY21, the Aging and Disability Resource Center (ADRC) began answering calls with a live operator again. During the third quarter of FY22, ADRC received 8,481 calls, an average of 141 per day, on trend with the close of FY21 but lower than pre-pandemic levels. Since the first quarter, ALTSD filled 2 vacant FTE to answer more calls live but lost FTE to turnover in the third quarter resulting in declined performance. Additionally, the program is exploring an upgrade to the call system to alleviate the issue of abandoned calls, allowing immediate callbacks instead of calls going to voicemail.

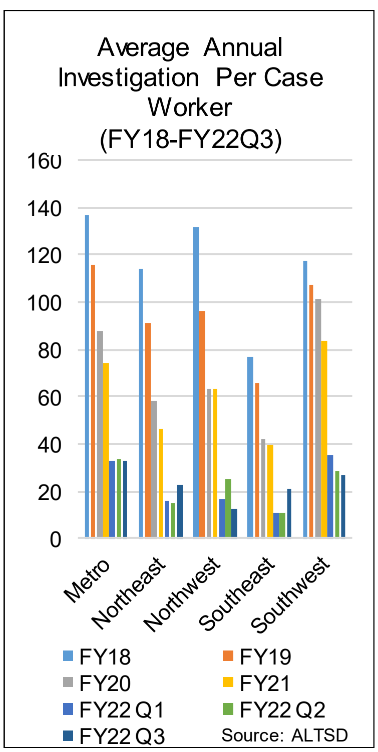
Budget: $5,000.7 **FTE:** 48	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator	55%	44%	90%	55%	47%	43%	R
Percent of residents who remained in the community six months following a nursing home care transition	82%	84%	90%	83%	80%	87%	Y
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	N/A	99%	80%	84%	57%	92%	G
Percentage of facilities visited monthly	N/A	18%	40%	28%	28%	42%	G
Percent of ombudsman complaints resolved within sixty days	100%	93%	97%	100%	97%	99%	G
Program Rating	R	Y					Y

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

Adult Protective Services

The Adult Protective Services Program (APS) began reporting repeat maltreatment substantiations within six months of a previous substantiation of abuse or neglect in FY21. This performance measure assists the state in assessing the effectiveness of the program in preventing maltreatment. In the third quarter of FY22, the program continued to report no instances of repeat maltreatment. Additionally, the program reported an increase in the number of investigations. The program met the performance target for priority investigations, making face-to-face contact quickly. APS plans to increase outreach events. Previously, the department was providing outreach through virtual platforms but is now returning to a regionally based outreach approach.





Budget: $13,848.1 **FTE:** 128	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	5,494	4,355	6,150	1,332	1,273	1,406	R
Percent of emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	99%	99%	99%	99%	G
Percentage of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	N/A	3.7%	5%	0%	0%	0%	G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	205	132	141	21	29	45	R
Percentage of contractor referrals in which services were implemented within two weeks of the initial referral	80%	64%	99%	34%	69%	62%	R
Number of referrals made to and enrollments in home care and adult day care services as a result of an investigation of abuse, neglect, or exploitation.	N/A	89	600	69	60	54	R
Percentage of priority two investigations in which a caseworker makes initial face to face contact with the alleged victim within prescribed time frames	95%	99%	95%	98%	98%	99%	G
Program Rating	R	Y					Y

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

Aging Network

The Aging Network did not meet targeted performance for the hours of caregiver support for third quarter of FY22 and continues to fall below pre-pandemic levels. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. These services are provided by area agencies on aging, contract providers, and the New Mexico chapter of the Alzheimer's Association. The agency reported the Covid-19 pandemic and executive emergency declarations closed adult daycare centers, and the remaining services were affected by the stay-at-home and social-distancing orders. The department reported the number of hours of caregiver support were 15,576 hours of respite care, 8,708 of adult day care, 13,095 hours of homemakers, and 3,818 hours of other support services. Additionally, the department and the Area Agency on Aging are developing a plan to establish Medicaid funded adult daycare and other services. This could significantly increase both funding resources and services availability of adult daycare services by senior centers statewide.

PERFORMANCE REPORT CARD
Aging and Long Term Services
Third Quarter, Fiscal Year 2022

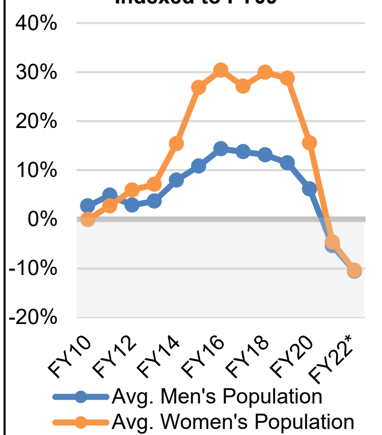
Budget: $43,415.5 **FTE:** 15	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Percentage of older New Mexicans receiving congregate, and home delivered meals through Aging Network programs that are assessed with "high" nutritional risk	N/A	16%	15%	13%	18%	16%	G
Number of hours of services provided by senior volunteers, statewide	957,031	607,258	1,700,000	156,235	204,734	152,862	R
Number of outreach events and activities to identify, contact and provide information about aging network services to potential aging network consumers who may be eligible to access senior services but are not currently accessing those services	N/A	1,135	50	133	110	126	G
Number of meals served in congregate, and home delivered meal settings	N/A	5,141,387	4,410,000	922,422	1,068,797	1,093,974	R
Number of transportation units provided	N/A	68,180	637,000	25,582	32,017	32,671	R
Number of hours of caregiver support provided	278,513	104,730	444,000	38,244	38,079	41,198	R
Program Rating	R	Y					Y

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

ACTION PLAN

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

New Mexico Prison Population
Indexed to FY09



*FY22 average as of April 2022.

Source: NMSC, LFC files

Corrections Department

In the third quarter of FY22, the Corrections Department (NMCD) continued to see the inmate population fall, while reporting improvements in several areas, including overall offender recidivism. Vacancies among correctional officers remain high, impacting the distribution of inmates among prison facilities. Errors in the agency's prior reporting and continued issues in reporting results in accordance with LFC and DFA direction create difficulties in analyzing some areas of NMCD's performance.

Although prison populations fell slightly in April, population trends and admissions data suggest inmate population may begin to stabilize after falling almost every month for over three years. In April 2022, New Mexico's prisons held an average of 5,651 inmates (5,128 men and 523 women), a decrease of 0.2 percent compared with March 2022 and 3.8 percent lower than April 2021. Notably, the rate at which the population is falling seems to be decreasing, with the year-over-year reduction dropping every month from September 2021 (7.5 percent) through April (3.8 percent). Prison admissions in the first three quarters of FY22 were up 2 percent compared with the same period in FY21.

Inmate Management and Control

The overall three-year recidivism rate of offenders released from NMCD's custody decreased an additional percentage point this quarter, surpassing the agency's FY22 target and falling six percentage points from FY21, marking the fifth consecutive quarter of improvement in this crucial area. Recidivism due to new offenses fell 0.8 percentage points compared with the second quarter, while recidivism due to technical parole violations remained relatively steady. Improved recidivism rates may reflect improved reentry programming, but it is worth noting case clearance rates, arrests, and convictions have been trending downward, which could also impact recidivism. Despite the improvement in overall recidivism, the measure's rating remains yellow due to a lack of historical data with which to compare current results (see Data Quality Concerns, below).

Vacancies among public and private correctional officers remain high, with NMCD reporting vacancy rates of 28 percent and 27 percent, respectively. The Penitentiary of New Mexico drives vacancy rates among public correctional officer vacancies, with an average of almost 100 correctional officer positions unfilled in the third quarter of FY22.

Guadalupe County Correctional Facility (GCCF) in Santa Rosa, with almost 60 percent of custody positions vacant, and Northeast New Mexico Correctional Facility (NENMCF) in Clayton, with almost 50 percent of correctional officer positions unfilled, had the highest

Programming Spotlight: Women in Leadership

This year, NMCD's Reentry Division partnered with Women in Leadership (WIL), an Albuquerque-based organization providing services for justice-involved women, to bring opportunities to women at Western New Mexico Correctional Facility and Springer Correctional Center (SCC). WIL's mission is to "uplift, empower, and inspire women to develop self-advocacy skills in order to become leaders through personal and professional growth by providing access to leadership development and educational opportunities."

WIL is working with women six months from projected release, referred to the program by reentry coordinators based on an assessment of their reentry needs. In FY22, WIL met with a total of 62 women to provide one-on-one case management prerelease and conducted 18 workshops covering topics including self-esteem, trauma, anxiety, leadership, and goal setting. WIL collaborates with many partners to assist in addressing the needs of the incarcerated population, including individuals within the behavioral health and educational fields, as well as partners like Dress for Success, which facilitated 24 classes this year focusing on employment and career readiness skills.

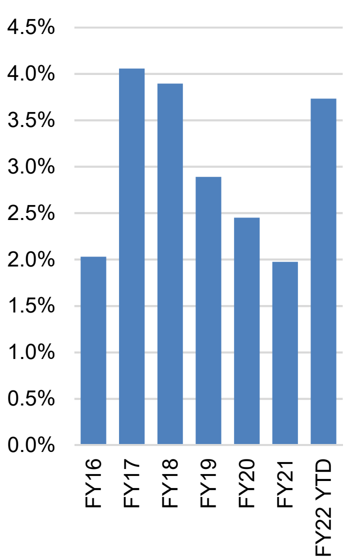
To demonstrate the leadership and self-confidence skills they developed while working with WIL, a group of incarcerated women from SCC presented a Zoom session on self-esteem to a group of women leaders in the community and are working on a podcast.

Hepatitis C Treatment

This quarter NMCD treated 97 inmates for hepatitis C with an 83 percent treatment success rate, bringing the total number of inmates treated since the agency began its concentrated effort to eliminate the disease from prisons to 715, about 25 percent of the total infected population housed in New Mexico's prisons.

The department has expended $11 million of the total $22 million appropriated for this purpose, as well as $5.2 million from its operating budget. During the 2022 legislative session, the special appropriation was extended through FY23. Based on current treatment rates, it may be necessary to extend the appropriation for an additional one to two years to fully complete the project.

Inmate Drug Test Positivity Rate



Source: NMCD

vacancy rates among public facilities this quarter. Last spring, high vacancies among correctional officers at GCCF prompted NMCD to reduce the inmate population at that facility to less than half its capacity, and as vacancy rates among correctional officers at NENMCF began to increase significantly this fall, the agency similarly reduced the population housed at that facility to under half capacity. As of May 2, GCCF housed 257 inmates (44 percent of its 590-bed capacity) and NENMCF housed 280 inmates (45 percent of its 628-bed capacity).

Western New Mexico Correctional Facility South (WNMCF-S) in Grants (previously known as Northwest New Mexico Correctional Facility) had the lowest correctional officer vacancy rate among public facilities, at 14 percent, while Central New Mexico Correctional Facility (CNMCF) in Los Lunas had a vacancy rate of 17 percent. CNMCF's low vacancy rate is a result of the transfer of 93 vacant positions to GCCF and WNMCF-S when the Corrections Department (NMCD) took over operations of those facilities in November, and the facility employed 35 fewer officers in May than at the beginning of FY22. Of the 135 vacant positions transferred from CNMCF and other facilities to GCCF and WNMCF-S in November, 87 were filled as of May 1. After transferring significant vacancy savings out of Inmate Management and Control personnel, the agency's most recent budget projection estimates a year-end balance of $3.7 million in that category.

NMCD's reporting on release-eligible inmates imprisoned past their release dates (those serving "in-house parole") continues to not comply with guidance from DFA and LFC (see Data Quality Concerns, below). Although the department reports relatively similar levels of inmates serving in-house parole this quarter compared with the second quarter, the number of in-house parolees appears to have increased from an estimated average of 61 in the second quarter to 70 in the third quarter. In April and May, the number of in-house parolees has increased further, reaching 75 on April 15, 95 on May 16, and 101 on May 26. This increase is particularly notable because NMCD cut the number of in-house parolees by almost half between FY20 and FY21. While the FY22 average in-house parole population is still likely to be lower than the FY21 average, this upward trend is concerning.

Drug use among inmates rose significantly in the first three quarters of FY22 compared with FY21, with the positivity rate of randomly-administered drug tests averaging 3.7 percent over this period. This reverses three years of reduced drug use, with test positivity rates falling from 3.9 percent in FY18 to 2 percent in FY21. To reduce the flow of drugs into prison facilities, NMCD instituted a new policy in December 2021 in which personal mail for inmates at publicly operated facilities is not sent directly to those facilities but is routed through a third-party vendor that provides scanned versions of the mail to inmates; this significantly restricts the types of mail inmates may receive, with items such as greeting cards no longer accepted. This policy does not appear to have reduced drug use in the third quarter; results in future quarters should be monitored to determine if the policy is having its intended impact.

Budget: $278,234.1 **FTE:** 1,995	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Recidivism Prisoners reincarcerated within 36 months[1]	54%	44%	42%	42%	39%	38%	Y

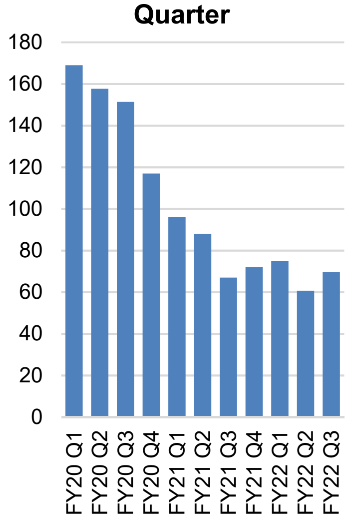
Covid-19 in Prisons

As of May 26, there were no active Covid-19 cases in New Mexico's prisons. Overall, the agency reported a total of 4,104 positive cases, 4,030 recoveries, and 29 deaths over the course of the pandemic. The largest number of positive cases were at Lea County Correctional Facility, the facility with the largest prison population, while 12 of the 29 deaths were at CNMCF, which houses inmates in need of serious and long-term medical care.

Prisoners reincarcerated within 36 months due to new charges or pending charges	12%	14%	15%	14%	15%	14%	G
Sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	2%	6%	3%	0%	0%	0%	G
Residential drug abuse program graduates reincarcerated within 36 months of release*	21%	22%	N/A	21%	23%	22%	
Prison Violence							
Inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	31	6	15	0	0	2	G
Inmate-on-staff assaults resulting in injury requiring off-site medical treatment.	7	3	0	0	1	1	Y
In-House Parole							
Release-eligible female inmates still incarcerated past their scheduled release date[2]	7.7%	0.6%	6%	0.9%	1.5%	1.1%	Y
Release-eligible male inmates still incarcerated past their scheduled release date[2]	6.4%	1.4%	6%	1.4%	1.1%	1.2%	Y
Staffing							
Vacancy rate of correctional officers in public facilities	31%	27%	20%	31%	26%	28%	Y
Vacancy rate of correctional officers in private facilities	46%	25%	20%	44%	28%	27%	R
Education							
Eligible inmates enrolled in educational, cognitive, vocational and college programs	62%	41%	68%	29%	41%	43%	R
Participating inmates who have completed adult basic education*[3]	77%	5%	N/A	3.5%	4.2%	3.7%	
Percent of eligible inmates who earn a high school equivalency credential[3]	77%	5%	80%	3.5%	4.2%	3.7%	R
Number of inmates who earn a high school equivalency credential	134	118	150	20	24	21	R
Health							
Standard healthcare requirements met by medical contract vendor	87%	90%	100%	94%	95%	96%	Y
Random monthly drug tests administered to at least 10 percent of the inmate population that tests positive for drug use*	2.5%	2%	N/A	3.9%	3.4%	3.9%	
Program Rating	R	R					Y

*Measure is classified as explanatory and does not have a target.
1. Measure's yellow rating reflects outstanding reporting issues; see Data Quality Concerns, below.
2. Measure's yellow ranking reflects outstanding reporting issues; see Data Quality Concerns, below.
3. NMCD reported this measure had previously been miscalculated and changed the calculation for FY21 but did not provide corrected historical reports. Previously, both measures were calculated as the pass rate of the high school equivalency (HSE) test; now, both are reported as the percent of inmates enrolled in adult basic education who pass the HSE test and therefore earn the credential.

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



Source: NMCD, LFC files

Community Offender Management

Vacancy rates among probation and parole officers rose an additional percentage point this quarter, the fifth quarter in a row in which NMCD has reported an increase in vacancies for these positions. The 23 percent vacancy rate among these positions this quarter is almost as high as the 25 percent average vacancy rate in FY20, suggesting the dramatic improvement in vacancies in FY21 (over which vacancy rates averaged 16 percent) may be reversing. The agency attributes rising vacancies to retirements and attrition to other law enforcement agencies that offer significantly higher salaries, such as the Albuquerque Police Department and federal law enforcement agencies.

After improving for four consecutive quarters, the recidivism rate at the women's recovery center rose 5 percentage points this quarter, but remains well below target. NMCD credits this improvement to the initiation of new, evidence-based programs, including trauma-informed programming specifically intended for women. Although the men's recovery center saw a relatively high recidivism rate in prior years and the first half of FY22, recidivism dropped 14 percentage points (from 25 percent to 11 percent) in the third quarter.

Budget: $38,379.6 **FTE:** 363	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Prisoners reincarcerated within 36 months due to technical parole violations[1]	13%	30%	15%	26%	23%	24%	R
Graduates from the women's recovery center who are reincarcerated within 36 months	25%	27%	20%	17%	10%	15%	G
Graduates from the men's recovery center who are reincarcerated within 36 months	23%	28%	20%	22%	25%	11%	G
Average standard caseload per probation and parole officer	91	88	100	88	85	86	G
Contacts per month made with high-risk offenders in the community	96%	94%	97%	96%	98%	96%	G
Vacancy rate of probation and parole officers	25%	16%	20%	20%	21%	23%	R
Program Rating	R	R					Y

1. Measure has outstanding reporting issues; see Data Quality Concerns, below.

Data Quality Concerns

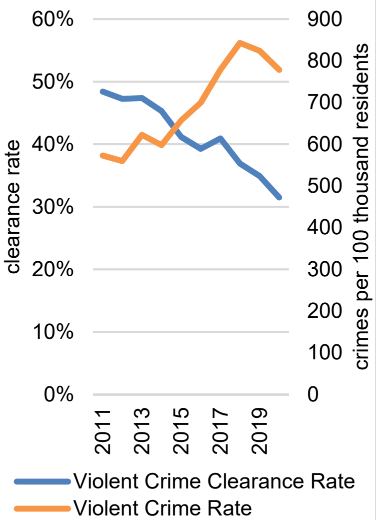
A number of issues in NMCD's quarterly reporting lead to concerns regarding overall data quality in the reports that have been outstanding for several months. Specific issues are outlined below.

Measure(s)	Issue(s)
Prisoners reincarcerated within 36 months	In the first quarter of FY21, NMCD reported its overall three-year recidivism rate had been reported incorrectly since 2016 due to a database error that erroneously counted all intakes to the parole system as prison admissions for purposes of calculating reincarceration rates. The agency has corrected this issue, but because it has not provided corrected historical data on this measure, it is unclear if FY21's recidivism results represent an increase or decrease from previous years. NMCD reports it is working on recalculating annual results for its three-year recidivism rate measure but has not yet provided results.
Release eligible male and female inmates still incarcerated past their scheduled release date	NMCD reported this measure had previously been miscalculated and changed the calculation for FY21 but did not provide corrected historical reports. LFC and DFA analysts believe NMCD's altered calculation is incorrect (the original calculation is correct), but NMCD has not revised its reports for FY21 or FY22 despite explicit guidance to do so.
Prisoners reincarcerated within 36 months due to technical parole violations	In August 2021, NMCD reported several prior years' performance reports had excluded absconders when calculating recidivism rates for technical parole violations, although the measure is defined to include absconders. The department included absconders in its FY21 reports but had not informed LFC of this change. As a result, it is not possible to compare FY21's 30 percent recidivism rate for technical violations to prior years' performance, and it is not clear if this an increase or decrease.

