Highlights

Performance Trends

The year-end performance report for FY23 showed 24 programs improved their ratings over FY22, with five of those programs in public safety. Overall, of the nearly 70 programs rated for FY23, about 40 percent were rated green, about 40 percent were rated yellow, and 20 percent were rated red. Strong performance can be seen in juvenile justice, where the number of youth in secure facilities continues to shrink, and in the Energy, Minerals and Natural Resources Department, rated green in four of its five programs.

However, ratings that show the agency falling short of targets suggest implementation might be emerging as an issue. While the number of home visits being provided under the program that supports families with newborns is up, the share of families completing the program is low. Despite increasing spending on public schools by 55 percent since 2019, student achievement scores are stagnant. New Mexico higher education institutions are the sixth-best funded in the nation but rank 49th in graduation and 50th in student retention. Health outcomes are poor even though half the state is enrolled in Medicaid and behavioral health results are among the worst in the nation even though the state spends $800 million on Medicaid behavioral health alone.

Nevertheless, it is important to note that ratings only show what the agency did, not why performance was on or off target. The cause of poor performance despite substantial investment is best determined by other tools in the Legislating for Results toolbox.

Among the findings in the quarterly report cards:

Child Well-Being

Early Childhood Education and Care Department, page 11. The Early Childhood Education and Care Department (ECECD) reported mixed results at the close of the fiscal year. The Home Visiting Program exceeded targets for annual number of visits per family, but the completion rate was only 7 percent. Furthermore, the program has reported an enrollment of only 440 families in the Medicaid-Funded Home Visiting program. While this falls short of the performance target of 1,500, it represents an increase from the previous fiscal year. Additionally, in April 2022, ECECD announced Childcare Assistance income eligibility would increase to 400 percent of the federal poverty level (FPL) and all co-payments would be waived. As of May 2023, average monthly enrollment in FY23 was 25,163 with an average monthly cost of $746, or $8,953 annually.

Children, Youth and Families Department, page 14. Reversing a positive trend observed in the last two years, the number of children in foster care, relative care, or other placements increased by 14 percent since December 2022, or about 242 children. Additionally, the state's rate of repeat maltreatment increased from FY22 levels. Overall, four of the six maltreatment performance outcomes are in the red. In contrast, the number of youth in secure juvenile justice facilities continues to shrink, and the department closed the Camino Nuevo Youth Center after ceasing to hold clients since FY21.

Education

Public Education Department, page 6. The department has not yet published disaggregated data on student achievement, although preliminary results for fourth and eighth grade students suggest math and reading scores, along with graduation rates, have stagnated. Chronic absenteeism rates have dipped slightly but remain high at 35.8 percent. In addition to falling behind on performance reporting, the department reports continued delays in processing federal reimbursements.

Higher Education Institutions, page 9. New Mexico higher education institutions are the sixth-best funded in the nation but rank 49th in graduation and 50th in student retention. It is likely that financial barriers to success will be addressed through financial aid programs, but institutions will be challenged to improve student support services for non-financial barriers such as academic under preparedness and mental health concerns. It is currently unclear how funds appropriated for student support and general operating budget increases have impacted student outcomes.

Health

Department of Health, page 34. The Department of Health (DOH) reported some improvements in performance across the agency during at the close of FY23. However, state health indicators, especially those related to substance use disorder are rising contribution to overall declines in the health of at-risk populations in the state. Additionally, the department reported it overspent its budget for state facilities and will submit a request for a deficiency appropriation for over $5 million. The global pandemic continued to affect the intake and capacity of the Facilities Management Program (FMD), which provides services for behavioral healthcare for adults and adolescents, addictions treatment services, long-term care, and transitional living services. Many of the state facilities with declining occupancy will also experience significant operational funding strains if they are unable to reverse the trend. At the close of FY23, the facilities statewide census was 47 percent of total beds.

Aging and Long-Term Services Department, page 38. The Aging and Long-Term Services Department (ALTSD) reported some decline in performance at the close of FY23. The Adult Protective Services Program met the performance target for priority investigations, making face-to-face contact quickly, and increased the outreach events. However, the Aging Network did not meet targeted performance for the hours of caregiver support for FY23 and continues to fall below prepandemic 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 department reported the number of hours of caregiver support were 16,280 hours of respite care, 21,869 of adult daycare, 13,558 hours of homemakers, and 3,093 hours of other support services.

Human Services Department, page 28. Close to half of the state's population is enrolled in the Human Services Department's Medicaid Program, making it the largest per capita Medicaid Program in the country. The program represents about 14 percent of the state's general fund spending, but the program continues to miss performance targets. Notably, maternal and child health performance is below targeted levels but did improve over FY22.

Behavioral Health Collaborative, page 32. An August 2023 LFC progress report on *Addressing Substance Use Disorders* stated efforts to expand treatment have not kept pace with the increased magnitude of substance use needs. Overdose deaths nearly tripled between 2013 and 2021, with most of the increase occurring in the last few years. The state is investing roughly $800 million annually in the Medicaid behavioral health program, which is the largest payer of substance use treatment in the state and provides behavioral health insurance coverage to nearly half of all New Mexicans. Despite these investments, New Mexico has not yet been able to reverse trends in substance-related deaths.

Justice and Public Safety

Courts and Justice, page 47. For criminal justice partners across the state, the effects of the Covid-19 pandemic have slowly abated, and measures have returned to prepandemic averages. However, the challenges that faced these agencies have persisted for some and evolved for others. Recurring issues for the courts, public defenders, and district attorneys continue to inhibit the state's responsibility to enforce the law and provide adequate defense for indigent people accused of crimes.