ACTION PLAN

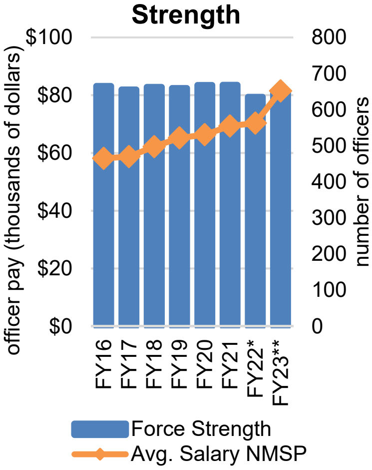
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

New Mexico Violent Crime Rate vs. Violent Crime Clearance Rate



Source: FBI, LFC files

State Police Officer Pay and Force Strength



*Pay as of FY23 budget request; force strength for Q4 projected.
**Projected.

Source: NMSP manpower projection (DPS), LFC files

Department of Public Safety

Concerns over crime in Albuquerque were a focus of the 2022 legislative session, with data from the Albuquerque Police Department indicating increases in violent crime in 2021, including a record number of homicides. However, policymakers are often forced to make decisions without the benefit of timely data on statewide crime trends. Legislation passed in the 2022 session creating consequences for law enforcement agencies that fail to report these data as required by statute and the near-completion of the Department of Public Safety's (DPS) National Incident-Based Reporting System (NIBRS)—set to complete by the end of the fiscal year—should provide additional insight in future years.

Law Enforcement Program

Operations. DWI arrests increased 31 percent in the third quarter of FY22 compared with the second, the highest number of DWI arrests since the second quarter of FY20. However, DWI saturation patrols remained relatively flat compared with the prior quarter, with the New Mexico State Police (NMSP) conducting about half as many operations compared with the first quarter, and the agency does not appear on track to achieve its FY22 target for this measure. DWI checkpoints fell compared with the second quarter, but DPS is on track to achieve its target due to a high number of checkpoints held in the first quarter. Overall NMSP arrests fell 11 percent this quarter compared with last.

Manpower. DPS reports an average vacancy rate of 14.4 percent among NMSP officers at the end of the third quarter of FY22, its lowest manpower levels since prior to FY16. These low staffing rates are a result of a record 17 retirements, as well as nine other separations during the quarter. Although this low staffing level is slightly skewed due to the timing of recruit and lateral class graduations (slated for the fourth quarter), the high number of retirements significantly reduces NMSP's projected force strength going forward. The 2022 GAA provided $2 million for NMSP to expand its recruit and lateral schools beginning in FY23, which may be necessary to maintain or grow manpower if separations continue at these high rates.

NMSP's recruit and lateral schools are both set to graduate new officers in June, on June 10 and 24, respectively. As of May 31, 14 of the 17 recruits who started the spring class were still enrolled, and all 17 of the officers in the lateral school were still enrolled. Historically, NMSP's lateral recruit schools have had 100 percent graduation rates.

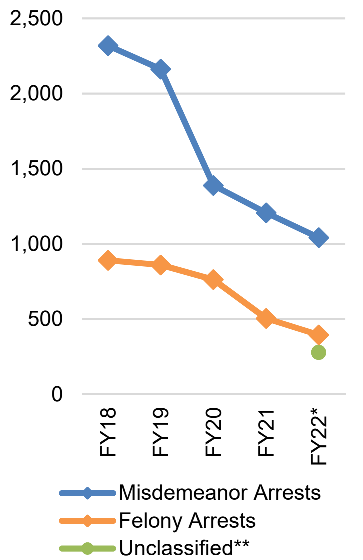
During the 2022 legislative session, the Legislature made significant investments to recruit and retain high-quality law enforcement officers, including almost $9 million to provide pay increases to NMSP officers. After receiving 3 percent pay increases in April, officers, sergeants, lieutenants, and captains will receive an additional 12 percent raise in July and majors and deputy chiefs will receive 11 percent increases. Eligible officers, sergeants, and lieutenants will also receive a one-step increase.

At the close of the third quarter, DPS projected a $4.5 million surplus in the personnel category in the Law Enforcement Program at the end of FY22. The agency plans to use about $1 million of these vacancy savings to provide $1,700 one-time retention stipends to all officers in June.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2022

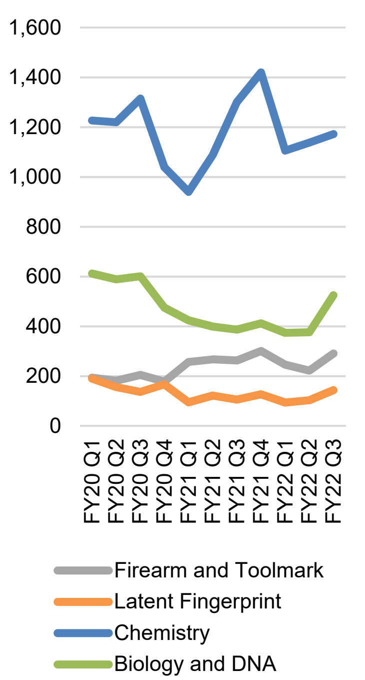
Average Quarterly NMSP Arrests
FY18 to FY22*



*FY22 average Q1-Q3.
**Due to a change in reporting methodology, some arrests not initially classified as felony or misdemeanor are reported as unclassified.

Source: DPS

Case Receipts by Type



Source: DPS

Budget: $130,679.2 **FTE:** 1,059.3	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
DWI checkpoints conducted	123	231	150	77	39	27	G
DWI saturation patrols conducted	1,933	2,290	3,000	937	523	579	Y
Commercial motor vehicle safety inspections conducted	68,378	76,269	90,000	26,036	20,615	31,368	G
Misdemeanor and felony arrests*	New	6,844	N/A	2,083	1,619	1,436	
DWI arrests*	1,647	1,272	N/A	358	342	447	
Commissioned state police officer vacancy rate*	New	8.7%	N/A	11.2%	10.8%	14.4%	
Commissioned state police officer turnover rate*	New	6.44	N/A	2.34	2.17	4.21	
Graduation rate of the New Mexico State Police recruit school*	New	71%	N/A	N/A[1]	41%	N/A[1]	
Program Rating	G	Y					G

*Measure is classified as explanatory and does not have a target.
1. No state police recruit school graduated in the first or third quarters.

Statewide Law Enforcement Support

Forensic Laboratory. The forensic laboratory did not see significant changes in performance trends between the second and third quarters of FY22. Once again, the Latent Print and Chemistry units completed more than 100 percent of cases received this quarter, and those units' outstanding case backlogs were reduced by 43 percent and 18 percent, respectively. The Latent Print Unit has almost entirely eliminated its backlog, with just 17 cases outstanding at the end of the third quarter, and filled one of its two vacant positions in March.

The Firearm and Toolmark Unit completed 63 percent more cases in the third quarter than in the second, but still fell well below target, despite having no vacant positions. Although the unit has been fully staffed since the last quarter of FY21, it has continued to struggle to meet performance targets, falling well below target in three of the last four quarters. Although variations in case complexity may account for some quarter-over-quarter changes in productivity, this long-term pattern suggests the unit may require additional staff.

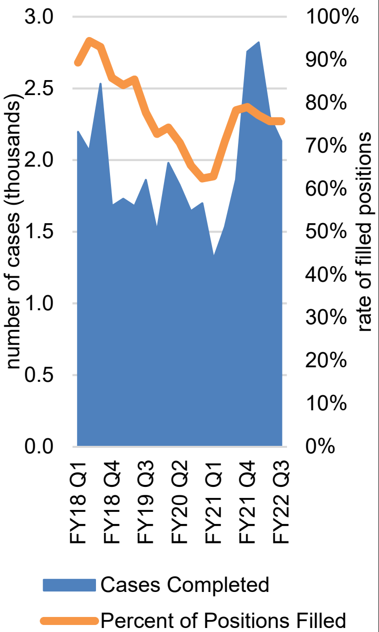
While the Biology Unit increased its case completions by 41 percent this quarter compared with the second quarter, a 40 percent increase in cases received prevented the unit from reaching its target.

Department of Public Safety
FY22 Q3 Forensic Cases Received and Completed

Unit	Cases Received	Cases Completed	Completion Rate	Pending Cases	Scientist/ Technician Vacancy Rate
Firearm and Toolmark	291	188	65%	1,888	0%
Latent Print	144	157	109%	17	33%
Chemistry	1,172	1,544	132%	1,652	26%
Biology	525	506	96%	1,609	27%

Source: DPS, State Personnel Office organizational listing report

Forensic Lab Case Completions vs. Percent of Positions Filled



Source: DPS, LFC files

While vacancies have historically impacted the laboratory's productivity, turnover also significantly affects case completions, as new scientists may require extensive training before they can be as productive as more experienced staff. Retention is therefore a high priority for the laboratory. Almost $600 thousand in recurring general fund appropriations in the GAA support reducing laboratory backlogs by adding support staff and increasing forensic scientist and technician compensation. One of the agency's goals is to add higher level forensic scientist positions to provide more options for career advancement among laboratory staff and improve retention, and DPS is working with the State Personnel Office to create these new positions, which it believes it can do by this fall.

Law Enforcement Academy Board. The Law Enforcement Academy Board (LEAB) did not meet during the third quarter of FY22 because it lacked a quorum to do so. LEAB received an additional 13 cases during the third quarter and closed the quarter with 63 cases outstanding. The board adjudicated 36 cases during its April meeting and is scheduled to hear five more on June 2.

Budget: $22,026.7 **FTE:** 157	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Forensic firearm and toolmark cases completed	80%	37%	100%	96%	52%	65%	R
Forensic latent fingerprint cases completed	65%	150%	100%	202%	214%	109%	G
Forensic chemistry cases completed	93%	103%	100%	193%	141%	132%	G
Forensic biology and DNA cases completed	73%	93%	100%	69%	95%	96%	Y
Forensic scientist and forensic technician vacancy rate*	New	22.9%	N/A	22.4%	24.5%	26.5%	
Complaint cases reviewed and adjudicated by the New Mexico Law Enforcement Academy Board* [1]	43%	194%	N/A	105%	230%	0%	
Program Rating	Y	G					Y

*Measure is classified as explanatory and does not have a target.
1. LFC, DFA, and DPS agreed to change the methodology for calculating this measure in FY22 Q2 and recalculated historical data displayed here using the same methodology.

2022 LEAB Legislation

Significant changes to law enforcement officer training and certification are set to take place in FY24 under legislation passed during the 2022 session. Chapter 56 (House Bill 68), an omnibus public safety bill, splits the two functions of LEAB—training and certification—into two separate entities and implements new basic and in-service training requirements for law enforcement officers and dispatchers.

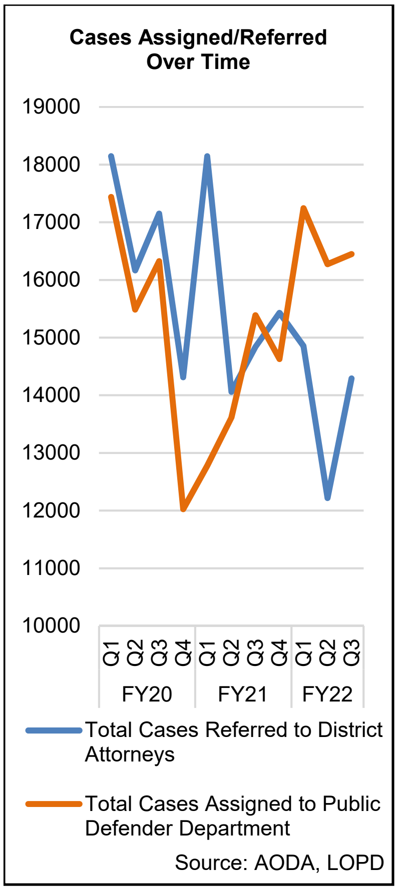
Beginning in FY24, law enforcement protection fund distributions will be contingent on law enforcement agencies complying with statutory reporting requirements, and DPS received $100 thousand in recurring funds to support agencies needing assistance to meet these requirements.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Courts and Justice
Third Quarter, Fiscal Year 2022

ACTION PLAN

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



All criminal justice partners saw a significant decrease in cases in FY20 due to the Covid-19 pandemic, and though advocates and agencies feared FY21 would bring a sharp increase in "backlogged" cases, jury trials and caseloads for public defenders and prosecution attorneys remained low throughout FY21 and three quarters of FY22.

Since the district attorneys and the Public Defender Department (PDD) joined the Administrative Office of the Courts (AOC) in a comprehensive report card format, the unequal reporting of data across the criminal justice system has become apparent. District attorneys lack critical performance measurements, and have not provided action plans where outcomes are poor. PDD has improved dramatically in the quality and consistency of reporting for in-house attorneys but continues to struggle with contract attorney reporting and outcomes.

Courts

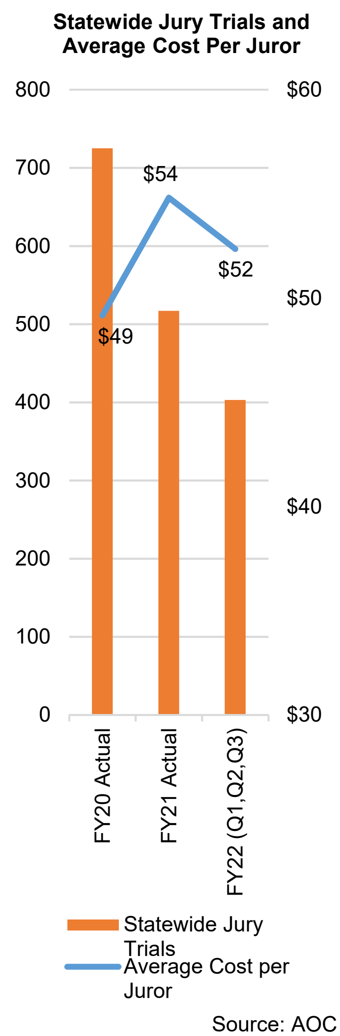
Administrative Support. While cases disposed as a percent of cases filed is at 104 percent, indicating courts are working to clear dockets more quickly than cases pile up, the average time to disposition for criminal cases was 252 days. Additionally, the age of active cases was 394 days, well above the national benchmark of 180 days, meaning New Mexico courts struggle to provide timely justice.

The average cost per juror and number of jury trials held slightly decreased from the second quarter, as district, metro, and statewide courts try to manage the high cost of holding in-person trials in compliance with the judiciary and executive public health orders. The average interpreter cost per session remains well below the target, but agency analysts warn the figure may be artificially low due to the continued low number of court hearings. Courts held just over half the trials held pre-pandemic in FY21, and the number of trials held in the third quarter of FY22 does not indicate courts are holding significantly more trials more than two years later.

Budget: $15,305.2 **FTE:** 49.25	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Average cost per juror	$49.2	$54.8	$55.0	$46.2	$56.4	$54.5	G
Number of jury trials for metro, district, and statewide courts*	725	517	N/A	137	142	124	-
Average interpreter cost per session	$117.1	$63.4	$100.0	$57.0	$62.6	$58.3	G
Age of active pending criminal cases in days	NEW	364	180	320	320	393	R
Days to disposition in criminal cases	NEW	207	180	220	220	252	R
Cases disposed as a percent of cases filed	123%	135%	100%	101%	100%	104%	G
Program Rating	Y	Y					Y

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

Special Court Services. The Legislature has prioritized treatment courts in the last several years, and AOC reported specialty court outcomes quarterly for the first time in several years, in part due to new drug court reporting software funded by the Legislature. The agency also voluntarily reported quarterly enrollment in drug and DWI court programs, which were slightly up from the first quarter.



Budget: $12,061.5 FTE: 32	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Cases to which CASA volunteers are assigned*	1050	2,430	5,000	431	292	367	
Monthly supervised child visitations and exchanges conducted	11,412	11,211	11,000	3,334	2,836	2,900	G
Average time to completed disposition in abuse and neglect cases, in days.*	85	161	N/A	121	143	169	-
Recidivism rate for drug-court participant	18.4%	10.4%	12.0%	12.4%	11.8%	16.4%	Y
Recidivism rate for DWI-court participants	7.1%	7.6%	9.0%	5.2%	5.2%	6.9%	G
Graduation rate for drug-court participants*	59.3%	61.0%	70.0%	44.6%	58.3%	49.6%	R
Graduation rate for DWI-court participants*	76.0%	79.0%	80.0%	78.4%	85.3%	81.0%	G
Cost per client per day for all drug-court participants*	$25.4	$28.8	N/A	$25.9	$32.7	$34.4	-
Program Rating	Y	R	-				G

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

Statewide Judiciary Automation. AOC began reporting on new measures for the first quarter of FY20 to better gauge the success of the Statewide Judiciary Automation Program. Last year, complications with the Odyssey case management system caused times per service call to increase sharply. Previous targets, which measured call times in hours regardless of difficulty, were unattainable. The new measures track responses and resolutions to customer service requests in days, and AOC surpassed the target for the third quarter.

Budget: $11,564.3 FTE: 12	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Average time to resolve calls for assistance, in days	0.3	0.2	1.0	0.1	0.1	0.1	G
Program Rating	G	G	-				G

District Attorneys

The district attorneys adopted new performance measures for FY22 that examine elements of the agency's work outside of prosecution, such as pretrial detention motions and referrals to alternative sentencing treatments, but did not submit outcomes for the measures in the quarterly report. This effectively blocks the Legislature from tracking criminal justice reform implementation in real-time. Attorney workload for nearly every district continues to fall below pre-pandemic levels and national best practice. No single prosecution office had an average attorney caseload at or above the national best practice of 170 cases per attorney with the exception of the 11th (Div. II), due to a vacancy.

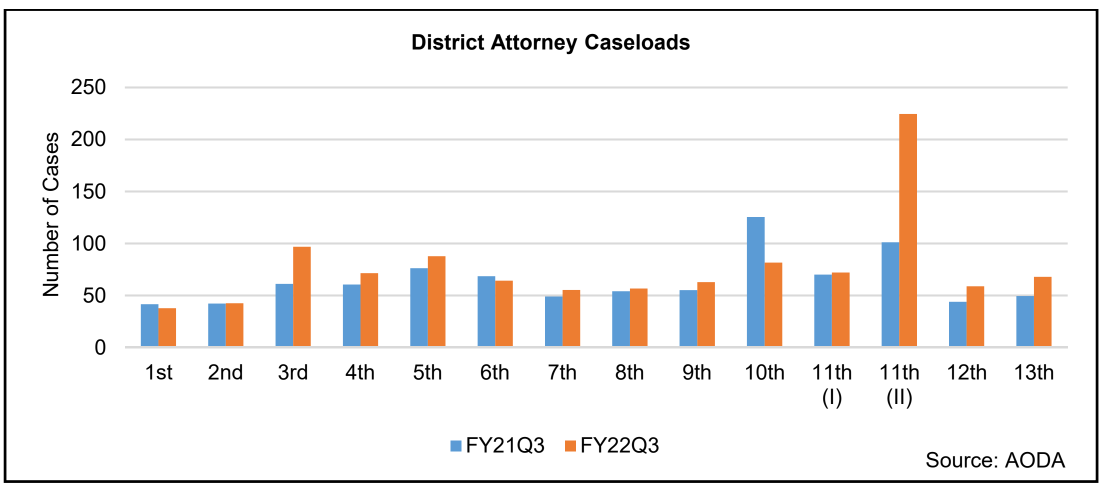
PERFORMANCE REPORT CARD
Courts and Justice
Third Quarter, Fiscal Year 2022

Performance Measures for District Attorneys

- Detention motion success rate: proportion of pretrial detention motions granted.
- Detention motion rate: proportion of defendants who are motioned for detention.
- Detention motions: number of detention motions made.
- Conviction rate: proportion of cases that result in conviction of those that make it to trial.
- Alternative sentencing treatment: proportion of cases which are identified as eligible for alternative sentencing treatment.
- Alternative sentencing treatment offers: proportion of cases which are diverted to alternative sentencing treatment.

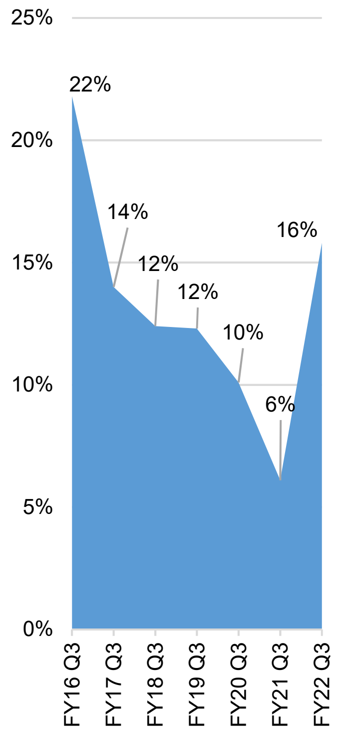
Budget: $188,605.5 **FTE:** 305	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Average cases handled per attorney	264	205	170	70	68	77	G
Number of Cases Referred for Screening*	73,256	73,386	N/A	14,853	14,343	14,292	-
1st District	5,888	4,985	N/A	1,157	933	1,037	-
2nd District	24,859	21,806	N/A	4,615	3,735	3,972	-
3rd District	1,878	5,244	N/A	1,098	986	1,209	-
4th District	1,888	1,734	N/A	486	486	500	-
5th District	7,510	7,163	N/A	1,451	1434	1,402	-
6th District	2,737	2,621	N/A	552	552	577	-
7th District	2,107	1,747	N/A	406	406	470	-
8th District	2,005	1,758	N/A	372	372	396	-
9th District	3,150	2,840	N/A	530	530	534	-
10th District	902	670	N/A	191	191	163	-
11th Division I.	5,298	5,128	N/A	990	990	1,223	-
11th District Div. II	2,603	2,279	N/A	564	564	561	-
12th District	2,936	2,850	N/A	602	602	647	-
13th District	5,803	5,647	N/A	1,327	1327	1,601	-
Average cases referred into pre-prosecution diversion programs*	287	No Report	N/A	No Report	No Report	No Report	R
Program Rating	Y	R	-				Y

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



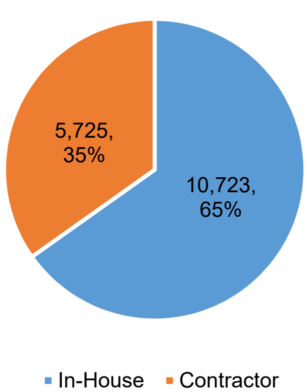
*The increase in the 11th (II) is due to a vacancy within the district.

Public Defender Average Vacancy Rates



Source: LOPD

Third Quarter Case Assignment



Source: LOPD

Public Defender

Like other criminal justice partners, PDD has difficulties recruiting and retaining legal professionals in rural areas. PDD implemented geographical pay differentials and expanded recruitment tactics, which has steadily decreased the agency's historically high vacancy rate and in turn reduced attorney caseloads. The vacancy rate, while still low, increased in the third quarter of FY22 for the first time in several years. The department attributes escalating turnover rates to unmanageable workloads and the related stress, low pay, and competition within state agencies as courts and district attorney offices ramp up recruitment efforts.

PDD did not meet the target for total reduced charges in felony, misdemeanor, and juvenile cases. According to the agency, this is largely due to the dramatic change in how the criminal justice system operated during the Covid-19 pandemic, where limited in-person contact decreased the ability of attorneys to effectively communicate with clients and increased the likelihood that defendants accepted unfavorable plea deals for fear of contracting the virus in detention.

PDD currently does not require contract attorneys to regularly close cases in the case management system, likely resulting in underreporting and contributing to poor outcomes for contract attorneys. PDD began a pilot program in 2019 to compensate contract attorneys hourly on designated cases, receiving additional funds in the 2020 legislative session and flexibility to use funds for the same purpose. Many of the early pilot cases will be resolved in FY22, and will provide data linking the compensation rate for contract attorneys and case outcomes. This data will be critical to the agency, as 18 counties with no public defender office rely solely on contract attorneys.

Budget: $55,488 **FTE:** 439	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	63%	48%	70%	42%	40%	43%	R
In-house attorneys	78%	51%	70%	42%	40%	45%	R
Contract attorneys	21%	40%	70%	43%	38%	39%	R
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	8,003	6,312	5,000	1,678	1,391	1,642	G
In-house attorneys	6,956	4,570	4,000	1,322	988	1,237	G
Contract attorneys	1,047	1,742	1,000	356	403	405	G
Cases assigned to contract attorneys*	35%	36%	N/A	31%	34%	35%	-
Average time to disposition for felonies, in days*	269	295	N/A	354	358	320	-
In-house attorneys*	247	270	N/A	359	308	290	-
Contract attorneys*	290	320	N/A	350	408	351	-
Cases opened by Public Defender Department *	61,294	56,403	N/A	13,939	12,945	13,562	-
In-house attorneys*	40,074	35,993	N/A	8,953	7,981	8,424	-
Contract attorneys*	21,220	20,410	N/A	4,986	4,964	5,138	-
Program Rating		G	-				Y

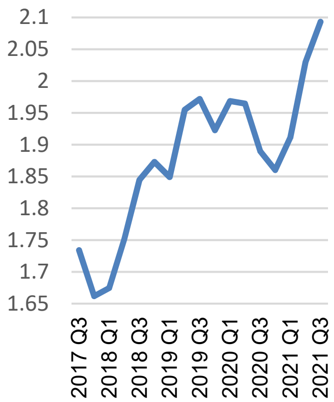
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Department of Transportation
Third Quarter, Fiscal Year 2022

ACTION PLAN

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

National Highway Construction Cost Index



Source: Federal Highway Administration

Economic data shows construction costs increasing significantly in calendar year 2021, including road construction costs. Preliminary data from the Federal Highway Administration shows a 10.9 percent year-over-year increase in road construction costs nationally.

In recent years, the Legislature has made significant nonrecurring appropriations to the Department of Transportation (DOT) for road construction and maintenance in response to deteriorating road conditions as pavements age and maintenance funding is insufficient to maintain or improve the condition of the transportation network. DOT has done well managing projects as illustrated in the department's consistent ability to complete projects on-time and on-budget. The supplemental performance information, attached to this report, includes additional information on the significant nonrecurring investments made by the Legislature.

Project Design and Construction

To judge the performance of the department's project planning and execution, measures covering the ability of the department to plan and complete projects on-time and within budget are tracked. The department has significantly improved its ability to put projects out to bid as scheduled. Of the 34 projects year-to-date, the department has put 33 out to bid as scheduled, improving significantly from prior year performance. Although construction costs continue to climb, cost overruns remain below the target of 3 percent; with construction projects closing in the third quarter over budget by $1.8 million.

Decreases in the number of projects completed on schedule are of note, particularly due to the significant resources made available to the department for projects. Global supply chain issues and increases in the number of construction projects generally may pose operational challenges for the department.

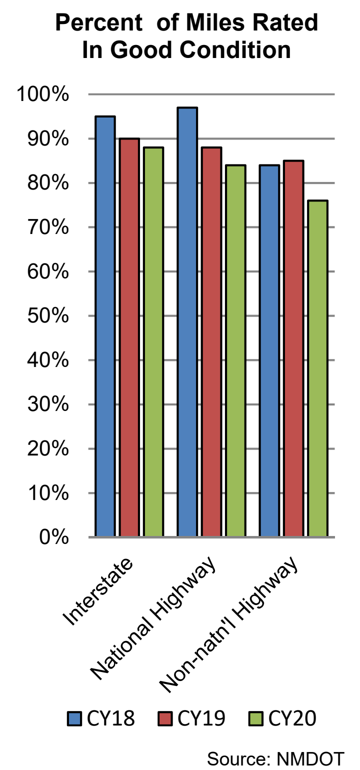
Budget: $613,837.9 **FTE:** 368	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Projects put out for bid as scheduled	75%	77%	67%	100%	93%	100%	G
Projects completed according to schedule	92%	94%	88%	100%	88%	77%	Y
Final cost-over-bid amount on highway construction projects	1%	1.8%	3.0%	-0.3%	1.9%	1.2%	G
Program Rating	G	G					G

Highway Operations

Maintenance activity typically slows during the third quarter, as road crews transition to cold-weather operations; however, the department is on track to substantially surpass the FY22 target for roadway preservation. Overall, the number of bridges rated in poor condition remains below target; in future years the department will have access to additional federal and state funds to remediate the 4 percent of bridges currently listed in poor condition.

Budget: $250,882.6 **FTE:** 1,859.7	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Statewide pavement miles preserved	3,970	3,852	3,000	2,031	1,304	205	G
Bridges in fair condition or better, based on deck area	96%	96%	90%	96%	96%	96%	G
Program Rating	G	G					G

PERFORMANCE REPORT CARD
Department of Transportation
Third Quarter, Fiscal Year 2022



DOT assesses all New Mexico roads each calendar year using a Pavement Condition Rating (PCR) score to measure roadway condition. For calendar year 2020, road condition data show New Mexico roadways deteriorated significantly from the prior year with lane miles in deficient condition increasing 54 percent year-over-year. Calendar year 2021 data will not be available until May 2022.

A PCR score of 45 or less indicates a road in poor condition. In 2020, the average PCR score for the state was 54.9, down from 57.4 the prior year. The annual decline of 2.5 shows that funding was insufficient to maintain, let alone improve, the condition of New Mexico roadways. Additionally, because there are so many lane miles in fair condition with PCR scores less than 50, it is likely that, without significant investment, lane miles in poor condition will continue to see rapid growth.

Between 2016 and 2020, the proportion of roadways in poor condition increased from 17.4 percent to 23.8 percent. However, road conditions vary significantly by district; in 2020, district 2 had the worst average condition with 28 percent or roads in poor condition while district 6 had the best condition with 10.2 percent of roads in poor condition.

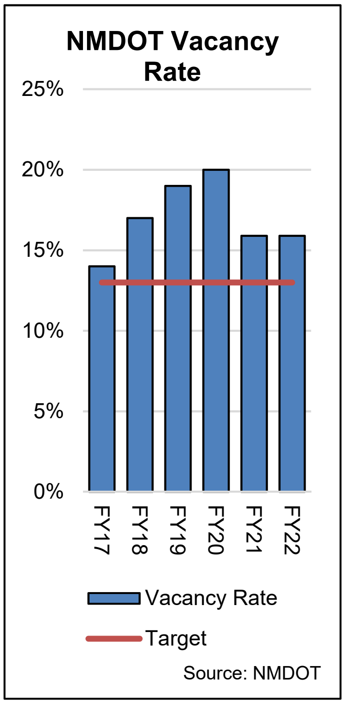
CY20 Road Condition Survey	**CY17 Actual**	**CY18 Actual**	**CY19 Actual**	**CY20 Target**	**CY20 Actual**	**Rating**
Interstate miles rated fair or better	93%	95%	90%	>90%	88%	Y
National highway system miles rated fair or better	89%	97%	88%	>86%	84%	Y
Non-national highway system miles rated fair or better	79%	84%	85%	>75%	76%	G
Lane miles in poor condition	4,606	3,783	4,420	<5,425	6,805	R
Program Rating	G	G	G			Y

Modal

Nationwide, traffic fatalities have increased, with federal data indicating more traffic fatalities in 2021 than in any year since 2005. NMDOT data reflects this increase. Total fatalities are on track to surpass FY21, possibly related to increasing traffic. Data indicates alcohol-related fatalities are down. Pedestrian fatalities and unbelted fatalities remain persistently high. Park and ride and rail runner service was curtailed as a result of stay at home orders and remote work for state agencies. Despite decreased remote work for state agencies, usage remains significantly lower than historic levels.

Budget: $77,875.2 **FTE:** 126	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Traffic fatalities	424	411	<357	140	117	106	R
Alcohol-related traffic fatalities	176	113	<125	22	15	24	G
Non-alcohol-related traffic fatalities	248	298	<232	118	102	82	R
Occupants not wearing seatbelts in traffic fatalities	158	171	<133	60	46	40	R
Pedestrian fatalities	83	76	<72	29	31	27	R
Riders on park and ride, in thousands	175	53.6	235	22.3	22.3	26.1	R
Riders on rail runner, in thousands*	516	40.9	N/A	70.9	72.4	69.8	
Program Rating	R	R					R

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



Program Support

The department received exemptions from the statewide hiring freeze and has maintained a stable staffing rate even as vacancy rates across the state increase. The department is on track to experience fewer than 90 injuries and fewer than 35 injuries in work zones. The department notes injuries resulted in no lost days of work.

The department did not report a vacancy rate for the third quarter, but data from the State Personnel Office in April suggests a vacancy rate of about 18 percent.

Budget: $43,856.7 **FTE:** 252.8	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Vacancy rate in all programs	20.4%	15.9%	13.0%	15.8%	15.9%	NR	R
Employee injuries	54	35	90	19	5	17	G
Percent of invoices paid within 30 days	93%	93%	90%	93%	93%	93%	G
Employee injuries occurring in work zones	13	11	35	10	2	3	G
Program Rating	G	G					G

Department of Transportation Special Appropriations

In the third quarter NMDOT expended $42 million from special transportation appropriations, with just over half of appropriations made before the end of FY21 spent. However, less than half of 2019 appropriations for major investments has been spent, though the department did encumber funds for the final project midway through Q4, which is not reflected on this sheet. The department was given 5 years to spend these funds, which will revert at the end of FY24. A list of select major investment projects and project status is attached.

The department has yet to commit funds appropriated for road projects during the December 2021 special session, but expects to do so in July. The department did commit funds for purchasing electric vehicle charging infrastructure. Recently, the department awarded $7.3 million for essential air service grants, not shown on the table below. Department staff indicate the two grant recipients—airports in Las Cruces and Gallup—can begin drawing those funds in the fourth quarter.

Special Transportation Appropriations, 2019 to 2022

Expenditures and Encumbrances through March 2022

Year	Type	Appropriation	Expended	Encumbered	Spent in Q3	Percent Expended	Reversion Date
2019	for state roads, MIPS	$175,000,000	$79,624,865	$57,235,856	$6,641,271	45%	6/30/2024
2019	for state roads, maintenance	$100,000,000	$94,362,345	$4,748,358	$184,081	94%	6/30/2024
2019	for local roads	$50,000,000	$45,676,564	$2,974,523	$1,701,804	91%	6/30/2024
	Subtotal: 2019	**$325,000,000**	**$219,663,775**	**$64,958,737**	**$8,527,156**	**68%**	**6/30/2024**
2020	for state roads, maintenance/MIPS	$135,000,000	$123,792,377	$8,817,335	$3,086,271	92%	6/30/2023
	Subtotal: 2020	**$135,000,000**	**$123,792,377**	**$8,817,335**	**$3,086,271**	**92%**	**6/30/2023**
2021	for state roads, MIPS	$170,000,000	$32,764,115	$28,022,391	$13,288,500	19%	6/30/2025
2021	for local roads	$121,000,000	$18,748,726	$102,251,274	$17,363,414	15%	6/30/2025
2021	for essential air service[1]	$9,000,000	$0	$0	$0	0%	
	Subtotal: 2021	**$300,000,000**	**$51,512,841**	**$130,273,664**	**$30,651,914**	**17%**	**6/30/2025**
2021 Sp.	for state roads, MIPS	$142,500,000	$0	$0	$0	0%	6/30/2025
2021 Sp.	for roadw ay beautification	$10,000,000	$0	$0	$0	0%	6/30/2025
2021 Sp.	for regional airports	$10,000,000	$0	$0	$0	0%	6/30/2025
2021 Sp.	for electric vehicle charging	$10,000,000	$0	$1,498,294	$0	0%	6/30/2025
	Subtotal: 2021 Special	**$172,500,000**	**$0**	**$1,498,294**	**$0**	**0%**	**6/30/2025**
2022	for state roads, MIPS	$247,500,000	$0	$0	N/A	0%	6/30/2025
2022	for I-40/I-10 Planning	$25,000,000	$0	$0	N/A	0%	6/30/2025
2022	for regional airports	$5,000,000	$0	$0	N/A	0%	6/30/2025
2022	for equipment/district offices	$9,000,000	$0	$0	N/A	0%	6/30/2025
2022	for the transportation project fund	$60,000,000	$0	$0	N/A	0%	6/30/2025
2022	for rest area improvements	$20,000,000	$0	$0	N/A	0%	6/30/2025
2022	for essential air service	$5,000,000	$0	$0	N/A	0%	6/30/2025
2022	for w ildlife corridors	$2,000,000	$0	$0	N/A	0%	6/30/2025
	Subtotal: 2022	**$373,500,000**	**$0**	**$0**	**$0**	**0%**	**6/30/2025**

[1]NM DOT awarded $3.8 million to the City of Gallup and $3.5 million to Dona Ana County, but these funds were not encumbered until Q4.