Department of Public Safety, page 44. The Department of Public Safety (DPS) is in the midst of a multiyear transition to the new National Incident-Based Reporting System (NIBRS), which should allow it to provide more timely and comprehensive data. However, many agencies, including the New Mexico State Police (NMSP), are still not reporting to NIBRS, and NMSP is not anticipated to be fully NIBRS compliant until late 2023 at the earliest. The lack of complete and timely data on crime is hindering the ability of DPS, NMSP, and policymakers to use actual crime data to make decisions about criminal justice and public safety.

Corrections Department, page 40. Prison populations continued to decline for the fourth consecutive year, and while the data suggest these trends may be stabilizing, reductions in population have not led to a decrease in spending. In FY23, the Corrections Department saw sustained improvements in recidivism and made significant gains in metrics related to inmate education, but vacancy rates among correctional officers and probation and parole officers remain high.

Natural Resources

Energy, Minerals, and Natural Resources Department, page 58. The Energy, Minerals and Natural Resources Department (EMNRD) received record levels of state and federal funding as it increased activity across several divisions. EMNRD met or exceeded several of its performance targets for providing training to a record number of firefighters and improving both revenue and visitation at State Parks. The Oil Conservation Division (OCD) issued 2,552 violations during routine inspections in FY23 across the state's producing basins; however, increased activity in the oil and gas industry in FY23 and OCD's plugging program all increased demands on inspector time.

Office of the State Engineer, page 61. The Office of the State Engineer made progress towards reducing New Mexico's interstate stream compact compliance debts, while also increasing the number of offers submitted to defendants through its Litigation and Adjudication Program. The Dam Safety Bureau continued to address its backlog but is constrained by staff shortages the Water Resource Allocation Program, which otherwise met or exceeded all of its performance targets. The agency is currently working to implement the Water Security Planning Act, passed unanimously in the 2023 legislative session. The act is intended to support communities throughout New Mexico in responding to and preparing for increasing water scarcity associated with climate change.

Environment Department, page 55. The Environment Department's (NMED) regulatory programs continued to demonstrate mixed results on compliance levels in FY23. However, NMED is prioritizing compliance enforcement and continues to make progress toward achieving its performance goals despite maintaining a vacancy rate of 19 percent. Many public water systems throughout New Mexico struggle to comply with current drinking water requirements due to a lack of operational capacity, requiring NMED staff to provide more technical and compliance-related assistance.

Economic Development

Economic Development Department, page 18. While the department surpassed performance targets for most measures in FY23, performance across the board was lower than in FY22. EDD notes concern that the cost of lending and increased inflation have slowed companies from expanding, and it is focused on maintaining existing production and workforce. In FY23, EDD shifted efforts to attracting companies that offer competitive wages and surpassed the target for waves of jobs created in excess of prevailing local wages and increased the annual average wage of new jobs compared to FY22.

Tourism Department, page 22. Tourism sector job growth and industry gross state product have steadily recovered and are nearing prepandemic levels. The Tourism Department (NMTD) has met or exceeded most performance measures in FY23 and is positioned to meet targets where performance was low with dedicated new staff for outreach. In FY23, the department awarded $3.9 million to 41 partners through the cooperative program to provide guidance in marketing and advertising. Notably, the department secured 14 times the target for earned media in FY23 from various news, sports, and magazine features by targeting top-tier leisure travel media and reports a return on investment of $67 for every dollar spend, a 168 percent improvement compared to FY22.

Workforce Solutions Department, page 24. New Mexico continues to have a low labor force participation rate (LFPR). Coupled with a low unemployment rate and shortages in key professions, New Mexico must do more to entice prospective workers off the sidelines. Throughout FY23, 50 thousand individuals received employment services in a Connections office, about half of the targeted 100 thousand. The department's efforts to improve the state's LFPR will require a larger outreach efforts and case management services.

General Government

General Services Department, page 63. The department is projecting a year-end deficit in the employee group benefits fund, despite additional appropriations designed to ensure the fund has sufficient resources to continue to pay health insurance claims. Balances in other risk management funds held steady, but the net position of the public liability fund remains low.

State Personnel Office, page 67. The State Personnel Office has prioritized reducing the time it takes agencies to fill vacant positions, with the time falling to 55 days. Vacancy rates for classified employees remain stubbornly high, largely due to an increase in the number of authorized positions. Additionally, state agencies approved a large number of out-of-cycle temporary salary increases.

Taxation and Revenue Department, page 69. The Taxation and Revenue Department (TRD) fell short of its target for collectible audit assessments in FY23 but met its annual target for tax collections, with nearly all categories of collections being substantially higher than those submitted in the third quarter of FY22.

Infrastructure

Department of Transportation, page 52. Cost increases have had an impact on the cost for road construction and maintenance projects, but overall road conditions have improved from prior years, as supplemental funding has allowed the department to increase construction and maintenance activity. Despite high road maintenance activity in the fourth quarter, the department fell just short of its pavement preservation target.

Information Technology Projects, page 72. The cybersecurity project managed by the Department of Information Technology has been upgraded to a green status but several projects outside of DoIT management are trending downward, including the Human Services Department child support enforcement system replacement project, which has been pushed out two years. The Higher Education Department's longitudinal data system is also falling behind, and the department has increased the budget to $14.1 million.

Investments

Fund Performance, page 86. The value of New Mexico's combined investment holdings grew by $1.07 billion quarter-over-quarter. For the year, funds gained $5.07 billion, or 7.7 percent. Over the last five years, the state's combined investment holdings grew $20.7 billion, or 40.5 percent. When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's risk-averse investments generally performed worse than peer funds in the quarter and one-year period amid strong markets.