Source: SHARE

Department of Transportation Major Investment Projects Status Report, Q3 2022

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
1	I-10	Lordsburg Bridge Replacement	Contractor is finalizing project.	**$7,267,801**	**$4,301,492**	**$11,569,293**

G

Letting Date: 12/18/2020
Completion: 11/9/2022

Expenses by Quarter	
FY21 Q4	$1,863,827
FY22 Q1	$1,847,897
FY22 Q2	$2,178,000
FY22 Q3	$1,378,077

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$4,000,000
Federal Funds	$2,915,883
Road Fund	$706,536
Total Cost Estimate	**$7,622,419**
GAA Section 9 (2020)	$4,413,837

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
1	NM-404	Bridge replacement at I-10 interchange	Project delay from March completion estimate; under partial suspension while correct action plans put in place	**$13,357,783**	**$7,717,627**	**$21,075,410**

R

Letting Date: 8/21/2020
Completion: 8/30/2022

Expenses by Quarter	
FY21 Q4	$4,935,284
FY22 Q1	$2,517,795
FY22 Q2	$2,887,994
FY22 Q3	$2,744,713

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$9,100,000
Federal Funds	$8,529,651
State Road Fund	$1,461,700
Total Cost Estimate	**$19,091,351**

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
2	US-285	US-285 Corridor, Phase 1	Project is under construction and progressing, however, estimated completion date is not available	**$24,460,996**	**$24,008,234**	**$48,469,230**

G

Letting Date: 4/24/2020
Completion: Not Reported

Expenses by Quarter	
FY21 Q4	$7,819,846
FY22 Q1	$1,851,590
FY22 Q2	$2,307,657
FY22 Q3	$2,338,641

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$42,934,243
Total Cost Estimate	**$42,934,243**

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
3	I-25	Los Lunas Corridor, I-25 Interchange and E-W Corridor from I-25 to NM-47	NMDOT reports a local lead agreement has been executed; construction expected to begin this spring.	**$1,676,740**	**$7,677,669**	**$9,354,409**

Y

Lead Agency: Village of Los Lunas

Expenses by Quarter	
FY21 Q4	$0
FY22 Q1	$0
FY22 Q2	$941,908
FY22 Q3	$529,314

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$5,000,000
GAA Section 9 (2021)	$15,200,000
Local Funds	$20,436,427
Federal Fund	$118,517,050
Total Cost Estimate	**$159,153,477**

Department of Transportation Major Investment Projects Status Report, Q3 2022

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
4	NM-39	Pavement rehabilitation north of Logan	Projects funds encumbered after close of quarter (May 2022); costs now estimated at $24.4 million	**$0**	**$0**	**$0**

R

Letting Date: 3/18/2022
Completion: Not Reported

Expenses by Quarter	
FY21 Q4	$0
FY22 Q1	$0
FY22 Q2	$0
FY22 Q3	$0

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$21,000,000
State Road Fund	$132,539
Federal Funds	$777,753
Total Cost Estimate	**$21,910,292**

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
4	US-54	Reconstruction and Rehabilitation, East side of Tucumcari	Project is under construction, scheduled completion, August 2022	**$19,271,626**	**$11,529,102**	**$30,800,728**

G

Letting Date: 6/26/2020
Completion: 8/30/2022

Expenses by Quarter	
FY21 Q4	$1,690,451
FY22 Q1	$718,994
FY22 Q2	$3,651,741
FY22 Q3	$2,170,650

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$13,100,000
Local Funds	$845,881
State Road Fund	$95,796
Federal Funds	$7,470,406
Total Cost Estimate	**$21,512,083**

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
5	NM-68	Road reconstruction and bridge rehabilitation, miles 7 to 10, north of Alcalde	Project is in construction	**$7,957,756**	**$10,215,735**	**$18,173,491**

G

Letting Date: 4/17/2020
Completion: Not Reported

Expenses by Quarter	
FY21 Q4	$1,791,642
FY22 Q1	$788,543
FY22 Q2	$1,156,507
FY22 Q3	$928,669

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$10,500,000
Federal Funds	$11,204,727
State Road Fund	$1,909,421
Total Cost Estimate	**$23,614,148**

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
6	I-40	Design and ROW acquistion for Allison Corridor Project, from NM 118 to Kachina Road in Gallup	Project is in design; construction estimated to begin in 2023.	**$1,646,156**	**$1,066,731**	**$2,712,887**

Y

Letting Date: Not Reported
Completion: Not Reported

Expenses by Quarter	
FY21 Q4	$456,941
FY22 Q1	$83,326
FY22 Q2	$291,105
FY22 Q3	$593,195

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$4,500,000
Capital Outlay (General Fund)	$1,500,000
Total Cost Estimate	**$6,000,000**

Department of Transportation Major Investment Projects Status Report, Q3 2022

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
6	US-491	Reconstruction and Rehabilitation of Carbon Coal Road and Intersection at US-491, Gallup	Project is under construciton with estimated completion date in November	**$13,842,889**	**$13,707,016**	**$27,549,904**

G

Letting Date: 12/18/2020
Completion: 11/14/2022

Expenses by Quarter	
FY21 Q4	$4,480,361
FY22 Q1	$2,005,078
FY22 Q2	$2,197,993
FY22 Q3	$4,014,063

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$22,000,000
State Road Fund	$190,249
Capital Outlay (General Fund)	$11,000,000
Total Cost Estimate	**$33,190,249**

Notes

Statewide Transportation Improvement Program estimates are provided to illustrate the scope of the project and how the department blends funding from multiple sources to complete projects. The latest estimates may not reflect actual costs due to increases in construction costs.

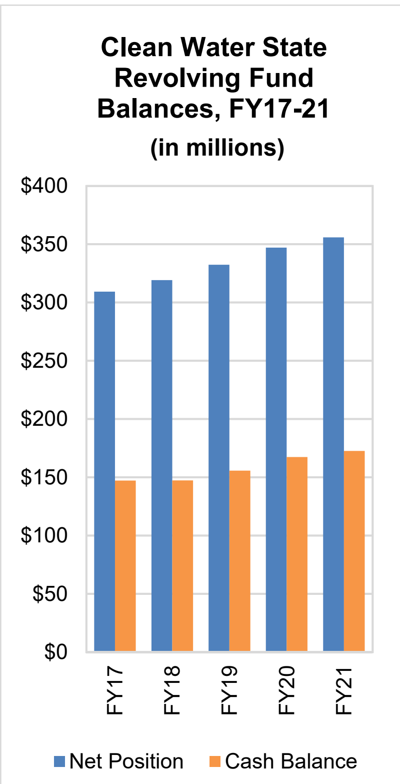
Completion dates are estimates from NMDOT's active projects website or from NMDOT staff.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Environment Department
Third Quarter, Fiscal Year 2022

ACTION PLAN

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



Source: Office of the State Auditor

Through the clean water state revolving fund (CWSRF), local communities secure affordable financing for a wide range of projects. Communities benefit from CWSRF loans to finance essential wastewater, storm water, and solid waste projects at interest rates between 0 percent and 1 percent and loan terms up to 30 years. These construction projects add revenue to local economies and improve quality of life through effective environmental infrastructure.

The performance of the Environment Department (NMED) continues to be mixed, with most below-target performance results associated with low inspection rates. The agency reported it is working with the State Personnel Office (SPO) to reclassify positions to improve vacancy rates and reorganize some bureaus to better serve the agency's objectives.

Water Protection

Drinking Water. Approximately 1.9 million New Mexicans, or 90 percent, received drinking water that met all health-based standards in the third quarter of FY22. This data is based on NMED's sampling of 570 community water systems. Starting this year, NMED changed which data is used in the calculation of this measure to include all uncorrected violations rather than only new violations identified. This reduced the reported performance on this measure from prior fiscal years.

The Drinking Water Bureau is actively recruiting for its 10 vacant positions, which are causing delays in compliance determinations and violation notices, as well as restructuring to maximize resources. The agency expects it will be able to hire additional staff with increased funding for the drinking water state revolving loan program and set-aside grants from the federal Infrastructure Investment and Jobs Act.

In FY21, NMED was forced to reduce testing for drinking water contaminants due to the depletion of the water conservation fund, which derives revenue from fees on public water systems and supports the sampling and analysis of drinking water in small and rural communities. Legislation to increase this fee to keep up with program costs was vetoed by the governor, and as a result, additional services will be discontinued, potentially worsening water quality as communities struggle to afford the tests needed to identify contaminants.

Surface and Ground Water Inspections. Of the 20 surface water permittee inspections the Surface Water Quality Bureau planned to complete in FY22, six were performed in the third quarter. Nine additional inspections or inspection reports were in progress at the end of the second quarter. The bureau curtailed inspections at the direction of the U.S. Environmental Protection Agency (EPA) out of concern for the health and safety of the regulated community and EPA contractor staff who perform the inspections.

The number of groundwater permittees increased again in the third quarter to 597, and the Ground Water Quality Bureau conducted 35 inspections. Inspections typically occur at sites requiring immediate attention due to complaints, failures, or other causes outside normal operations. To optimize resources, staff make additional inspections of nearby systems to increase efficiency in travel planning and time in the field. Seven of the bureau's 28 inspector positions are vacant, and program staff are working with SPO on reclassifications to make positions more competitive.

Water Infrastructure. This new measure reports the number of funding agreements executed each quarter for drinking water, wastewater, and stormwater infrastructure projects supported by capital outlay funding, the clean water state revolving fund (CWSRF), or the Rural Infrastructure Program. These projects are managed by NMED's Construction Programs Bureau (CPB) and improve ground and surface water quality and increase access to reliable and safe drinking water across New Mexico. In the third quarter, agreements were executed for 36 capital outlay projects and one CWSRF loan/grant agreement. The CPB disbursed $6.1 million to communities for 139 projects this quarter, bringing total water infrastructure investments for FY22 to $21 million.

Budget: $30,576.4 FTE: 184.3	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of the population served safe and healthy drinking water	97%	97%	92%	94%	90.4%	89.9%	Y
Surface water permittees inspected	NEW	NEW	10%	15%	30%	30%	G
Ground water permittees inspected	47%	19%	65%	4%	3%	6%	R
New water infrastructure projects	NEW	NEW	75	40	31	37	G
Community water system violations corrected as a result of NMED assistance	NEW	NEW	500	39	69	NO DATA	R
Program Rating	Y	G					Y

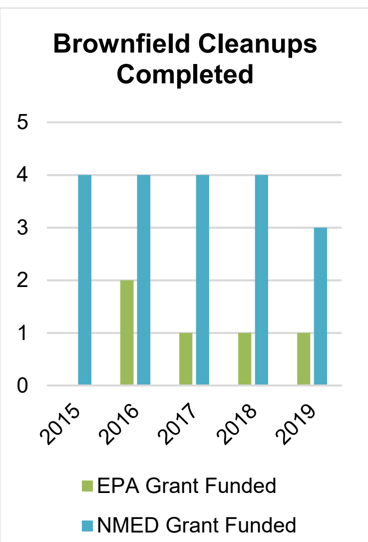
Nonrecurring Appropriations to NMED, 2021-2022 Special and Regular Sessions

River Stewardships Program	$11.5 million
Eastern New Mexico Rural Water System	$10 million
Emerging contaminants initiatives	$525 thousand
Interstate ozone pollution	$450 thousand
Superfund and uranium mine site cleanup	$400 thousand
Radiation Control Bureau	$300 thousand
Surface water discharge permitting program	$250 thousand

Resource Protection

NMED inspected four solid waste or medical facilities this quarter, or 9 percent of the 45 active, permitted facilities, which is below the pace needed to meet the annual target. The Solid Waste Bureau filled one vacancy but gained two new ones this quarter. One position is being reclassified to a higher level, creating a new career ladder the agency hopes will improve this bureau's historically high turnover rate. Staff time also continues to be consumed by infectious waste generator inspections and illegal dumping investigations, which are not included in the performance measures.

This quarter, NMED inspected nine hazardous waste facilities that are not registered in the EPA database that this performance measure is based on. The FY22 general fund appropriation to NMED included an increase of $200 thousand to fill inspector vacancies in this program. Despite this, inspections have consistently been low throughout the year.



A brownfield is a property whose expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Source: Environmental Council of the States Results Project

Budget: $16,651.1 FTE: 142.3	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Completed cleanups of petroleum storage tank release sites that require no further action*	NEW	NEW	1,938	1,946	1,946	1,964	
Ratio of underground storage tank (UST) cleanups to total leaking USTs remaining	NEW	NEW	20:944	6:873	0:944	14:870	Y
Solid and infectious waste management facilities inspected	NEW	NEW	85%	20%	4%	9%	Y
Hazardous waste facilities inspected	NEW	NEW	2%	1%	1%	1%	Y
Program Rating	Y	G					Y

* FY22 target is a baseline rather than a goal, so this measure was not given a rating.

Environmental Protection

The Environmental Protection Division inspected 50 X-ray machine registrants and radioactive material licensees this quarter out of 1,710 registrants and licensees total. The agency reports additional funding is needed to sufficiently train and equip staff to perform inspections, but a budget increase for the Radiation Control Bureau was not requested in FY22 or FY23. In the Air Quality Bureau, NMED reports vacancies continue to hamper inspections but a reorganization that will hopefully improve recruitment and retention is in process.

Budget: $28,466.1 **FTE:** 281.5	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Ionizing/non-ionizing radiation sources inspected	NEW	NEW	85%	2.4%	3%	3%	R
Air emitting sources inspected	NEW	NEW	50%	1%	1%	7%	R
Percent of the population breathing air meeting federal health standards	NEW	NEW	95%	97%	99%	99%	G
Program Rating	G	G					Y

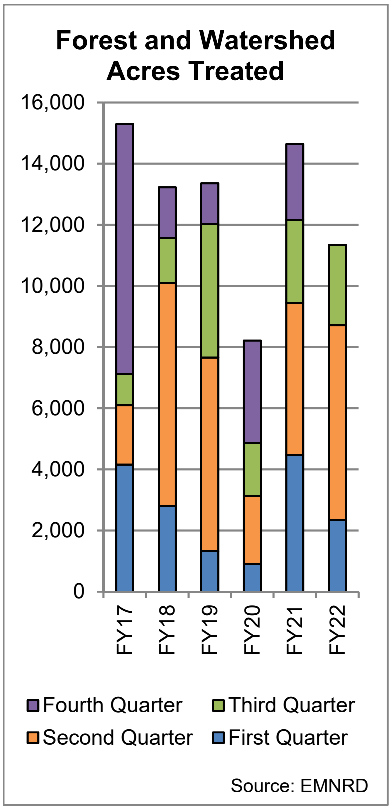
PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department

Third Quarter, Fiscal Year 2022

ACTION PLAN

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



An agreement between EMNRD, New Mexico Highlands University, New Mexico State University, and the University of New Mexico establishes a reforestation center to recover areas burned by severe wildfires. More than 300 million seedlings are needed to fill the current backlog of burned areas, and the agreement sets a goal of producing 5 million seedlings per year. The partners will expand the seed collection program, prepare seed storage facilities, and conduct a feasibility study of sites to locate the new nursery, research, and training center. The collaboration will result in production and planting of trees resilient to a warmer and drier climate.

In the Energy, Minerals and Natural Resources Department (EMNRD), the forest and watershed treatment done by the State Forestry Division is winding down for the fiscal year as the program shifts attention to an early and severe wildfire season. The importance of this work was evident during a recent fire that died down when it entered a treated forest area. State park visitation was slightly lower than last quarter and may stay at a reduced level next quarter due to recent wildfires, declining reservoir levels, and high gas prices. The Oil Conservation Division has been prioritizing high-risk well inspections and severely degraded orphan well sites, both of which require above-average time and resources, resulting in lower numbers of completed inspections and plugged wells.

The Legislature made large investments in forestry work and state parks infrastructure with federal Covid relief funding and other nonrecurring revenue. Expenditures will be closely monitored in the coming years to ensure the agency is meeting expectations to implement high-impact infrastructure investments, particularly state park repairs and upgrades, and natural resource remediation, such as orphan well plugging and forest treatment.

Healthy Forests

The Healthy Forests program, also known as the State Forestry Division (SFD), holds wildland firefighter trainings throughout the state primarily between October and April. The division established new contract agreements with trainers last quarter and was able to train 648 firefighters in the third quarter. Traditional classroom trainings are offered at locations throughout the state and virtual trainings are also available.

SFD plans and implements restoration treatments within the top 500 at-risk watersheds identified in the New Mexico Forest Action Plan. SFD is on course to meet its FY22 performance target, but work will likely continue to slow next quarter due to the limitations of treating forests during wildfire season. Due to extremely dry and windy conditions, the acres treated in the third quarter were mostly related to forest thinning rather than prescribed burns.

Budget: $16,278.7 **FTE:** 77	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Nonfederal wildland firefighters provided training	1,229	1,229	1,500	23	127	648	G
Acres treated in New Mexico's forests and watersheds	8,213	14,637	14,500	2,343	6,370	2,629	G
Program Rating	Y	Y					G

State Parks

In the third quarter of FY22, state park visitation was even lower than it was in the second quarter, typically the least popular time of year for parks. Although current wildfires around the state have resulted in park closures and can be expected to limit visitation through the end of this fiscal year, they did not begin until after the end of the third quarter and therefore cannot explain this quarter's low numbers. Revenue per visitor is higher than previous quarters due to reservation system transactions occurring in advance of the upcoming peak season. The State Parks Division's plan for increasing visitation is to continue normal marketing and outreach programming with a focus on rural markets and leveraging the national reach of the reservation system marketing platform. The division's vacancy rate is 38 percent, though EMNRD recently reported a highly successful rapid hire event that filled 10 out of 11 vacant park positions in the southeast region.

Budget: $24,173.5 FTE: 234.7	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Number of visitors to state parks, in millions*	3.9	4.4	N/A	2.1	0.6	0.6	Y
Self-generated revenue per visitor, in dollars	1.04	$0.65	$0.94	$0.76	$1.16	$1.29	G
Program Rating	Y	Y					Y

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

Mine Reclamation

The Mining Act and the Surface Mining Act require that mines obtain a permit including an approved reclamation plan and financial assurance that would allow the state to complete reclamation if the company owning the mine fails to do so. In the third quarter of FY22, 65 of the 66 mines managed by the program were in compliance with this requirement.

Budget: $8,120.0 FTE: 32	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	100%	99%	97.5%	100%	99%	99%	G
Program Rating	G	G					G

Oil and Gas Conservation

The Oil Conservation Division (OCD) will likely not meet the annual target for oil and gas wells inspected and in compliance, but did increase the number between the second and third quarter. OCD's recently implemented tiered method of scheduling inspections is the primary reason inspections have lagged this year: staff focus on scheduling high-priority inspections first, which are typically more complex and time-consuming than the average inspection. OCD staff approved 95.9 percent of drilling permits within 10 business days in the third quarter of FY22, allowing most operators to conduct business without unnecessary delays. Only 24 applications to drill took longer than 10 days out of the 584 the division approved.

OCD has recently been focusing its well-plugging efforts on a large oil field containing old, poorly maintained orphan well sites that require additional time and resources to remediate. Furthermore, program staff report low availability of equipment and crews has also contributed to the slow pace of well-plugging. Wells such as these with defective casing and casing collapses are more expensive and take longer to complete, but pose the greatest risk to groundwater. OCD has spent just over $1 million on plugging costs for 16 wells so far in FY22.

The OCD has the additional responsibility of overseeing the Carlsbad brine well remediation project, which is not captured in the division's performance measures. Sand backfilling was completed in mid-February, and remaining tasks include: cavity

Nonrecurring Funds Appropriated in Special and Regular Sessions 2021-2022

Purpose	Amount
Forest and watershed treatment, restoration; wildfire readiness	$35 million
State park improvements	$20.5 million
Community energy efficiency development block grant program	$10 million
Orphan well reclamation	$3.5 million
State park expansion	$350 thousand
Vehicle and radio replacements	$250 thousand

During the 2021 second special session, the Legislature appropriated a total of $23.5 million to EMNRD from the federal American Rescue Plan Act funding that was transferred to the state general fund. $20 million was appropriated to plan, design, construct, improve, renovate, furnish, and equip state parks. $3.5 million was appropriated for orphan and inactive well planning, identification, and program implementation. The agency will have until the end of FY25 to expend the appropriations.

During the 2022 regular session, $20 million was appropriated to the forest land protection revolving fund, of which $7 million was appropriated to EMNRD for use in FY22-23. Forestry received an additional $10 million in capital outlay funding for watershed restoration and $5 million for wildfire prevention and readiness.

depressurization, demobilization, surface restoration, monitoring plan development, and implementation and receipt of a final report from the contractor confirming, among other things, that risk to surface and groundwater have been addressed. OCD anticipates reporting, demobilization, depressurization, and surface restoration to be completed in summer 2022.

Budget: $11,221.5 **FTE:** 72	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Inspections of oil and gas wells and associated facilities showing compliance with permits and regulations	36,852	35,757	31,000	5,971	7,399	8,522	G
Application to drill permits approved within 10 business days	94.6%	87.6%	95%	85.5%	95.6%	95.9%	G
Abandoned oil and gas wells properly plugged	36	49	50	4	7	7	R
Violations issued*	2,176	3,174	N/A	1,182	830	591	
Program Rating	G	Y					Y

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

Renewable Energy and Energy Efficiency

The purpose of the Renewable Energy and Energy Efficiency program, also called the Energy Conservation and Management Division (ECMD), is to develop and implement effective clean energy programs, renewable energy, energy efficiency and conservation, alternative transportation and fuels, and safe transportation of radioactive waste. ECMD also provides technical assistance and information to the renewable energy industry for ongoing, potential, and proposed projects.

ECMD administers five clean energy tax credit programs for renewable energy production, solar market development, sustainable buildings, agriculture biomass, and biodiesel facilities. In the third quarter, ECMD received and reviewed 1,247 tax credit applications and processed 99 percent within 30 days of receipt. An additional challenge this quarter was a massive influx of calls from residents who applied for but did not receive the solar market development tax credit because it reached its annual cap of $8 million by mid-March.

Budget: $3,248.8 **FTE:** 19	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Applications for clean energy tax credits reviewed within 30 days	90%	88%	90%	84%	87%	99%	G
Number of clean energy projects to which the division provided information and technical assistance*	143	226	N/A	79	200	29	
Program Rating	G	Y					G

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

PERFORMANCE REPORT CARD
Office of the State Engineer
Second Quarter, Fiscal Year 2022

ACTION PLAN

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

Publicly Owned Dams in Need of Rehabilitation: 10 Highest Priority Dams

Dam Name	Purpose	Estimated Rehab Cost
Cimarroncito Dam	Water Supply	$16M or more
Fenton Lake Dam	Recreation, Wildlife	$18M or more
Bear Canyon Dam	Irrigation, Recreation	$8M or more
Eagle Nest Dam	Irrigation	$10M or more
Nichols Dam	Water Supply	$5M or more
McClure Dam	Water Supply	$5M or more
Bluewater Dam	Irrigation	TBD
Alto Lake Dam	Water Supply	$10M or more
Lower Vallecito Dam	Irrigation	$7M or more
Lake Maloya Dam	Water Supply	>$30M

Source: OSE

The Dam Safety Bureau keeps a list of publicly owned dams that are of sufficient size to be regulated by OSE, are considered high-hazard potential dams, have auxiliary spillway capacity that is less than 70 percent of the regulatory requirement, and are deficient based on safety criteria with a condition rating of unsatisfactory, poor, or fair. The table above shows the top 10 dams from that list. According to LFC's most recent quarterly capital outlay report, OSE has $13.9 million in unspent capital outlay funding for dam construction and rehabilitation. Another $10 million for statewide dam rehabilitation was appropriated to OSE during the 2022 legislative session.

Leadership at the Office of the State Engineer (OSE) hopes to refocus the agency's priorities on big-picture planning and investments that can mitigate the impact of water scarcity on New Mexico's residents and economy. Recommendations for the agency's 50-year water plan are expected to come out of a new water policy and infrastructure task force in July.

Water Resource Allocation

The purpose of the Water Resource Allocation Program (WRAP) is to provide for administration, distribution, protection, conservation, and development of the state's surface water and groundwater resources, including the implementation of active water resource management. WRAP has an internal goal to keep the number of backlogged water rights permit applications under 500, which it surpassed for the first time this fiscal year. WRAP typically receives more applications this time of year due to increased water use at the start of irrigation season.

The program met the target for applications processed per month in the first quarter of FY22, but has lagged since then. Program staff have reported the same reason for low performance on this measure since FY18: diversion of staff to illegal water use investigations and between 30-40 vacant positions. Clearly, the strategy of the past five fiscal years has failed to rectify this problem. LFC staff have recommended the agency consider a reorganization of WRAP or reclassification of positions to make recruitment easier and better meet the program's workload demands. So far in FY22, WRAP has completed 43 in-pay-band raises as well as 79 hires and promotions.

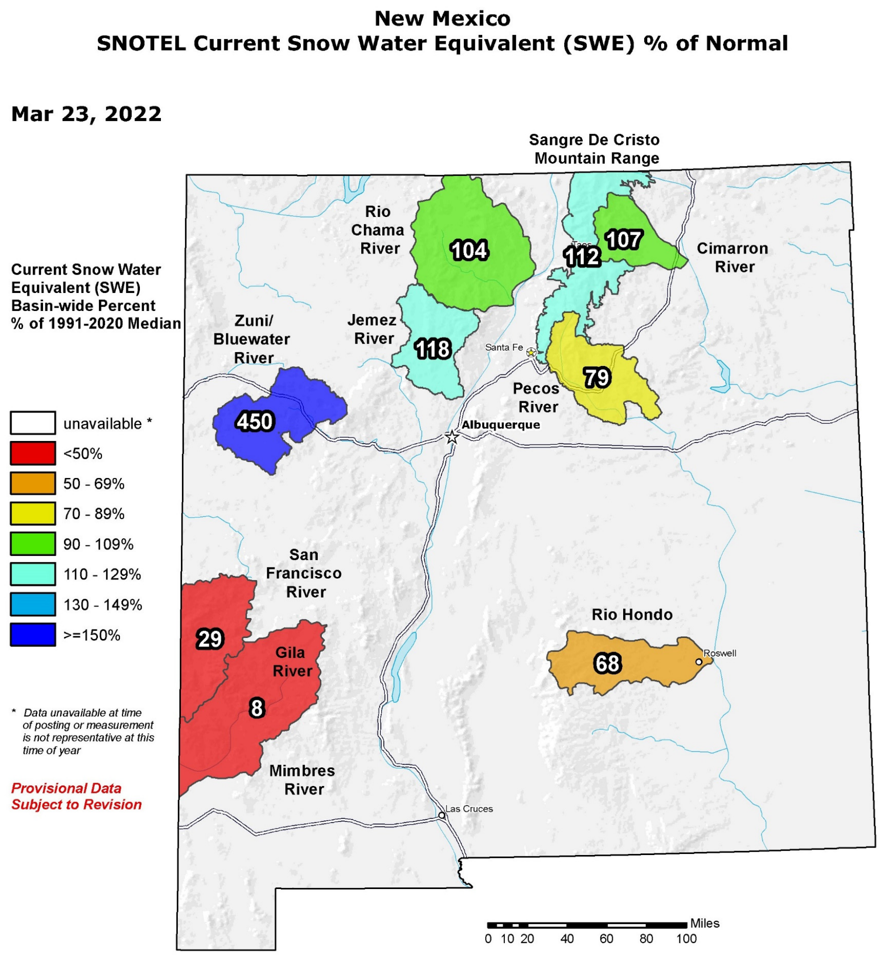
Written notice of a dam's condition, including any deficiencies and potential issues, is a required component of dam safety inspections conducted by the Dam Safety Bureau in WRAP. The performance measure related to the number of these notices issued indicates the number of publicly-owned dams with problematic inspection findings. OSE should reconsider the target for this measure, or whether this measure is valuable at all, as it currently implies a higher number of deficient dams is an indicator of success.

Budget: $15,153.5 **FTE:** 171	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Unprotested and unaggrieved water rights applications backlogged*	502	522	N/A	489	492	513	Y
Unprotested water rights applications processed, per month	39	30.5	40	41	25	32	R
Transactions abstracted annually into the water administration resource system database	20,432	24,029	20,000	9,429	6,566	6,770	G
Notices issued to owners of publicly-owned dams notifying them of deficiencies or issues	58	78	45	0	2	26	Y
Program Rating	Y	Y					Y

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

Interstate Stream Compact Compliance

The purpose of the Interstate Stream Compact Compliance and Water Development Program is to ensure New Mexico's continued compliance with interstate stream compacts, resolve federal and interstate water issues, develop water resources and stream systems in an environmentally sound manner, and plan for the future use of water to ensure maximum sustained beneficial use of available water resources.



The snow water equivalent percent of normal represents the current snow water equivalent found at selected Snow Telemetry (SNOTEL) sites in or near the basin compared to the average value for those sites on this day. SNOTEL is an automated, near-real-time data collection network that provides mid to high elevation hydroclimatic data from mountainous regions of the western United States.

Source: United States Department of Agriculture, Natural Resources Conservation Service

The Pecos River Compact report for water year 2020, issued on June 28, 2021, included an annual debit to New Mexico of 4,700 acre-feet, resulting in a cumulative Pecos River Compact credit of 161.6 thousand acre-feet. OSE attributes New Mexico's cumulative credit in large part to investments the State made in implementing the 2003 Pecos Settlement Agreement, such as purchasing water rights and constructing and operating two augmentation wellfields. The agency received a special appropriation of $1 million for this purpose for use in FY21 and FY22. As of now, New Mexico is projected to incur a small under-delivery for Water Year 2021, which will be reported by the river master by July 1, 2022.

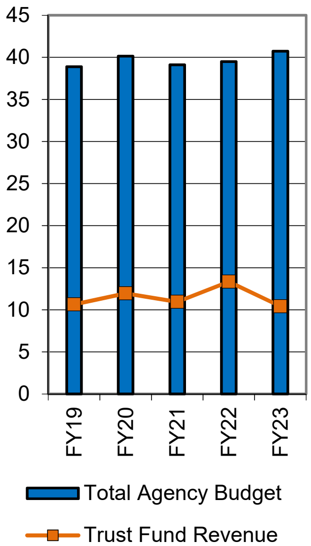
New Mexico's Rio Grande Compact Engineer Advisor reports New Mexico under-delivered by approximately 31,000 acre-feet in 2021, resulting in a calculated accrued debit of 127,100 acre-feet. The Middle Rio Grande Conservancy District will begin the 2022 irrigation season with no native water in storage and may receive less than a full allocation of San Juan Chama project water due to water supply conditions in the San Juan basin.

Rio Grande Compact litigation with Texas is in mediation and New Mexico's legal and technical teams are optimistic about reaching a settlement while continuing to prepare for trial.

Budget: $12,037.7 **FTE:** 44	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	166.3	161.6	>0	161.6	161.6	161.6	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre feet	-38.8	-96.3	>0	-96.3	-96.3	-127.1	R
Cumulative New Mexico unit fund expenditures, in millions*	$20.1	$22.1	N/A	N/A	$22.0	N/A	
Program Rating	G	G					Y

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

Share of Agency Operating Expenses Supported by Trust Fund Revenue (in millions)



Source: LFC Files

Litigation and Adjudication

The two Litigation and Adjudication Program (LAP) measures track progress toward the completion of the adjudication of water rights in New Mexico. The percentage of water rights that have judicial determinations represents the percentage of water rights that have been determined by court orders entered in all water rights adjudication suits to date. It is not expressed as a percentage of all water rights that have been and will be adjudicated in the future, as that number cannot be accurately ascertained before adjudication suits are filed in the future for areas yet to be adjudicated. This measure is therefore affected not only by the ongoing entry of new judicial determinations, but also by the opening of new adjudication suits or sections of adjudications.

LAP staff report that offers to defendants in adjudications are currently low because activity in the Lower Rio Grande Bureau has a disproportionate effect on the measure; adjudications in other parts of the state are mostly in earlier stages or are correcting existing subfiles rather than initiating new offers. Program staff also noted that while this performance metric is useful, they hope to engage with LFC to develop an additional measure that captures a broader picture of adjudication progress.

Budget: $7,201.7 **FTE:** 58	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Offers to defendants in adjudications	444	381	325	38	60	27	Y
Water rights that have judicial determinations	76%	76%	74%	76%	76%	76%	G
Program Rating	G	G					G

PERFORMANCE REPORT CARD
General Services Department
Third Quarter, Fiscal Year 2022

ACTION PLAN

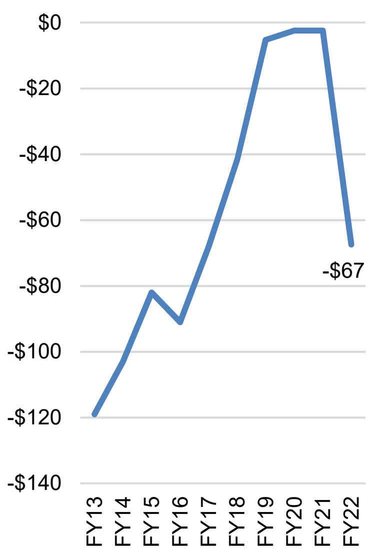
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

Operations of the General Services Department (GSD) continue to be affected by the Covid-19 pandemic, from volatility in health insurance claims payments to the ability of the agency to conduct scheduled preventive maintenance at state facilities. Troublingly, the department reports a mounting deficit in the agency's largest program, Employee Group Health Benefits. Performance data indicate medical expenses are increasing faster than projected while premiums have not increased to match expenses to revenues. Under these conditions, the department will be challenged to contain costs in FY22. Improved health benefits performance reporting is vital to provide insight into cost drivers, care quality, and employee satisfaction with the benefits offered.

In some cases the department indicated it was development improvement action plans; however, the details of the plans are not yet available.

Risk Management Funds

Net Position of Major Risk Funds
(in millions)



Source: GSD and LFC Files

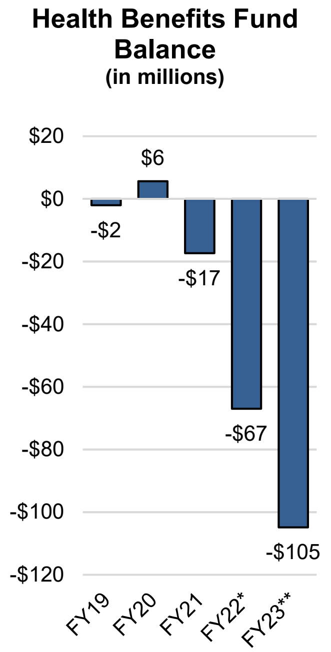
The financial position of a fund is determined by dividing the current assets by the current liabilities. Overall, the financial position of the three funds is only 55 percent, with projected assets short of projected liabilities by $67 million. In FY21, assets were short of liabilities by only $2 million and in the second quarter assets were short of liabilities by $40 million. Although all funds remain above the 50 percent target, this represents a significant pullback in a single year, warranting additional monitoring. Changes were driven mostly by the public liability fund, with a reduction in projected assets of $23.1 million and an increase in projected liabilities of $16.4 million versus FY21. The department has said they are developing an improvement action plan for the public liability fund, but deadlines for plan delivery have not been provided.

Budget: $100,427.9 **FTE:** 0.0	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Projected financial position of the public property fund*	736%	523%	N/A	379%	463%	451%	G
Projected financial position of the workers' compensation fund*	60%	61%	N/A	54%	60%	60%	G
Projected financial position of the public liability fund*	103%	112%	N/A	73%	62%	58%	Y
Program Rating	G	G					Y

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

Group Health Benefits

Despite provisions of state law designed to prevent agencies from spending without available funds (see Section 6-5-6 NMSA 1978), the Employee Group Health Benefits Program has been operating at a deficit. LFC analysis indicates, given current spending patterns and rates, the fund could end FY23 with a deficit of more than $100 million. Despite persistent shortfalls, the department has not increased health insurance rates for participating employees resulting in mounting shortfalls. Although the Legislature authorized a 5 percent rate increase for FY23, the governor vetoed funding for the increase, stating there would be no premium increase for FY23. In FY22, the Legislature authorized $25 million in nonrecurring appropriations to stabilize the fund, but despite this intervention GSD projects shortfalls will grow.



*Projected; includes $25 million in special appropriations
**Projected by LFC; assumes FY22 expenditure and no rate increase
Source: GSD

While the Covid-19 pandemic initially reduced program costs per-member, per-month (PMPM), easing restrictions resulted in increasing PMPM costs in FY21. For FY22 PMPM costs spiked in the second quarter, as members met their annual deductible and dropped in the third quarter as members picked up a larger share of costs. The financial position of the health benefits fund makes cost containment an even more pressing concern; however, a cost containment strategy alone will not enable the department to close the funding gap in the absence of rate increases.

Budget: $419,936.0 **FTE:** 0.0	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Change in average per member per month total healthcare cost	-2.5%	5.9%	<5%	7.3%	23.1%	-13%	G
Year-end fund balance of the health benefits fund, in millions*	NEW	-$17.3	N/A	-$24.9	-$35.3	-$67	R
Annual loss ratio for the health benefits fund	NEW	NEW	98%		Annual		
State group prescriptions filled with generic drugs	87.2%	86.5%	80%	87%	87%	87%	G
Percent of available appointments filled at the stay well health center*	NEW	50%	N/A	90%	87%	86%	G
Percent of eligible state employees purchasing state medical insurance*	NEW	81%	N/A		Annual		
Rate per one thousand members of emergency department use categorized as non-emergent*	NEW	21.8	N/A	24.4	33	12.9	
Program Rating	G	R					R

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

Facilities Management

The Facilities Management Division (FMD) is responsible for maintaining 6.8 million square feet of state-owned and leased space. Recently, GSD has prioritized moving employees from leased space to state-owned facilities; however, the state continues to lease 2.5 million square feet of private space. Efforts to consolidate state agencies and reduce leased space have been hampered by uncertainty about the future space needs of the state workforce, with space occupied on a daily basis reduced due to telework. Specifically, the lack of a consolidated set of criteria governing telework eligibility led to agencies pursuing differing strategies resulting in inconsistencies in estimated amount of space needed to house staff.

FY22 Leased and State-Owned Office Space by Square Foot and FTE

Department	Leased Space	Rent	State-Owned Space	State-owned Space Per FTE (Target 215)	Total Space
Human Services Department	716,989	17,045,290	61,456	325	778,445
Children, Youth & Families Department	419,432	8,593,213	282,759	361	702,191
Department of Health	274,835	4,315,346	245,776	180	520,611
Corrections Department*	73,273	1,386,037	299,424		372,697
Taxation and Revenue Department	184,566	4,239,764	149,838	289	334,404
Department of Environment	120,490	2,273,294	70,975	343	191,465
Workforce Solutions Department	25,163	475,187	162,160	375	187,323
Department of Public Safety	63,007	516,839	64,858	511	127,865
State Engineer	63,251	924,009	50,706	268	113,957
Regulation and Licensing Department	24,188	392,655	65,687	205	89,875
Total	**1,965,193**	**40,161,634**	**1,453,639**	**279**	**3,418,832**

FMD reports less than half of scheduled preventive maintenance activities were completed on time. The division reports long wait times for materials to complete projects; although the department report capital projects are mostly completed on time. The department declined to provide information on the number of new leases meeting space standards and the amount of utility savings from green energy initiatives. The department points out only a small number of leases are completed each quarter, making it more appropriate to judge these on an annual, rather than quarterly basis. Additionally, performance contracts for green energy savings are based on annual, rather than quarterly amounts. In August 2019, FMD began a $32 million project to reduce energy use in state facilities, estimated to save at least $1.4 million per year, with guaranteed savings of $1.1 million. Data from prior quarters indicate the project has not yet produced promised cost savings.

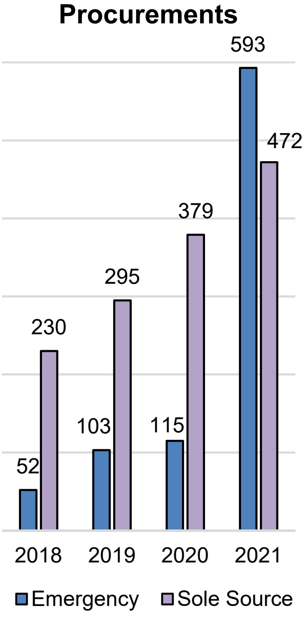
Several agencies have recently located to new facilities in Santa Fe, which was not considered by the Legislature during the FY23 budget process. FMD should consider developing a strategy for effectively utilizing state facilities in Santa Fe.

Budget: $15,481.2 **FTE:** 148	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Capital projects completed on schedule	96%	88%	90%	95%	90%	91%	G
Preventive maintenance completed on time	75%	48%	80%	56%	86%	41.5%	R
New office leases meeting space standards	93%	100%	85%	80%	50%	NR	
Amount of utility savings resulting from green energy initiatives, in thousands*	NEW	$281.4	N/A	$31.5	$42.3	NR	
Program Rating	G	Y					Y

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

State Purchasing

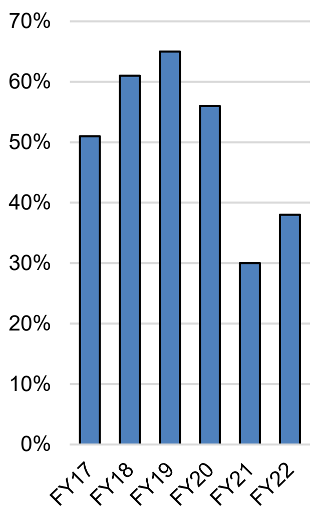
The program reports all 76 executive agencies had designated chief procurement officers in the second quarter and stated 98 of 119 procurements submitted to the program for approval were completed within the target timeframe. Additionally, the program met the target for timely contract review. Improvement in the measure for receiving payments from vendor sale are the result of measurement changes. The department typically reported poor performance due to misalignment of payment deadlines and quarterly reporting deadlines. Department staff indicate 90 percent receipt rate is more typical of collection rates.