Report Card Rating Rubric

Green	Yellow	Red
Agency has met the quarterly target or is on track to meet the annual target.	Agency has met the quarterly target or is on track to meet the annual target.	Agency slightly missed the target or is off track for meeting the annual target.

Fine Tuning

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

Department/Program	FY22	FY23	
Early Childhood Education and Care Department			
Family Support and Intervention	Y	Y	
Early Education, Care, and Nutrition	Y	G	↑
Prekindergarten	R	G	↑
Policy, Research, and Quality	Y	Y	
Children, Youth and Families Department			
Protective Services	Y	Y	
Juvenile Justice Services	Y	Y	
Behavioral Health Services	Y	Y	
Public Education Department			
Student Achievement	R	R	
Department Operations	R	R	
Department of Health			
Public Health	R	Y	↑
Epidemiology and Response	R	G	↑
Scientific Laborator	G	G	
Facilities Management	R	Y	↑
Developmental Disabilities Support	R	Y	↑
Health Certification Licensing and Oversigh	Y	Y	
Aging and Long-Term Services			
Consumer and Elder Rights	R	Y	↑
Adult Protective Services	R	Y	↑
Aging Network	R	R	
Human Services Department			
Medical Assistance	R	R	
Income Support	R	R	
Child Support Enforcement	R	R	
Behavioral Health Collaborative			
Behavioral Health	Y	G	↑
Courts and Justice			
Administrative Support	Y	Y	
Special Court Services	R	Y	↑
Statewide Judiciary Automation	G	G	
District Attorneys	G	G	
Public Defender	Y	G	↑
Department of Public Safety			
Law Enforcement	R	G	↑
Statewide Law Enforcement Support	R	G	↑
Corrections Department			
Inmate Management and Control	R	Y	↑
Reentry	Y	G	↑
Community Offender Management	R	Y	↑
Energy, Minerals and Natural Resources			
Energy Conservation and Management	G	G	
Healthy Forests	Y	G	↑
State Parks	G	G	
Mine Reclamation	G	G	
Oil Conservation	Y	Y	

Department/Program	FY22	FY23	
State Engineer			
Water Resource Allocation	G	Y	↓
Interstate Stream Commission	Y	Y	
Litigation and Adjudication	G	Y	↓
Environment Department			
Water Protection	Y	Y	
Environmental Protection	R	R	
Environmental Health	R	G	↑
Resource Protection	R	Y	↑
Economic Development Department			
Economic Development	G	Y	↓
New Mexico Film Office	G	G	
Outdoor Recreation	G	G	
Tourism Department			
Marketing and Promotion	Y	G	↑
New Mexico Magazine	G	G	
Tourism Development	G	G	
Workforce Solutions Department			
Employment Services	G	Y	↓
Unemployment Insurance	Y	Y	
Labor Relations	G	G	
General Services Department			
Risk Management Funds	G	Y	↓
Group Health Benefits	R	R	
Facilities Management	R	R	
State State Purchasing	G	G	
Transportation Services	R	Y	↑
State Printing	G	G	
State Personnel System			
Human Resource Management	R	Y	↑
Taxation and Revenue Department			
Tax Administration	R	R	
Compliance Enforcement	R	Y	↑
Motor Vehicle	R	G	↑
Program Support	R	R	
Property Tax	G	Y	↓
Department of Transportation			
Project Design and Construction	G	G	
Highway Operations	G	G	
Modal	R	R	
Program Support	G	G	

Programs with a Rating Upgrade	24
Programs with a Rating Downgrade	4
Total FY23 Green Ratings	28
Total FY23 Yellow Ratings	29
Total FY23 Red Ratings	12

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD: Fourth Quarter, FY23

Public Education

According to the Public Education Department (PED), student math and reading test scores and graduation rates have stagnated in 2023 despite improvements in the achievement of economically disadvantaged students. High school graduation rates have also stayed the same in 2023, and chronic absenteeism rates remain high, despite a slight improvement from the prior year.

The flat trend in student performance this year is particularly concerning, as the department's draft action plan to address the *Martinez-Yazzie* lawsuit sets growth targets for student outcomes, recurring appropriations have grown by 49 percent since the court ruling, and the state continues to rank at the bottom of national metrics. The department's plan anticipates 50 percent growth in student achievement between FY22 and FY26—in other words, a statewide 30 percent proficiency rate for math and 50 percent proficiency rate for reading within the next three years.

In August 2023, PED released 852 public school ratings on its public Vistas dashboard and identified 218 schools needing state support or intervention. The ratings included 31 schools with the lowest performance needing more rigorous interventions. Currently, PED is proposing new rules requiring the lowest performing schools to develop department-approved intervention plans that significantly restructure or redesign the school using evidence-based strategies, restarting, or closing the school.

Achievement and Attainment

Flat Academic Performance. According to PED, proficiency rates for fourth and eighth grade students in math and reading for 2023 were virtually the same as the prior year, suggesting potential issues with data quality or a more troubling trend of sluggish progress in overall achievement levels. The department has not released disaggregated student achievement data like previous years, limiting comparisons across all grade levels and student subgroups. However, the performance of economically disadvantaged students improved for fourth and eighth graders, indicating the achievement gap has narrowed for this subgroup.

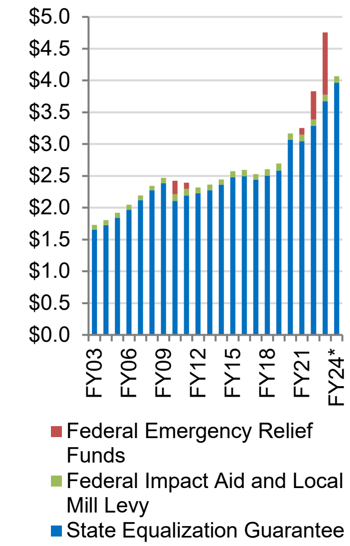
For FY23, PED reports the reading proficiency of economically disadvantaged students grew by 3 percentage points for fourth graders and 2 percentage points for eighth graders. Math proficiency for these students also improved by 2 percentage points for fourth graders and 1 percentage point for eighth graders. Notably, this subgroup of students represents about two-thirds of total enrollment, meaning their more affluent peers performed at significantly lower levels than the prior year to arrive at a flat statewide average proficiency rate. Without more detailed reporting on student achievement from PED, the validity of these results cannot be determined nor verified.

Graduation Rates Unchanged. According to PED, the state's overall four-year high school graduation rate for the class of 2022 was 76.8 percent—exactly the same as the class of 2021. Like statewide math and reading proficiencies, the stagnant results for graduation rates and absence of disaggregated data beg the question of whether reported results are accurate. If reported figures are valid, the

ACTION PLAN

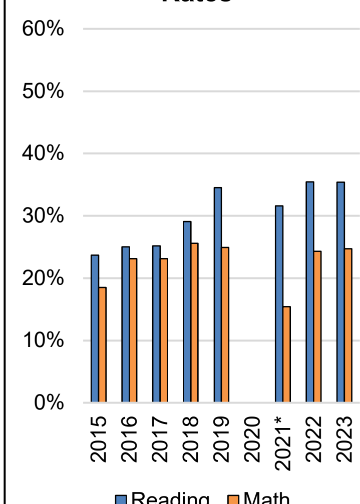
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	No

Operational Funding for Public Schools (in billions)



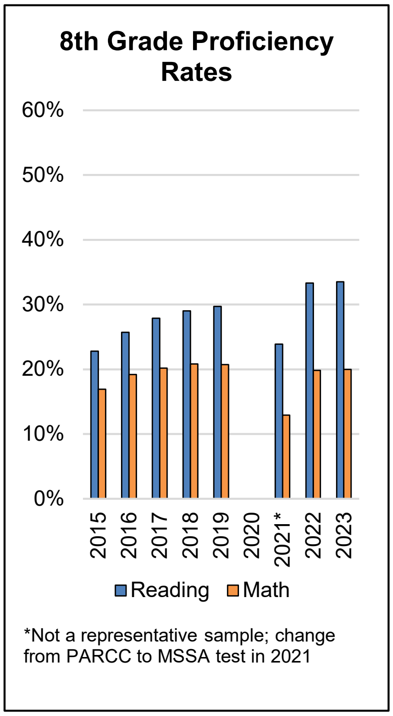
Source: LFC Files

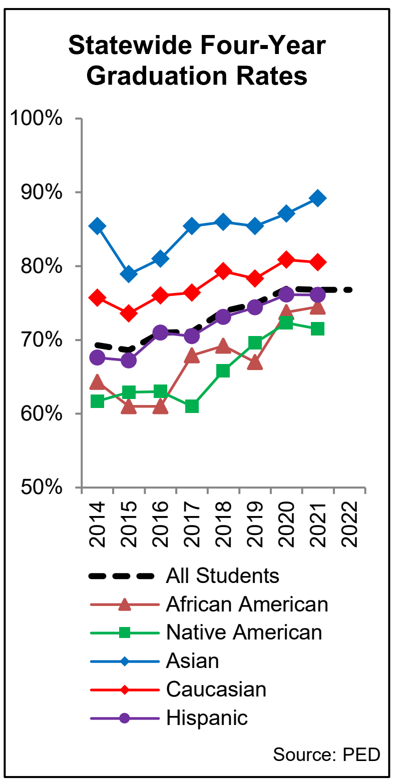
4th Grade Proficiency Rates



*Not a representative sample; change from PARCC to MSSA test in 2021.

Source: PED





lack of progress suggests the state's recent large investments in education may not be producing any immediate noticeable results.

New Mexico still lags significantly behind the 2021 national graduation rate (85.3 percent). In July 2023, PED changed rules regarding high school graduation requirements for 2025, removing alternative demonstrations of competency and allowing students to demonstrate competency for graduation through district-approved exams or projects, state or national assessments, dual-credit courses, career technical certificates, or programs of study.