Budget: $2,298.2 **FTE:** 29	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Agencies with certified procurement officers	92%	95%	90%	99%	99%	100%	G
Procurements completed within targeted timeframes	NEW	NEW	80%	100%	90%	82%	G
Revenue generated through pricelist purchases, in thousands*	NEW	$2,988	N/A		Annual		
Percent of estimated payments received from vendor sales	NEW	NEW	80%	31%	21%	90%	G
Percent of invitations to bid awarded in 90 days of assignment	100%	64%	90%	80%	100%	100%	G
Average number of days for completion of contract review	NEW	8.1	<5	5	4.7	3.1	G
Program Rating	Y	G					G

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

Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

Transportation Services

Although the Legislature recently appropriated $1.3 million for GSD to replace state vehicles, agencies continue to underutilize vehicles, with only 37 percent of leased vehicles being used daily or for at least 750 miles per month. Although the agency states daily vehicle use will increase as state government begins to return to normal business operations, the agency may need to consider the impact of increased telework arrangements, which have the potential to permanently alter normal business operations. Additionally, even prior to pandemic-induced stay-at-home orders, vehicle use was below the 70 percent target level. While the program has typically been rated yellow because of Covid-related restrictions outside of agency control, the rating has been changed to red to highlight the need for a plan to improve performance.

Budget: $9,426.5 **FTE:** 31	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Vehicle operational cost per mile	$0.48	$0.49	$0.59		Annual		
Vehicles used 750 miles per month	56%	30%	70%	39%	38%	37%	R
Program Rating	Y	Y					R

State Printing

The State Printing Program reported recovery in sales from the downturn caused by the Covid-19 pandemic, with revenue exceeding expenditures for the first time since the start of the pandemic. Although on a yearly basis the division continues to run a deficit, sales growth of 68 percent is an encouraging sign, although sales typically peak in the third quarter due to printing for the legislative session. The division continues to perform well, with all printing jobs delivered on time in the third quarter.

Budget: $2,038.9 **FTE:** 9	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Revenue exceeding expenditures	5%	-0.6%	5%	-76%	-34%	10%	G
Percent of printing jobs delivered on time	99%	100%	99%	100%	100%	100%	G
Sales growth in revenue	8.6%	-11%	20%	-42%	34%	68%	G
Program Rating	Y	Y					G

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

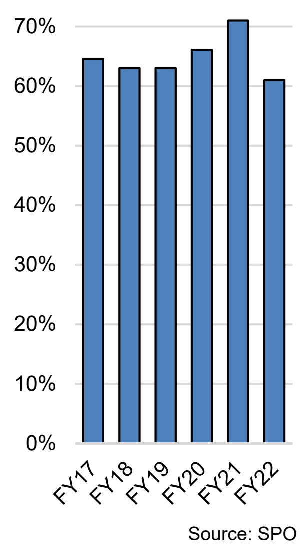
PERFORMANCE REPORT CARD
State Personnel Office
Third Quarter, Fiscal Year 2022

The state continues to face challenges related to employee recruitment and retention. The State Personnel Office (SPO) reports the classified service vacancy rate is 22.6 percent, down slightly from the second quarter but still above prior year averages, and state agencies continue to take longer to fill vacant position, with time to fill averaging 69 days in the third quarter. SPO notes agencies have the responsibility to promptly complete the hiring process and delays at the agency level can lead to increases in the time to fill metric. While agencies share in the responsibility for lengthy hiring processes, SPO could develop an action plan to identify agencies that lag their peers, assign specific SPO staff to work with agencies to reduce long time to fill, and provide regular follow-up and support to help agencies not meeting targets improve internal procedures.

ACTION PLAN

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

Once positions are filled, fewer employees are completing their probationary period, with only 57 percent completing in the third quarter, despite new hires being offered salaries above pay band midpoints. Finally, about half of state employees continue to work-from-home on a part time basis, however the state does not have a formal, statewide teleworking policy, allowing individual agencies to set policies. Evidence suggests current job seekers consider teleworking policies when choosing places to work; lack of permanent policies may harm competitiveness and lead to ad hoc policies more likely to impact agency service delivery.



At SPO's request, a number of measures are classified as explanatory, meaning they do not have performance targets. However, ratings were given based, in part, on prior year performance.

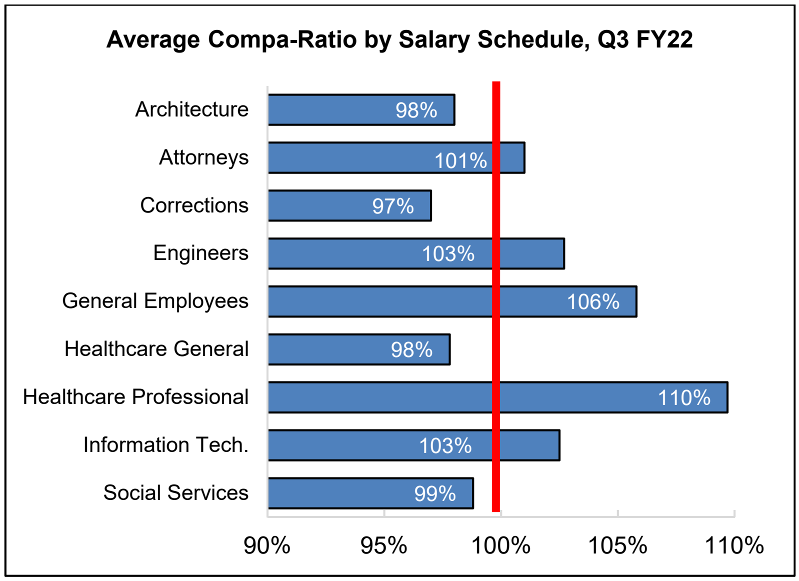
Budget: $3,875.9 **FTE:** 44	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Classified service vacancy rate	21%	19.9%	N/A*	22.3%	22.8%	22.6%	Y
Average days to fill a position from the date of posting	56	50.5	N/A*	72	70	69	R
Average state classified employee compa-ratio	103%	103.4%	100%	104.9%	104.1%	104.8%	R
Average state classified employee new-hire compa-ratio	100%	98.6%	N/A*	101.6%	102.6%	101.5%	R
New employees who complete their first year of state service	66%	71%	N/A*	60%	65%	57%	R
Classified employees voluntarily leaving state service	12%	13%	N/A*	5.5%	4.5%	5.5%	R
Classified employees involuntarily leaving state service	2%	1.6%	N/A*	0.4%	0.5%	0.4%	
Number of hires external to state government	NEW	1,996	N/A*	621	788	736	G
Program Rating	Y	Y					R

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

SPO's quarterly report does not include information on salary competitiveness or turnover by job type, but measures of compa-ratio, or salary divided by midpoint of salary range, continue pointing to salary inadequacy for some employees.

While compa-ratio for occupation-specific salary schedules are generally competitive, the average compa-ratio is 106 percent for employees on the general salary schedule and 110 percent for healthcare professionals.

For FY23, the General Appropriation Act of 2022 includes $57.6 million for salary increases for state employees. However, increases were not allocated to state agencies on a proportional basis. Instead, the executive pay plan prioritizes increases to employees on the general salary schedule, rather than for occupations with a specialized salary schedule. As a result, agencies with a higher share of employees on occupational salary schedules received smaller share of the amount appropriated for executive agency compensation increases.



Section 8 Salary Increase Allocations for Select Agencies

Agencies Highest Share of Occupational Schedule Employees

	Agency	Cost of 1% Salary Increase -- GF	Total GF Allocated for FY23	Average Raise Funded by Allocation
55000	State Engineer	$162.9	$1,163.1	7.1%
36100	Dept. of Information Tech.	$4.7	$35.2	7.5%
77000	Corrections	$996.0	$8,691.6	8.7%
62400	Aging and Long Term Services	$97.9	$778.0	7.9%
34000	Administrative Hearings Office	$14.6	$107.6	7.3%

Agencies with Largest Percentage Increase from General Fund

		Cost of 1% Salary Increase -- GF	Total GF Allocated for FY23	Average Raise Funded by Allocation
50800	New Mexico Livestock Board	$3.3	$55.0	16.6%
63000	Human Services Department	$307.9	$4,493.2	14.6%
36900	State Commission of Public Records	$20.4	$253.3	12.4%
63100	Workforce Solutions Department	$51.6	$632.2	12.3%
50500	Cultural Affairs Department	$196.9	$2,295.3	11.7%
	Total for Executive Agencies	**$6,270.4**	**$57,621.5**	**9.2%**

Source: LFC Analysis of DFA data

Note: The cost of a 1percent increase is estimated from DFA allocations of the 3 percent across-the-board increase for FY22

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Taxation and Revenue Department
Third Quarter, Fiscal Year 2022

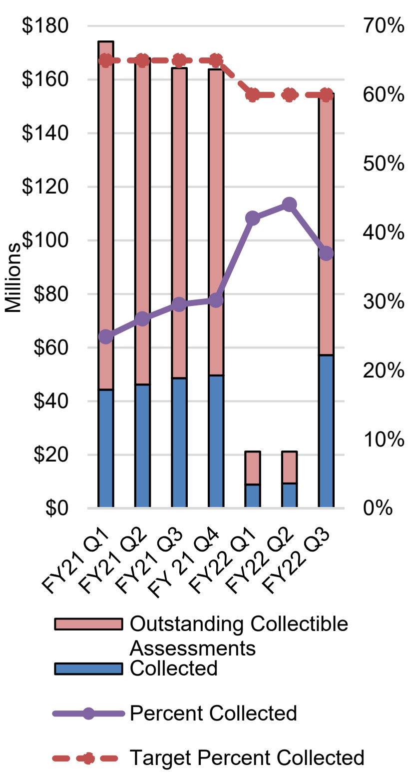
ACTION PLAN

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

For the third quarter of FY22, the Taxation and Revenue Department (TRD) remained on track to meet the annual target for tax investigations, resolved tax protest cases, and implementation of internal audit recommendations. The agency fell short on targets for percent of collectible outstanding balances, collecting only 12.3 percent from the end of the prior fiscal year. Regarding property taxes, the total amount of delinquent property taxes statewide is $63 million. There has been staffing turnover as staff moved to other departments for promotion opportunities. There was a total of 36 internal promotions. As of May, TRD's reported agency wide vacancy rate was 23.5 percent.

The average call center wait time in the Motor Vehicle Division (MVD) continued to be better than the target, at 7 minutes, and "q matic" equipped offices averaged only 5 minutes and 49 seconds. MVD has kiosks that offer customers the new capability to transfer New Mexico titles online and additional transactions. These MVD kiosks are located in Albuquerque as an alternative to visiting a field office to complete transactions; the state does not fund the contracts for the kiosks, rather, owners take a percent of sales from the transactions. The MVD call center will work on filling six vacancies.

Collections as a Percent of Collectible Audit Assessments



Note: FY22 Q1 and Q2 measures only included non-business taxes.

Source: TRD

TRD reported 100 percent success in prosecuting tax fraud cases; the two prosecuted cases resulted in successful convictions. The Internal Investigations Bureau (IIB) opened eight cases and closed seven during the third quarter. The pandemic continues to cause delays in scheduling hearings, trials, and in-person grand jury proceedings.

Regarding tax protest cases, the agency is on track to meet the targeted performace of tax protest cases resolved. The cumulative total of cases resolved is 1,312 cases in FY22, or 213 cases short of the agencies total target number of cases for the fiscal year.

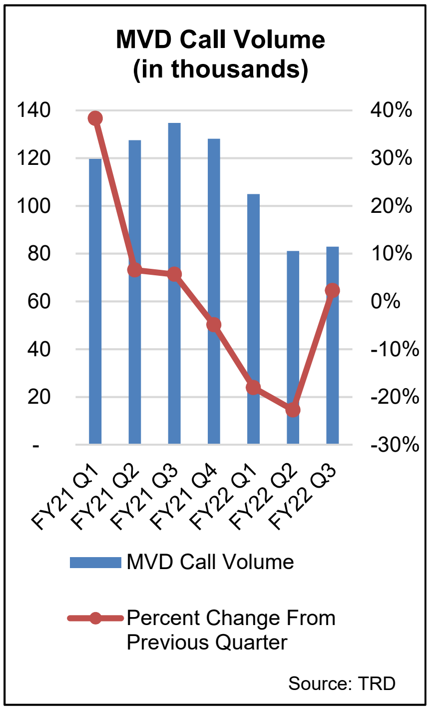
Tax Administration

Collections toward the beginning of the fiscal year accounts receivable balance was $1.2 billion less internal reductions of $171.4 million, leaving the Tax Administration program with a collectible balance of $1 billion. Of the $1 billion, the program collected $129.4 million, which is 12.3 percent of the total. The accounts receivable reductions resulted from amended returns, abatements, deactivations, bankruptcy, and reversals. The total FY22 reduction, beginning with accounts receivable, was $300.9 million or 24.5 percent, bringing the balance to $924.5 million.

The agency's target is to provide registration and reporting to maintain audit assessments for collections at 60 percent. Providing registration and reporting requirements for tax programs ensures the administration, collection, compliance, and enforcement of state taxes and fees, which provide funding for services to the public through fiscal appropriations. Excluded from the assessments tracked are those deemed as uncollectible by statute since they are in protest, bankruptcy, deactivated, or less than 91

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Taxation and Revenue Department
Third Quarter, Fiscal Year 2022



days old. The first, second, and third quarters of FY22 and FY21 fourth quarter assessments totaled $170.4 million, including $5.5 million in protest and $9.9 million that has been abated. This leaves a collectible balance of $154.8 million, of which $57.2 million has been collected, resulting in a 37 percent collection rate. In the past two quarters, reports only included non-business taxes, but the agency has resumed reporting on business taxes for the current quarter.

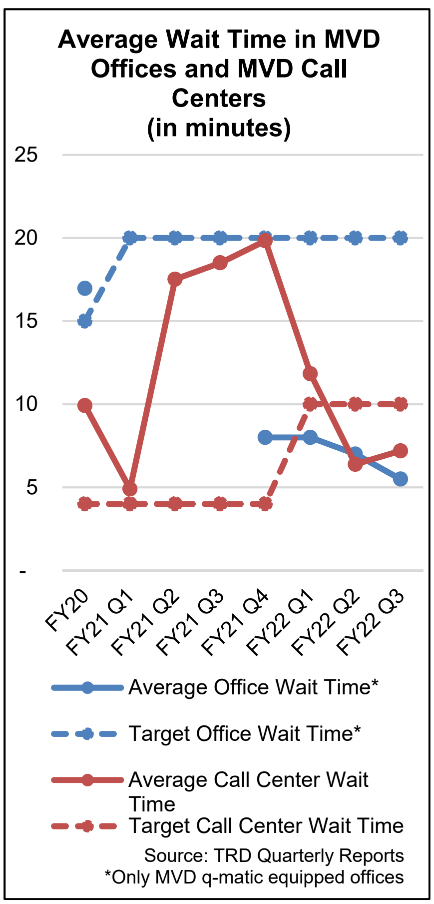
Budget: $20,099.4 **FTE:** 344

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	19%	17.6%	25%	3.4%	4.7%	12.3%	R
Collections as a percent of collectible audit assessments generated in the current fiscal year	26%	30.3%	60%	42.1%	44.1%	37%	R
Program Rating	Y	Y					R

*Target is cumulative

Motor Vehicle

There was a slight decrease in the number of registered vehicles with liability insurance as MVD continues to monitor the number of vehicles being tracked for insurance verification. The decrease was due to the annual reload process in which insurance companies remove all policies from MVD and resubmit all current policies. There have also been ongoing issues with insurance companies incorrectly reporting fleet and commercial policies. Both of these issues have falsely inflated the uninsured rate reported.



The average wait time at the MVD call center during this quarter was 7 minutes and 19 seconds. The center has seen a substantial increase in calls due to the pandemic and as field offices continue to serve customers by appointment only. The MVD call center will be working on filling the current six vacancies to maintain and improve wait times. Any closures or staffing issues were due to Covid-19 exposures, inclement weather, or building issues. Thirty-one of the 32 offices consistently have same day appointment availability and a mobile ticketing system allows customers to check-in remotely without pulling a physical ticket at the office. MVD recently added the capability for customers to request and process New Mexico title transfers online and have worked to include additional transactions to MVD kiosks to provide customers with alternative options to complete their transaction.

Budget: $37,607 **FTE:** 331

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Registered vehicles with liability insurance	90.6%	91.4%	93%	91.5%	91.3%	90.6%	R
Average wait time in "q-matic" equipped offices, in minutes	16:29	8:00	<20:00	8:00	7:00	5:49	G
Average call center wait time to reach an agent, in minutes	9:55	15:11	<10:00	11:50	6:23	7:19	G
Program Rating	Y	Y					Y

Compliance Enforcement

For the third quarter, TRD reported 100 percent completion for tax investigations, with two investigation cases opened and two referred during the fiscal year. The FY22 cumulative total remains at 50 percent, with a total of four cases opened and two cases referred to the court system. During this quarter, the Tax Fraud Investigations Bureau had one employee resign and hired two FTEs that will soon attend the New Mexico Law Enforcement Academy to become certified law enforcement officers. These special agents assist in criminal prosecution of tax evasion and fraud violations of the New Mexico Taxation Act.

Due to the pandemic, the courts are experiencing a delay in scheduling hearings, trials, and in-person grand jury proceedings. The courts continue to slowly resume in-person trials during the third quarter. The two cases prosecuted resulted in successful convictions. The FY22 cumulative total for the percentage of successful prosecutions in relation to the total investigations prosecuted is 100 percent. The Internal Investigations Bureau (IIB) opened eight cases and closed seven during the third quarter. The seven closed internal investigations were within the 60-day timeframe to maintain a 100 percent closure rate. The eighth case was opened four days before the third quarter ended and remains open but is within the 60-day timeframe.

Budget: $1,634 **FTE:** 21

Measure	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	114%	67%	85%	50%	0%	100%	G
Successful tax fraud prosecutions as a percent of total cases prosecuted*	100%	100%	N/A	0%	0%	100%	G
Program Rating	G	Y					G

*Measure is explanatory and does not have a target

Property Tax

The Property Tax Division (PTD) expects to reach its target of returning $13 million in unpaid taxes to New Mexico counties by the end of the year.

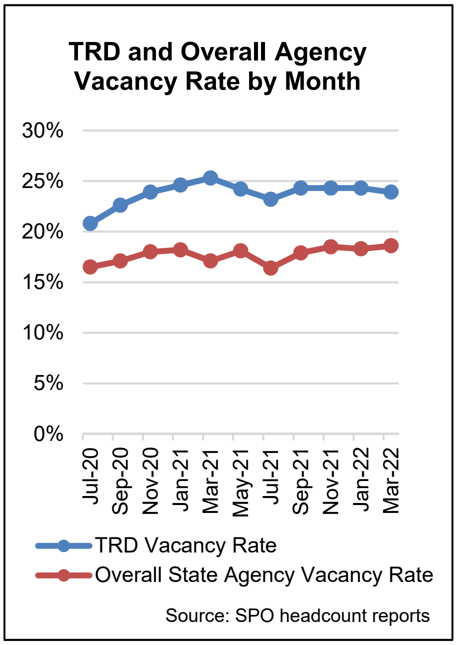
PTD is using the 2017 Delinquency List due to difficulties in downloading some of the information necessary to have a reliable 2018 list. TRD reports waiting on Santa Fe County to produce a Tax and Payment Report before they will be able to produce final 2018 delinquent list resolutions. The total amount of delinquent property taxes statewide is $63 million. The agency continues to fall short of its target for delinquent property taxes collected, having only collected a total of $1.7 million in the third quarter of FY22.

Seventeen sales for delinquencies are scheduled for the remainder of this fiscal year, five of which will be held in the first week of May. There are 12 delinquent sales in preparation; the last is tentatively scheduled for June 24, 2022.