PUBLIC SCHOOL SUPPORT

Budget: $3,812,922.2 **FTE:** N/A

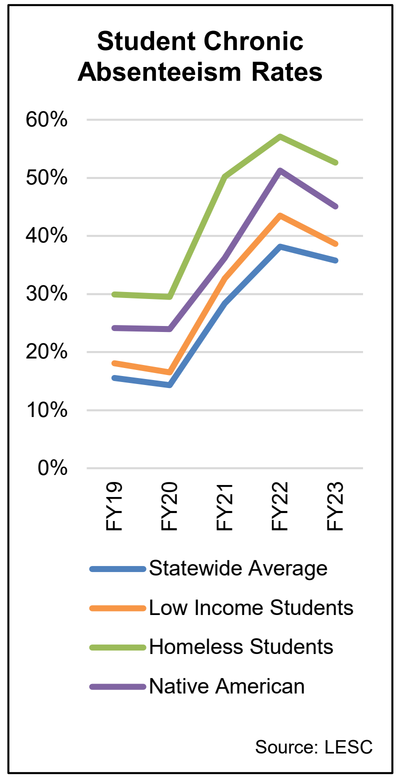
	FY21 Actual†	FY22 Actual	FY23 Target	FY23 Actual‡	Rating
Reading proficiency (4th grade)	31.6%	35.4%	34%	35.4%	Y
Math proficiency (4th grade)	15.4%	24.3%	34%	24.7%	R
Reading proficiency (8th grade)	23.9%	33.3%	34%	33.5%	R
Math proficiency (8th grade)	12.9%	19.8%	34%	20%	R
High school graduation rate (4 year)	76.8%	76.8%	75%	Not reported	R
College remediation rate	32.7%	31.4%	<30%	32.7%	R
Chronic absenteeism (elementary)	Not reported	38%	<10%	37.7%	R
Chronic absenteeism (middle)	Not reported	42%	<10%	41.2%	R
Chronic absenteeism (high)	Not reported	43%	<10%	42.9%	R
Students exiting English learner status (elementary)	New	0.03%	10%	3.9%	R
Students exiting English learner status (middle)	New	3.8%	10%	1.4%	R
Students exiting English learner status (high)	New	0.04%	10%	2.3%	R
Teacher vacancies	New	1,048	N/A	690	Y
Share of at-risk funds spent on at-risk services	Not reported	93%	N/A	24.2%	R
Classroom spending in large districts	Not reported	73%	N/A	72.1%	Y
Program Rating	R	R			R

†Proficiency rates reflect students that opted to test in FY21, representing only about a tenth of each grade level
‡Proficiency, graduation, remediation, and absenteeism data for FY23 are under review and may be inaccurate

Attendance and Engagement

Enrollment Continues Decreasing. Preliminary student enrollment counts for the 2022-2023 school year dropped to 305.6 thousand students, a decrease of 2,597 students, or 0.8 percent, from the prior year. The decrease reflects a prepandemic trend of declining student enrollment due to lower birth rates and shrinking kindergarten cohorts. The gradual decrease in enrollment can present staffing challenges for schools—particularly for smaller districts—because the loss of students is generally distributed across multiple grade levels rather than in a single classroom.

Chronic Absenteeism Remains High. Student chronic absenteeism rates, or the percentage of students missing 10 percent or more of school days, increased dramatically following the pandemic and have remained at heightened levels since FY20. Statewide chronic absenteeism decreased from a peak of 38.1 percent in FY22 to 35.8 percent in FY23, with the highest rates of absenteeism reported for students facing housing insecurity at 52.6 percent. Additionally, chronic absenteeism rates were highest for the youngest and oldest students, with 42.1 percent of kindergarteners and 39.8 percent of high school seniors reported as chronically absent in FY23. Like other states, New Mexico's absenteeism rates have soared since Covid-19; however, New Mexico's chronic absenteeism rate rank grew from the 18th highest rate in the nation in FY19 to sixth place in FY21 based on federal data.



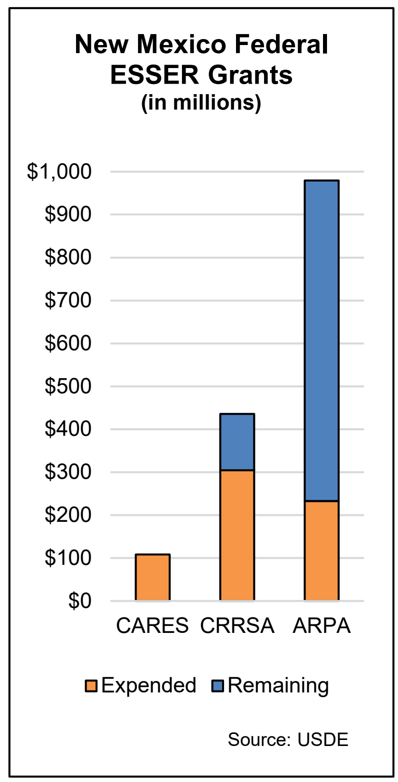
Public Education Department

The last court order in the *Martinez-Yazzie* case required PED to improve access to high-speed internet and digital devices for students. The department has leveraged federal emergency relief (ESSER) funds to expand access to students and mapped areas across the state needing additional support. PED continues to struggle with processing federal reimbursements, likely due to the substantial influx of ESSER aid and a 23 percent vacancy rate within the agency.

Budget: $20,869.0 **FTE:** 354.0

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Students in K-5 Plus and extended learning time programs	155,864	147,404	N/A*	131,885	R
Average days to process reimbursements	40	37	24	38	R
Data validation audits of funding formula	24	24	30	12	R
Percent of students with access to a high-speed internet connection	New	91%	100%	60%	R
Percent of students with access to a digital device	New	95%	100%	84%	R
Program Rating	R	R			R

Federal and State Resources. Of $1.5 billion from three rounds of federal ESSER funding, New Mexico has spent the entire first round of ESSER, also known as the Coronavirus Aid, Relief, and Economic Security (CARES) amount. Schools spent nearly one-third of CARES funding on educational technology; other expenditures include $5 million for school leaders, sanitization, and planning.



At the end of FY23, nearly 70 percent of the second round of ESSER, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA), was spent. Similar to CARES, schools mostly purchased educational technology and operational services but also planned to spend $21.3 million to address learning loss and $18.3 million for summer learning and afterschool programs. Schools have already obligated 24 percent of the third round of ESSER, or American Rescue Plan (ARPA) dollars, which must be spent by September 2025. However, recent guidance from the U.S. Department of Education will allow schools to continue spending ARPA funds for some multi-year services beyond that deadline.

In addition to ESSER aid, school districts and charter schools continued to grow unrestricted cash reserves, carrying over balances of $623 million from FY23. Statewide cash balances grew by $97.5 million, or 19 percent, from the prior year and now represent 17 percent of FY23 program cost.