Though Axiomatics' software development phase is complete, Axiomatic, under the condition of perfective maintenance is working to make the delinquency list better in terms of informational control and auditing purposes.

Budget: $5,297.7 **FTE:** 39

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Delinquent property tax collected and distributed to counties, in millions	$10.4	$10.7	$30.0	$3.4	$1.7	$1.5	R
Percent of total delinquent property taxes recovered	18.7%	18.7%	15%	3.9%	2.7%	2.4%	R
Program Rating	Y	Y					R



Program Support

During the third quarter, 483 tax protest cases were reviewed and resolved with 2 percent of the cases having a hearing at the Administrative Hearings Office. TRD is on track to meet its target of tax protest cases resolved, with a cumulative total of 1,312 resolved. There is still one vacant FTE in the internal audit team but TRD reports being in the process of hiring. A Corporate Culture Survey was distributed during the third quarter and the results are continuing to be analysed into the fourth quarter.

Six audit recommendations/procedures were carried over from first quarter of FY22 and implemented in the third quarter of FY22. Four were implemented in the second quarter and two are due in the fourth quarter.

Budget: $9101.4 **FTE:** 103

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Tax protest cases resolved	1,744	1,550	1,525	484	345	483	G
Internal audit recommendations implemented	94%	100%	92%	88%	100%	100%	G
Program Rating	Y	G					G

May 2022

IT Project Status Report – FY22 Third Quarter*

Project Status Legend

G	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.		
Y	Project has potential risk to scope, cost, schedule, or deliverables; independent verification and validation (IV&V) or LFC staff has identified one or more areas of concern needing improvement.		
R	Significant issues limit success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed.		
Status Trend	↗ Overall project status has shown improvement this quarter (ex. A project moved from red to yellow)	⇨ Overall project status is stable or shows no change in risk status from the previous quarter.	⇩ Overall project status has declined since last quarter (ex. A project moved from green to yellow)

DoIT-led Projects

Y ⇨ The **P25 public safety radio project** ($39.1 million appropriated; 99.2 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated cost of $170 million. DoIT is continuing with expansions at A Mountain and discussing added participation from the City of Santa Fe and Doña Ana County.

Y ⇨ DoIT's **cybersecurity project** ($7 million appropriated; 72.7 percent expended) aims to monitor and address state cybersecurity risks. DoIT continues monthly vulnerability scanning efforts with 55 identified agencies, eight more than in previous quarters. A legislative working group will develop policy and budgetary priorities during the FY22-FY23 interim for expanding cybersecurity planning, implementation, and oversight statewide.

Y ⇨ DoIT's **rural broadband project** ($10 million appropriated; 47.7 percent expended) aims to maximize statewide availability of broadband with a particular focus on rural areas. DoIT is providing rural broadband mapping support and is investing in broadband infrastructure. DoIT reported spending $435 thousand this quarter, including $75 thousand to deploy the community based broadband assessment survey within New Mexico communities.

R ⇨ 2021 legislation created a new **statewide broadband program** ($111.6 million appropriated; 0 percent expended) within DoIT and the new Office of Broadband Access and Expansion, to be tracked separately from the rural broadband project. The program is rated red pending clearer direction and permanent staff. New federal funding opportunities will bring additional funding for broadband to the state, but the office must prioritize development of both a spending plan and a 3- to 5-year broadband plan to meet state and federal requirements. A total of $10.5 million in state funding is available without a spend plan, but the Connect New Mexico Council must undergo rulemaking before distributing funds, so no spending has been reported.

Executive Agency IT Projects

G ⇨ The State Land Office's **royalty administration and revenue processing system (RAPS) project** ($11.9 million appropriated; 93.5 percent expended) will replace the agency's existing royalty system. SLO completed percent interest enhancements, which were unavailable in the old system, and added tresspass royalty in kind functionalities this quarter, which allows the agency to better track and identify trespass royalties for collection. The agency is beginning to test accounting functionalities as a proof of concept this quarter.

* Project budget totals do not reflect an additional $64 million in general fund revenues or $3.5 million in other state funds appropriated during the 2022 legislative session. An overview of appropriations is attached.

The Human Services Department's (HSD) **child support enforcement system replacement (CSESR) project** ($18.5 million appropriated; 54.8 percent expended), which aims to replace the legacy child support application, is now estimated to cost $70.8 million, up from roughly $65 million. Although two months later than initially expected, the agency successfully went live with the CSES refactor and configuration is currently underway for CSES rollout to 14 field offices, marking the end of phase one. Federal approval is pending for planning documents.

HSD's **Medicaid management information system replacement (MMISR) project** ($218.1 million appropriated; 66.6 percent expended)**,** which will replace the legacy MMIS application, is supported by a 90 percent federal funding match at a total estimated cost of $346.3 million. HSD received final federal approval for all project aspects in January, including Children, Youth and Families Department collaborations. HSD also received federal certification for the Consilidated Customer Services Center module, providing HSD an enhanced federal matching funds (75 percent) for the Medicaid-related operations of that module. HSD will present to the project certification committee in May to approve a $1.4 million cost increase experienced during contract negotiations.

The Children, Youth and Families Department's **comprehensive child welfare information system (CCWIS) project** ($25.5 million appropriated; 34.1 percent expended) intends to replace the old family automated client tracking system, or FACTS. The agency shifted to a competitive procurement strategy, contributing to project budget increases and an expanded timeline, now estimated to complete in FY25. Project costs increased from $45 million to $71.8 million because the agency now needs a production-ready CCWIS system. CYFD and HSD received final federal approval of project documents in January, improving risk.

The Correction's Department's **offender management system replacement project** ($15.5 million appropriated; 91.1 percent expended) will replace the 15-year old legacy client server for $15.5 million. The agency is planning for system readiness by June 2022 and will be implementing staff training, with production use at the department starting in fall 2022, which should allow for adequate testing and training time.

The Department of Public Safety's (DPS) **records management system (RMS) project** ($7.4 million appropriated; 31.2 percent expended) will provide public safety agencies with a new data repository for $7.4 million. The schedule accommodates the computer-aided dispatch project. The project schedule was expected to shift out two months to June 2023, but the schedule was moved back to March 2023 due to adequate progress being made on system configurations, geographic information system (GIS) enhancements, and system interfaces.

DPS's **computer aided dispatch (CAD) project** ($3 million appropriated; 23 percent expended) will implement a new computer aided dispatch system for $3 million, as the current system is no longer supported. The project schedule is concurrent with the records management system project. DPS reported a potential two month delay in the project to accommodate data migration, but it was determined that progress made this quarter on configurations and GIS enhancements should allow the agency to meet an earlier March 2023 closeout.

The Higher Education Department's **longitudinal data system (LDS) project** ($4.2 million appropriated; 9.2 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico's education and workforce data for a total estimated cost of $9.9 million, down from an estimated $11 million. HED will receive $2 million in Congressionally Directed Spending funds and is planning for additional funding through the federal Statewide Longitudinal Data System grant program and the Bill and Melinda Gates Foundation in FY23. The public-facing website went live in February, though full access to data is not yet available. The agency was approved to enter into the implementation phase this quarter.

The Regulation and Licensing Department's **permitting and inspection software modernization project** ($7.3 million appropriated; 50.7 percent expended) will replace the legacy system Accela for $7.3 million. The Manufactured Housing Division and Construction Industries Division phases closed out within budget. Six boards have been completed in the Boards and Commissions phase and RLD is planning for the next set of six boards. However, there is a potential for delays due to system integrator changes and critical bug issues out of scope for this phase.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Second Quarter, Fiscal Year 2022

OVERVIEW

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

Project Description:

The P25 Digital Statewide Public Safety Radio System Upgrade project will upgrade and replace public safety radio equipment and systems with digital mobile communications for public safety organizations.

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) continues to make progress on the P25 public safety radio upgrade project, continuing with expansions at A Mountain and discussing additional participation from the City of Santa Fe and Doña Ana County. The agency has made progress in spending available appropriations, having spent nearly all previously available funding. The agency was appropriated $26 million in capital outlay funding during the 2022 legislative session.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	Y	Y	Y	Y	Y
Schedule	Y	Y	Y	Y	Y	Y
Risk	R	Y	R	R	R	R
Overall Rating	R	Y	Y	Y	Y	Y

Budget

Total available funding includes $1.3 million from the equipment replacement fund and $1.5 million repurposed from another DoIT project. DoIT has been appropriated only 38 percent of the total project budget so far. The large budget and reliance on capital outlay funding continues to be a risk to the project but the agency has made progress on spending available funds, with just under $300 thousand available from prior year appropriations and $26 million newly appropriated.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$39,164.3	$0.0	$39,164.3	$38,864.6	$299.7	99.2%

Schedule

Phase 2 activities are underway despite a prior six-month delay in receiving equipment and other supplies. The five-site and Sandoval project expansions are also underway with A Mountain segments scheduled to complete by mid-April. DoIT reported a two month set back in the project timeline, now expected to close out in June 2027. However, the agency updates deployment plans on an ongoing basis dependent on interest from communities and available funding.

Risk

Supply chain delays continue to pose risk as the agency awaits equipment, including a possible 10-month delay in receiving generators. However, the agency continues to make progress and is in discussion with the City of Santa Fe and Doña Ana County about joining the project. The agency received additional capital outlay funding for FY23 and reported additional spending, which should reduce overall project risk next quarter.

OVERVIEW

Project Phase	Implementation
Start Date	11/26/18
Est. End Date	6/30/20
Revised	6/30/23
Est. Total Cost	$7,000.0

Project Description:

The Enterprise Cybersecurity project will establish a framework and foundation for the state's cybersecurity structure, including identifying tools for compliance monitoring and cybersecurity management, and implement an enterprise cybersecurity operations center system.

Enterprise Cybersecurity (EU) Project

Overall Status

Cyber risk management is ongoing, and DoIT monthly scanning has improved the state's cybersecurity posture as more agencies become onboarded. DoIT did not receive additional funding for this certified project but did receive $1 million in operating funds and $20 million for broadband and cybersecurity purposes during the most recent legislative sessions. A working group composed of legislative members (Rep. Sweetser, Rep. Seriñana, Rep. Lane, Rep. Hochman Vigil, Sen. Castellanos, and Sen. Padilla) will meet this interim to set priorities and develop legislative and budgetary recommendations to improve the state's cybersecurity posture.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	Y	Y	Y	Y	Y
Schedule	Y	Y	Y	Y	Y	Y
Risk	R	R	R	R	R	R
Overall Rating	R	Y	Y	Y	Y	Y

Budget

The total project budget is currently certified. This quarter, the agency reported additional spending of $35.7 thousand. The agency will likely need to support further cybersecurity initiatives operationally through a recurring funding source, rather than through continued additional computer systems enhancement funding requests.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$7,000.0	$0.0	$6,951.1	$5,053.0	$1,898.2	72.7%

Schedule

Although this certified project will close out in June 2023, cybersecurity upgrades and management will be an ongoing priority for the agency. The legislative working group established for the FY22-FY23 interim could speed up the timeline for implementing some project deliverables, such as the security operations center, depending on the recommendations and priorities established by the legislature and executive.

Risk

DoIT continues monthly vulnerability scanning efforts with 55 agencies, eight more than in previous quarters. DoIT reports an enterprise risk assessment is underway, requiring state agency participation, which should improve visibility into the state's IT systems and provide additional data on existing vulnerabilities. DoIT remains concerned about the sustainability of cybersecurity efforts across all state agencies without a recurring cyber budget and changes to statute and administrative code.

OVERVIEW

Project Phase	Implementation
Start Date	6/1/19
Est. End Date	6/30/23
Est. Total Cost	$10,000.0

Project Description:

The New Mexico Rural Broadband Project will maximize availability of broadband connectivity across the state's rural areas.

New Mexico Rural Broadband Project

Overall Status

DoIT is supporting efforts for broadband expansion through a $10 million certified project, as well as through operational initiatives. Current DoIT employees are filling dual roles to support the project, working half time in their normal DoIT roles and half time working with the Office of Broadband Access and Expansion (OBAE). With existing funding, DoIT continues to provide rural broadband mapping support and is investing in broadband infrastructure.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	G	G	G	G	G
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

Additional funding appropriated in the 2021 and 2022 legislative sessions, such as capital outlay funding and other broadband funds, are not part of the $10 million total budget but will be monitored seperately. DoIT reported an increase in spending this quarter of $435 thousand. DoIT also reported a $75 thousand contract compensation increase to support the deployment of the Community Based Broadband Assessment Survey within New Mexico communities.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$10,000.0	$0.0	$10,000.0	$4,767.4	$5,232.6	47.7%

Schedule

While the project is estimated to complete in 2023, the department's role in supporting broadband beyond the scope of this project as the administrative support for the Office of Broadband Access and Expansion. Project team members continue to provide staff support for the broadband office, in addition to contractors, since full-time positions have not yet been filled. Project deliverables should complement efforts of the OBAE.

Risk

DoIT continues to provide technical assistance to entities seeking broadband funding and provided additional spending information this quarter. DoIT will continue to spend available appropriations supporting statewide broadband efforts, which will likely integrate with the statewide broadband strategic planning efforts, though plan development is still underway in anticipation of new federal funding opportunities.

OVERVIEW

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

Project Description:

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

Statewide Broadband Program

Overall Status

The Office of Broadband Access and Expansion (OBAE) is leading the statewide broadband program, reported seperately from the certified rural broadband project. These efforts continue to be rated red pending clearer direction and permanent staff. Once staffed, the office should prioritize development of both a spending plan and a 3- to 5-year broadband plan to meet statutory obligations and requirements for federal grant programs. A total of 5 FTE are approved for FY23 to support the broadband office, which should improve overall capacity for planning and implementation of broadband projects once filled.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	NEW	R	R	R	R	R
Schedule	NEW	Y	Y	Y	Y	Y
Risk	NEW	Y	Y	Y	Y	Y
Overall Rating	NEW	R	R	R	R	R

Budget

The federal Infrastructure Investment and Jobs Act will provide a minimum allocation of $100 million for broadband expansion to states. However, a lack of a formalized spend plan, as well as a federally-approved strategic plan, could limit the state's ability to apply for additional federal grant funding. According to state legislation, $10.5 million is available without a spend plan but the Connect New Mexico Council is required to undergo rulemaking before distributing funds, so no spending has been reported.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$111,680.3	TBD	$111,680.3	$0.0	$111,680.3	0.0%

[1] Program funding includes $18.3 million to DoIT and $100 million to the connect New Mexico fund to be provisioned by the OBAE.
* The program funding does not include capital funding from the rural broadband project and is reported as a separate program.

Schedule

As a result of hiring delays, the program does not have established timelines for completing the required broadband and digital equity plans, however the office received funding for FY23 for this purpose.

Risk

The program remains on hold, but the Connect New Mexico Council continues to meet monthly and is developing guidelines for a grant program using $123 million appropriated to DoIT in the 2021 2nd special session. However, the program will take time to develop and awards are not expected to begin until late summer 2022.

OVERVIEW

Project Phase	Implementation
Start Date	9/5/18
Est. End Date	6/30/20
Revised	4/05/22
Est. Total Cost	$10,000.0
Revised	$11,850.0

Project Description:

The Royalty Administration and Revenue Processing System (RAPS) project is intended to replace the existing Oil and Natural Gas Administration and Revenue Database (ONGARD) system with a new, modern solution, including royalty, oil, & gas and related accounting functions. Replacement will be delivered in two separate systems: RAPS and the Taxation and Revenue Department's severance tax

ONGARD Replacement—Royalty Administration and Revenue Processing System (RAPS) Project

Overall Status

The State Land Office (SLO) team continues making progress on project activities, having completed percent interest enhancements and tresspass royalty in kind functionalities, which allows the agency to better track and identify trespass royalties for collection. Both functionalities were not available in the previous system. The agency is beginning to test accounting functionalities as a proof of concept this quarter.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	G	G	G	G	G	G
Schedule	Y	Y	Y	G	G	G
Risk	Y	G	G	G	G	G
Overall Rating	Y	G	G	G	G	G

Budget

SLO reported additional spending of $150 thousand this quarter, having spent 93.5 percent of appropriated funding. The agency was also appropriated $2 million in state land maintenance funds during the 2022 legislative session for the renewable energy and water portion of the project, which will be added to and accounted for in a seperate project budget, planned to start in June.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$11,850.0		$11,850.0	$11,077.43	$772.6	93.5%

[1]Appropriations are from the state lands maintenance fund.

Schedule

Percent interest enhancements are working as expected. Trespass royalty in kind capabilities were not available in the old system, but SLO was able to add to an existing contract to add the functionality at no extra cost or delay to the agency. Contract negotiations for the accounting module are underway as a proof of concept.

Risk

SLO plans to seek closeout for RAPS phase one migration activities in June and initiate a separate but related project through the project certification committee to focus on renewable energy and water leases, as initially planned, using remaining funds. Development on current modules is the focus for this quarter while the agency awaits further progress on the pilot proof of concept for accounting functionalities.

OVERVIEW

Project Phase	Implementation
Start Date	12/18/13
Est. End Date	6/30/19
Revised	3/31/25
Est. Total Cost	$65,581.9
Revised	$70,838.6

Project Description:

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

Child Support Enforcement System (CSES) Replacement Project

Overall Status

The Human Services Department (HSD) made progress this quarter on the Child Support Enforcement System (CSES) replacement project. The refactoring and replatforming for converting the CSES code base is live and in production, marking the end of phase one. For phase two, HSD is seeking federal approvals of planning documents. The agency continues to monitor schedule risks, which pose the biggest risk to the project primarily relating to integration with HSD's other IT project, MMISR.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	G	Y	Y	Y	Y	Y
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

HSD was appropriated roughly $4.9 million in state funding to support the project during the 2022 1egislative session, with an associated federal match of roughly $9.5 million. HSD reported additional spending of $110 thousand this quarter. Project reports from March show a total project cost of $70.8 million for both the refactor and replacement effort, up from roughly $65 million previously estimated.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$5,143.4	$13,384.30	$18,527.7	$10,165.3	$8,362.4	54.8%

Schedule

Although two months later than initially expected due to testing issues, the agency successfully went live with the CSES refactor. Configuration is currently underway for CSES rollout to 14 field offices. Integration with MMIS is still planned for 2024, so delays to one project may negatively affect the other, and both should be monitored for additional slippage.

Risk

The agency is submitting planning documents to the federal Office of Child Support Enforcement for approval. Pending federal approvals have caused prior delays to project implementation at the agency, so the project should be monitored and meetings with federal partners should continue to prevent any potential delays in receiving approvals.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Human Services Department
Second Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	12/18/13
Est. End Date	12/30/21
Revised	8/31/26
Est. Total Cost	$221,167.8
Revised	$346,319.8

Project Description:

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

Medicaid Management Information System Replacement (MMISR) Project

Overall Status

Schedule risks remain high for the Human Services Department's (HSD) Medicaid management information system replacement project due to delays and inherent risks with multi-agency projects, but federal approvals for remaining project costs and planning documents resulted in improved project risk status. The agency received federal certification for the Consilidated Customer Services Center module, which allows the agency to receive enhanced federal macthing funds (75 percent) for the Medicaid-related operations of that module.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	G	R	R	Y	Y	Y
Schedule	R	R	R	R	R	R
Risk	R	R	R	Y	Y	Y
Overall Rating	R	R	R	Y	Y	Y

Budget

HSD received final federal approval in January 2022 for all project aspects, resulting in improved risk and budget status. The agency was appropriated an additional $8.4 million in state funding during the 2022 legislative session with an associated federal match of roughly $68 million. HSD reported additional spending of $3.6 million this quarter and will present to the project certification committee in May to certify additional funds and approve a $1.4 million cost increase resulting from contract negotiations.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$21,931.7	$196,165.1	$218,096.8	$145,217.8	$72,879.0	66.6%

Schedule

Previous delays with the system integrator and pending federal approval resulted in substantial delays to the project, now estimated to complete in 2026. The project was initially estimated to complete in 2021. HSD has brought on a new system integrator and will re-baseline schedules to align with new integration dates.