Higher Education Institutions

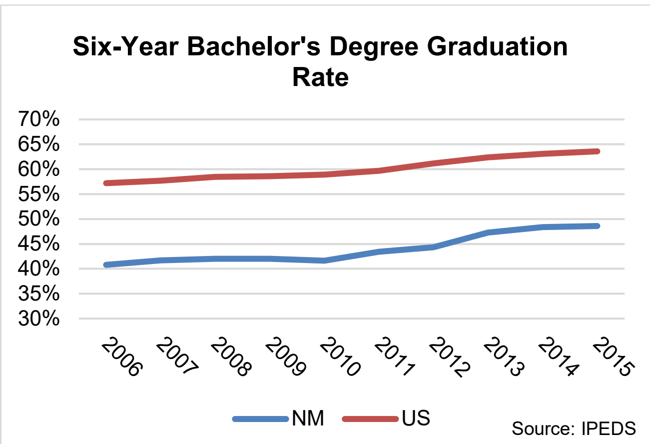
ACTION PLAN

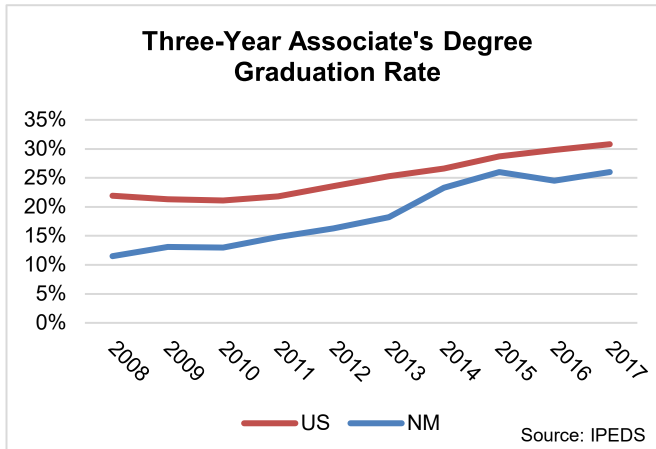
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Research found the lottery scholarship improved outcomes for academically prepared low income students but did not increase graduation rates for underprepared low income students.

New Mexico has made historic investments in higher education with the creation of the opportunity scholarship as well as other financial aid programs and targeted expansion funding. The opportunity scholarship expands on the tuition subsidy offered through the lottery scholarship to cover non-traditional students who are returning to higher education as well as covering certain fees and first semester costs of lottery scholarship students. The opportunity scholarship is likely responsible for the first statewide enrollment increase in the past decade.

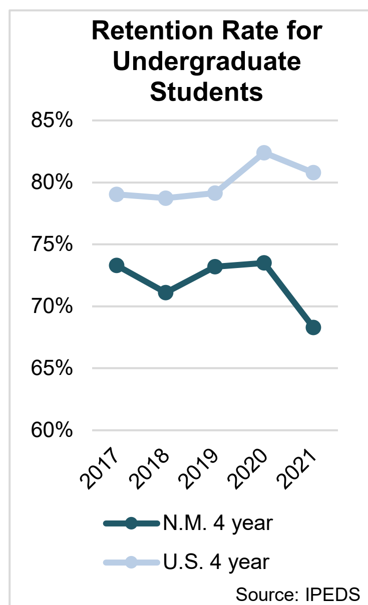
To ensure investment in the opportunity scholarship pays off, higher education institutions will be challenged to improve student retention so that college attendance ends with achievement of a degree or certificate.





New Mexico's graduation rate, 49 percent in 2021, has ranked 49th or 48th in the nation for the past 5 years. For New Mexico to reach the national graduation rate of 64 percent for 4-year institutions, HEIs would have needed to graduate 959 more students in 2021. To close this gap, New Mexico institutions must examine barriers to student success and develop strategies to increase year-over-year retention rates from enrollment to graduation. The University of New Mexico has taken the first step by conducting a statewide basic needs assessment.

The basic needs assessment looked at food and housing insecurity and homelessness. The survey found more than half of students are housing insecure and that 19 percent of 2-year students and 16 percent of 4-year students experienced homelessness in the past 12 months. The findings were based on a survey of over 15 thousand respondents at 27 institutions but had a response rate of 16 percent.



In addition to basic needs, test scores and remediation rates show many New Mexico students are academically under-prepared, a deficiency exacerbated by pandemic-related learning loss. Despite this, New Mexico reports the 2021 remediation rate of students entering New Mexico HEIs was 32.7 percent, a significant reduction from the 2017 rate of 44.2 percent.

Since 2016, New Mexico's freshman retention rate has ranked 50th in the nation.

Awards

Certificate and degree awards in New Mexico fell by 20 percent over the past 5 years. The majority of the reductions were in the 2-year sector which have seen degrees awarded fall by 28 percent, research universities reported an 11 percent decline and comprehensive universities experienced a 7.5 percent decline. At the same time, instruction and general (I&G) appropriations to HEIs increased by $71.5 million, or 13 percent. The combination of falling award production and increasing appropriations resulted in a 40 percent cost per award increase between FY17 and FY22.

Cost Per Award
(dollars in thousands)

Institution	2016-17 Awards	FY17 I&G GF	Cost Per Award FY17	2021-22 Awards	FY22 I&G GF	Cost Per Award FY22	% Change Awards	% Change I&G
NMT	391	25,523.0	65	286	28,895.9	101.0	-26.9%	13.2%
NMSU	3,279	109,438.5	33.4	3,121	122,211.3	39.2	-4.8%	11.7%
UNM	5,617	175,823.2	31.3	4,849	197,843.0	40.8	-13.7%	12.5%
Research	**9,287**	**310,784.7**	**33.5**	**8,256**	**348,950.2**	**42.3**	**-11.1%**	**12.3%**
ENMU	1,322	25,603.1	19.4	1,277	30,722.0	24.1	-3.4%	20.0%
NMHU	989	26,046.1	26.3	794	29,035.8	36.6	-19.7%	11.5%
NNMC	148	9,706.9	65.6	224	10,363.8	46.3	51.4%	6.8%
WNMU	654	15,996.9	24.5	586	19,188.8	32.7	-10.4%	20.0%
Comprehensive	**3,113**	**77,353.0**	**24.8**	**2,881**	**89,310.4**	**31.0**	**-7.5%**	**15.5%**
ENMU-RO	499	10,985.7	22.0	433	11,995.6	27.7	-13.2%	9.2%
ENMU-RU	86	1,936.1	22.5	81	2,100.0	25.9	-5.8%	8.5%
NMSU-AL	112	7,036.2	62.8	101	7,257.6	71.9	-9.8%	3.1%
NMSU-DA	1,176	21,387.3	18.2	1,086	23,679.1	21.8	-7.7%	10.7%
NMSU-GR	88	3,320.1	37.7	75	3,557.6	47.4	-14.8%	7.2%
UNM-GA	251	8,407.1	33.5	251	8,848.7	35.3	0.0%	5.3%
UNM-LA	93	1,710.4	18.4	106	1,926.2	18.2	14.0%	12.6%
UNM-TA	120	3,274.1	27.3	136	3,864.7	28.4	13.3%	18.0%
UNM-VA	215	5,135.2	23.9	166	5,847.4	35.2	-22.8%	13.9%
CNM	8,036	52,815.8	6.6	4,720	61,808.6	13.1	-41.3%	17.0%
CCC	453	9,094.1	20.1	524	10,052.3	19.2	15.7%	10.5%
LCC	130	6,730.9	51.8	89	6,942.3	78.0	-31.5%	3.1%
MCC	114	3,864.2	33.9	309	4,183.2	13.5	171.1%	8.3%
NMJC	527	5,157.9	9.8	359	5,951.3	16.6	-31.9%	15.4%
SENMC	105	3,860.0	36.8	148	4,276.0	28.9	41.0%	10.8%
SJC	1,444	22,555.4	15.6	1,126	24,795.5	22.0	-22.0%	9.9%
SFCC	845	9,182.8	10.9	594	10,785.6	18.2	-29.7%	17.5%
2-Year	**14,294**	**176,453.3**	**12.3**	**10,304.0**	**197,871.7**	**19.2**	**-27.9%**	**12.1%**
Grand Total	**26,694**	**564,591**	**21.2**	**21,441.0**	**636,132.3**	**29.7**	**-19.7%**	**12.7%**

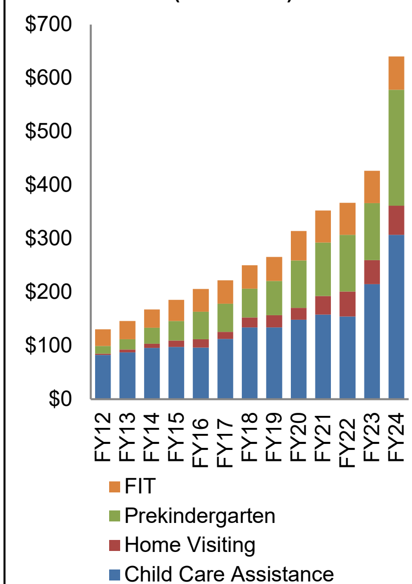
Early Childhood Education and Care

The Early Childhood Education and Care Department (ECECD) added several additional measures in FY23 for the early education prekindergarten program. Several measures are annually reported at the close of FY23. The global pandemic has led to reported decreases in math and reading proficiency among young children on a national scale. As a result, there is a heightened significance in expanding early education programs to address these setbacks. Research conducted by the LFC indicates enrollment in prekindergarten is linked to a 10 percent increase in college enrollment rates. Furthermore, an extensive body of national research and consistent evaluations by the LFC have demonstrated that prekindergarten programs consistently enhance math and reading proficiency for economically disadvantaged 4-year-olds. These programs also contribute to the reduction of special education placements and grade retention rates, while mitigating the adverse impacts of student mobility—such as changing schools during the academic year.

ACTION PLAN

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

Recurring Early Childhood Funding History*
(in millions)



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

Source:ECECD/LFC Files

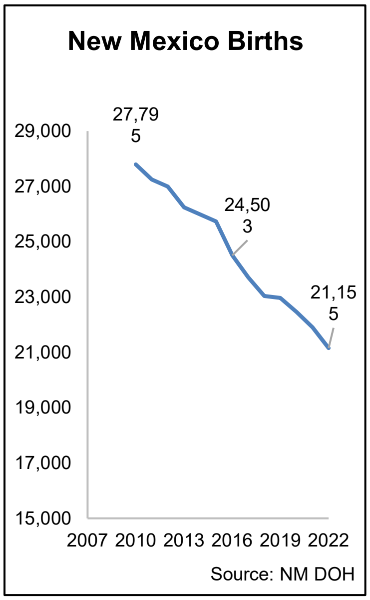
Family Support and Intervention

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

Furthermore, the program has reported an enrollment of only 440 families in the Medicaid-Funded Home Visiting program. While this falls short of the performance target of 1,500, it does represent an increase from the previous fiscal year. Notably, Medicaid-Funded Home Visiting brings in federal revenues that contribute to expanding state services. Should the state intend to further develop home visiting services, it is advisable to prioritize federal Medicaid funds as a source of revenue.