Risk

All aspects of the advanced planning document have been approved by the federal partners, resulting in decreased risk. However, the agency must continue to meet scheduled milestones and maintain the overall project schedule to ensure integration with all necessary systems and to avoid additional cost overruns over time.

INFORMATION TECHNOLOGY REPORT CARD
Children, Youth and Families Department
Third Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	9/1/17
Est. End Date	10/31/22
Revised	6/31/25
Est. Total Cost	$36,000.0
Revised	$71,855,8

Project Description:

The Comprehensive Child Welfare Information System (CCWIS) replacement project will replace the legacy Family Automated Client Tracking System (FACTS) with a modular, integrated system to meet the federal Administration on Children and Families (ACF) requirements.

Comprehensive Child Welfare Information System (CCWIS) Replacement Project

Overall Status

Overall risk status for the Children, Youth and Families Department's (CYFD) comprehensive child welfare information system (CCWIS) replacement project has been reduced to reflect improvements to leadership, vision, and overall procurement strategy. However, because the agency shifted to a competitve procurement strategy this quarter, CYFD saw project budget increases and an expanded timeline, now estimated to complete in FY25.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	R	R	Y	Y	Y
Schedule	R	R	R	R	R	R
Risk	R	R	R	Y	Y	Y
Overall Rating	R	R	R	Y	Y	Y

Budget

CYFD and HSD received final approval of advanced planning documents and the project cost allocation methodology in January 2022, reducing the project risk. However, the total project cost increased to $71.8 million because the agency now needs a production-ready CCWIS system and has produced more accurate cost estimates based on this need. The agency is not request additional funding for FY23. Project budget esitmates still needs to be finalized, including projections of federal funding and state matching funds needed.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$13,000.0	$7,242.6	$25,511.2	$8,701.8	$16,809.4	34.1%

Schedule

The project certification committee also approved an 18-month schedule extension for the project due to previous project delays and the shift to a competitive procurement strategy. The delay is intended to accommodate the time needed to complete a request for proposals. Additional delays in receiving federal approval for the request for proposals may delay its release beyond the expected May 2022 timeframe.

Risk

Independent verification and validation reports continue to note moderate risk to the project primarily due to increased project costs and shifting timelines. Project management processes continue to improve but risk management and governance should be prioritized to avoid further delays.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Corrections Department
Third Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	5/1/15
Est. End Date	6/30/19
Revised	6/30/22
Est. Total Cost	$14,230.0

Project Description:

The Offender Management System replacement project will replace the legacy client server offender management system with a commercial-off-the-shelf (COTS), web-based solution. The COTS solution has 17 modules associated with agency requirements.

Offender Management System (OMS) Replacement Project

Overall Status

The New Mexico Corrections Department (NMCD) continues to perform system patches and prioritize fixing critical bugs for the offender management system replacement project. The project schedule should be monitored for future delays but the overall direction of the project remains positive. Training that will take place over an estimated 3 month period should improve system roll out amongst staff and other users despite small delays.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	G	G	G	G	G	G
Schedule	R	Y	Y	Y	Y	Y
Risk	Y	Y	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

The project is fully funded and the agency has not requested additional funding for the project in FY23. NMCD reported an additional $495.1 thousand in spending this quarter with roughly $1.3 million currently encumbered. Including encumberances, the agency has spent nearly all of its $15.5 million available budget.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$14,230.2		$15,541.2	$14,162.1	$1,379.1	91.1%

[1]Amount includes $1.3 million contributed from business areas and the agency operating budget.

Schedule

The agency is planning for system readiness by June 2022 and will be implementing staff training, with production use at the department starting in fall 2022. As of the end of March, the project schedule is 85 percent complete.

Risk

Though the agency is experiencing some delays in final go-live due to patches and timing of tests, the system should meet full functionality upon closeout. The agency demonstrated the system capabilities to LFC staff showing full functionality in terms of hosting and accessing offender demographics and personal information, court and disposition information, offender relationships, fees and fines owed by an offender, good time calculations, community financials, and docket assignments in one unified system, which will create efficiencies for the agency and improve continuity of inmate care.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD

Department of Public Safety
Third Quarter, Fiscal Year 2022

OVERVIEW

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

Project Description:

The Records Management System (RMS) project will replace various nonpayer record storage with an integrated records management system to provide law enforcement and other public safety agencies with a single repository of data available to support day-to-day operations, reporting, and records and data analysis.

Records Management System (RMS) Project

Overall Status

The Department of Public Safety (DPS) continues to make progress on the Records Management System (RMS) and Computer Aided Dispatch (CAD) projects, a related DPS project. The project schedule was expected to shift out two months to June 2023 but the schedule was moved back to March 2023 due to adequate progress being made on system configurations, geographic information system (GIS) enhancements, and system interfaces this quarter.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	G	G	G	G	G
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	G	G	G	G
Overall Rating	Y	Y	G	G	G	G

Budget

The project is currently within budget and the agency did not request additional funding for FY23. The agency reported additional spending this quarter totaling $190.1 thousand. Budget status remains low risk as the project is fully funded.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$7,381.3		$7,381.3	$2,305.3	$5,076.0	31.2%

Schedule

The project schedule includes accommodations for the CAD project. DPS reported a potential two month delay in the project to accommodate data migration, with final closeout expected for August 2023, but the executive steering committee and the vendor determined that additional progress made this quarter on configurations and GIS enhancements should allow for adequate time for migration with an earlier March 2023 closeout.

Risk

Risks associated with accommodating two IT projects simultaneously are being managed via combined weekly meetings with both project core teams. The agency continues to develop strategies for training and organizational change management to ensure transition of users to the system. The agency also demonstrated the CAD and RMS products to LFC staff, showing seamless transitions between CAD, where the user can record dispatch information, see location cautions, and see and make call assignments, and the RMS, where users can develop incident reports using CAD data.

INFORMATION TECHNOLOGY REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	9/23/20
Est. End Date	12/21/21
Revised	3/1/23
Est. Total Cost	$3,000.0

Project Description:

The Computer Aided Dispatch (CAD) project will implement a new computer aided dispatch system, as the current system is no longer supported. The CAD system is used to dispatch 911 calls, map call locations, provide automatic vehicle location and provide National Crime Information Center access.

Computer Aided Dispatch (CAD) Project

Overall Status

DPS plans to go live with the Computer Aided Dispatch (CAD) and Record Management System (RMS) projects simultaneously. Both project schedules were expected to shift out two months to June 2023, but the schedule was moved back to March 2023 due to adequate progress being made on system configurations, geographic information system (GIS) enhancements, and system interfaces this quarter.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	NEW	NEW	G	G	G	G
Schedule	NEW	NEW	Y	Y	Y	Y
Risk	NEW	NEW	G	G	G	G
Overall Rating	NEW	NEW	G	G	G	G

Budget

The project is currently within budget, with full funding currently certified by the project certification committee. DPS reports spending an additional $64.8 thousand since last quarter and did not request additional funding for FY23.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$3,000.0		$3,000.0	$755.4	$2,244.6	25.2%

Schedule

The project schedule includes accommodations for the RMS project. DPS reported a potential two month delay in the project to accommodate data migration, with final closeout expected for August 2023, but the executive steering committee and the vendor determined that additional progress made this quarter on configurations and GIS enhancements should allow for adequate time for migration with an earlier March 2023 closeout.

Risk

Risks associated with accommodating two IT projects simultaneously are being managed via combined weekly meetings with both project core teams. The agency also demonstrated the CAD and RMS products to LFC staff, showing seamless transitions between CAD, where the user can record dispatch information, see location cautions, and see and make call assignments, and the RMS, where users can develop incident reports.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Higher Education Department
Third Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	8/27/20
Est. End Date	6/30/24
Est. Total Cost	$11,030.0
Revised	$9,930.0

Project Description:

The New Mexico Longitudinal Data System project will implement data-warehouse, produce policies and processes, and provide training to comprehensively aggregate and match New Mexico's education and workforce data into a single cloud data platform.

New Mexico Longitudinal Data System (NMLDS) Project

Overall Status

The Higher Education Department (HED) will receive $2 million in FY22 U.S. Congressionally Directed Spending (CDS) funds for the NMLDS project and is planning for additional FY23 federal funding from the Statewide Longitudinal Data Systems grant program, the U.S. Congress (as a result of a second CDS request), and an estimated $500 thousand from the Bill & Melinda Gates Foundation. Overall estimated project costs have decreased to $9.9 million and HED was approved to enter the implementation phase this quarter. The public-facing website went live in February but the full NMLDS data platform go-live is planned for summer 2023.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	NEW	NEW	G	G	G	G
Schedule	NEW	NEW	G	G	G	G
Risk	NEW	NEW	Y	Y	Y	Y
Overall Rating	NEW	NEW	G	G	G	G

Budget

HED entered into a memorandum of understanding with the Early Childhood Education and Care Department regulating $500 thousand of federal CRRSA Act funds transferred to the project and will receive an additional $2 million in CDS funds. Project costs decreased by $1.1 million, as some planned costs were shifted to post-implementation activities in the project schedule.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$704.3	$3,500.0	$4,204.3	$354.2	$3,850.1	9.2%

[1]Amount includes $5.6 thousand from the Department of Workforce Solutions and $23.7 thousand from the Higher Education Department. The $3 million federal appropriation is from the Early Childhood Education and Care Department ($1 million) and the 117th U.S. Congress ($2 million).

Schedule

HED entered the implementation phase this quarter and on-boarded the Department of Vocational Rehabilitation as a data partner. The agency is seeking additional federal and grant funds, but a misalignment in the timing of federal award determinations and the state appropriations cycle may pose difficulties in assessing future state funding needs.

Risk

HED has contracted with an independent verification and validation vendor for the project, which is a best practice third-party oversight to reduce project risk. To address risk and meet requirements of the technical architecture committee, the agency is engaging a cybersecurity risk firm prior to go-live of the cloud platform in April 2023.

INFORMATION TECHNOLOGY REPORT CARD
Regulation and Licensing Department
Third Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	5/23/18
Est. End Date	7/31/22
Est. Total Cost	$7,297.0

Project Description:

The Permitting and Inspection Software Modernization project will modernize and replace the agency's existing legacy permitting and inspection software, Accela.

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) is underway with the Boards and Commissions Division (BCD) phase and is planning for the next set of six boards. However, the agency notes a potential for delays due to system integrator changes and critical bug issues that are currently out of scope for this phase. The project remains under budget but reported no additional spending the past two quarters.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	NEW	G	G	G	G	G
Schedule	NEW	Y	Y	Y	Y	Y
Risk	NEW	Y	Y	G	G	G
Overall Rating	NEW	Y	Y	G	G	G

Budget

The project remains within budget of total appropriated funds and within budget for the current phase. The agency did not report additional spending at the end of the third quarter due to delays in acceptance criteria with the vendor. RLD continues to make progress with identifying boards and commissions for phase 2 and does not plan to request additional funding in FY24 for this project.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$7,297.0		$7,297.0	$3,697.2	$3,599.8	50.7%

Schedule

The first six boards have moved to production. However, the system integrator contract expired at the end of March and the agency has been unable to move to the next set of boards due to delays. The agency is under contract negotiations with a new system integrator, expected by May 1. RLD will begin discovery and development for the next six boards, including private investigators, physical therapy, message therapy, occupational therapy, dental, and pharmacy.

Risk

RLD has deployed the counseling and therapy, accountancy, psychology and social work, and real estate boards or commissions as of January 2022. Independent verification and validation reports noted some remediation efforts are underway to fix critical bugs. RLD noted a potential risk of delays due to system integrator changes and reports contracting with an external Help Desk for one year to assist with the increase in issue tickets resulting from these vendor changes.

Investment Performance Quarterly Report, Third Quarter, FY22

Markets dropped in the third quarter of FY22, with state investments losing value. Market volatility has increased due to rising and sustained inflation, federal funds rate hikes, unpredictable oil prices, geopolitical turmoil in Europe, and the rise of the omicron Covid-19 variant. Despite a downturn in the quarter, returns remain above-target in the medium- and long-run, bolstered by the previous and sustained strength throughout the last several quarters. Generally, the state's risk-averse investments performed better than peer funds in the near-term amid the increasing volatility. The state's funds tend to underperform or perform around the median in the long-run, with the exception of ERB which consistently outperformed. Some state investment portfolios will undergo an asset allocation and risk profile review later this year.

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

Agency performance and market environment information are derived from the investment performance

Investment Performance Highlights

- For the quarter ending March 2022, the value of New Mexico's combined investment holdings for the pensions and permanent funds shrunk by $824.5 million, to an ending balance of $66.3 billion. For the year, funds grew by $6.5 billion, or 10.8 percent. Over the last five years, the state's combined investment holdings grew $19 billion, or 40 percent.
- One-year returns remain strong, though substantially lower than the previous three quarters, ranging from 7.8 percent (STPF) to 14.8 percent (ERB). Average investment returns over the last 10 years ranged from 7.8 percent (STPF) to 8.9 percent (ERB).
- All funds outperformed their targets for every non-quarterly period, when annualized.[1]
- When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's investment funds performed well in the quarter and year, with all but one fund ranking in the top quartile. ERB performed in or near the top quartile for all periods, bolstered by private equity and real estate returns of 49 and 35 percent, respectively. The STPF and PERA performed near or in the lowest quartile for 3 through 10-year returns. The LGPF ranked just above the median for long-term returns, an improvement from last quarter.

Returns as of March 31, 2022 (Net of Fees)[1]

	PERA		ERB		LGPF		STPF	
Returns (%)	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index
Quarter	-1.95	-3.04	-1.00	-2.00	-1.33	-0.68	-1.79	-1.14
1-Year	**11.54**	**7.47**	**14.80**	**8.50**	**10.65**	11.56	**7.77**	8.61
3-Year	**9.57**	**8.32**	**11.70**	**10.50**	**10.72**	11.18	**8.49**	9.99
5-Year	**8.33**	**7.40**	**10.00**	**9.40**	**9.34**	9.56	**8.01**	8.89
10-Year	**7.91**	**7.43**	**8.90**	**8.20**	**8.52**	8.58	**7.77**	8.27

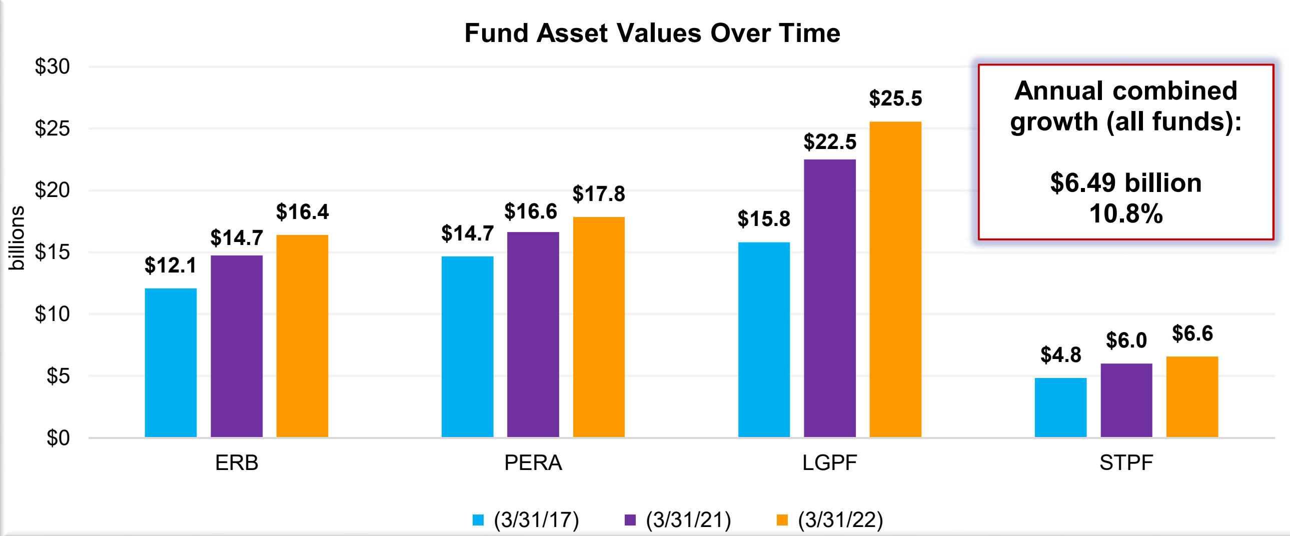
Note: A bolded fund value indicates returns that exceed the fund's long-term target. A bolded policy index value indicates returns that exceed the policy index. Quarterly data is not annualized.

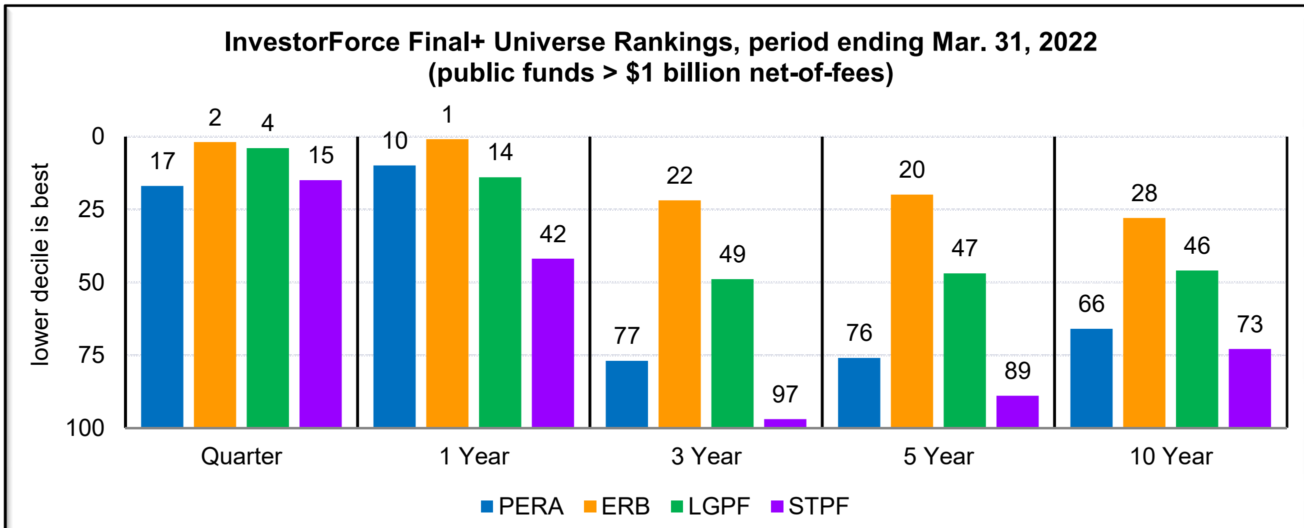
[1] The funds' long-term return targets are 7.25 percent (PERA), 7 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

Investment Agency Performance Dashboard

Quarter Ending March 31, 2022

This report details the comparative investment performance of the three investment agencies: the Educational Retirement Board (ERB), the Public Employees Retirement Association (PERA), and the State Investment Council (SIC) which manages the land grant permanent fund (LGPF) and the severance tax permanent fund (STPF).





Risk Profiles, Five Years Ending 3/31/22, Net of Fees				
Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	6.2	6.8	8.2	8.1
Sharpe Ratio**	1.4	1.0	1.0	0.8
Beta***	0.3	0.4	0.4	0.4

*measures variability from the mean return; higher is more volatile

**higher numbers indicate higher return-to-risk level; a good ratio is 1 or better

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

Aggregate Value of New Mexico Investment Holdings

$66.3 billion

Source: Agency Investment Reports