Budget: $68,850.3 **FTE:** 41

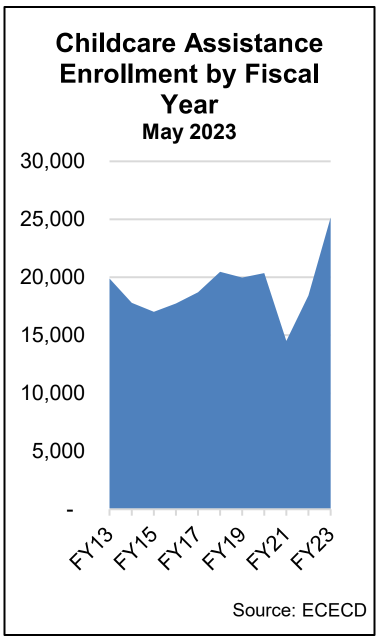
	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of families enrolled in Medicaid home visiting	135	299	1,500	440	R
Average annual number of home visits per family	27	NA	12	19	G
Percent of children enrolled in home visiting for longer than six months who receive regular well-child exams as recommended by the American Academy of Pediatrics	NA	86%	80%	88%	G
Percent of parents participating in Home Visiting for at least eight months who demonstrate progress in practicing positive parent-child interactions	74%	73%	75%	79%	G



Budget: $68,850.3 **FTE:** 41

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of women enrolled in Families First and Home Visiting who are eligible for Medicaid who access prenatal care in the first trimester	NA	93%	75%	90%	G
Percent of children participating in the Family Infant Toddler Program for at least six months who demonstrate substantial increase in their development as measure by the early childhood outcomes tool	NA	76%	75%	Not Reported	R
Percent of women who are pregnant when they enroll in Home Visiting who access postpartum care	NA	80%	90%	75%	Y
Percent of women who are pregnant when they enroll in Families First who access postpartum care	NA	80%	90%	96%	G
Percent of eligible infants and toddlers with individual family service plan for whom an initial evaluation and initial assessment and an initial individual family service plan meeting were conducted within the forty-five-day timeline	NA	NA	100%	93%	Y
Program Rating	R	Y			Y

Early Education, Care and Nutrition



The Early Education, Care, and Nutrition Program, primarily composed of Childcare Assistance and the Family Nutrition Bureau, met all 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. At the close of FY22, monthly enrollment has continued to increase from nearly 22 thousand, and the average monthly cost continued to grow to $734, or $8,810 annually. In April 2022, ECECD announced Childcare Assistance income eligibility would increase to 400 percent of the federal poverty level (FPL) and all copayments would be waived. As of May 2023, and average monthly enrollment in FY23 was 25,163 and with an average monthly cost of $746, or $8,953 annually.

Budget: $271,105.6 **FTE:** 146

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of infants and toddlers participating in the Childcare Assistance Program enrolled in childcare programs with four- or five-stars	NA	60%	40%	58%	G
Average monthly co-pay as a percentage of monthly income	NA	NA	10%	0%	G
Program Rating	R	Y			G

Prekindergarten

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' abilities 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. Going in to FY24, the Legislature funded a historic expansion and ECECD contracted for 13,344 prekindergarten and 4,188 early prekindergarten slots. The program did not meet targeted performance for FY22. The program met targeted performance at the close of FY23 performance.

Budget: $111,043.6 **FTE:** 11

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of children participating in the state-funded New Mexico prekindergarten program (public and private) for at least six months showing measurable progress on the school readiness spring preschool assessment tool	No Report	92%	90%	93%	G
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, that are proficient in math in Kindergarten	NA	NA	37%	63%	G
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, that are proficient in literacy in Kindergarten	NA	NA	32%	60%	G
Program Rating	Y	R			G

Policy, Research and Quality

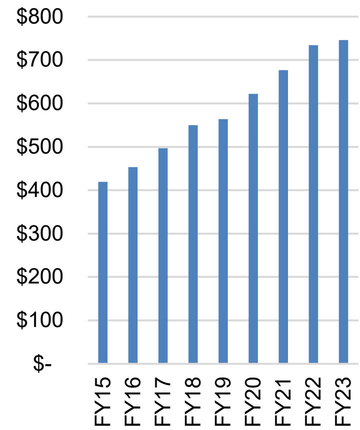
The Policy, Research and Quality Program's primary purpose is to manage initiatives to improve the quality of early childhood education and care programs and professional development support for providers. The program also provides data assessment and support in addition to policy development for the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

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

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of early childhood professionals, including tribal educators, with degrees or credentials in early childhood fields	NA	NA	45%	Not Reported	R
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system	NA	51%	60%	64%	G
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level	NA	60%	50%	60%	G
Program Rating		Y			Y

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

Childcare Assistance Average Monthly Cost per Child
May 2023



Source: ECECD

Estimated ROI from Potential Home Visiting Programs in New Mexico

Program Name	Benefit to Cost Ratio (rounded to nearest dollar)	Effect Size (ES) Cost Matrix
Nurse Family Partnership	$5-$10	Large ES/ High Cost
Triple P*	$9-$14	Small ES/ Low Cost
Other Home Visiting for At-Risk Families^	$2-$4	Medium ES/ High Cost
Parents as Teachers	$1-$2	Medium ES/ Moderate Cost
Healthy Families America	$1	Medium ES/ High Cost
Family Connects	$1	Small ES/ Low Cost
Early Head Start	$0	Minimal ES/ High Cost

Note: Cost of Family Connects based on Durham Connects 2014 adjusted for inflation. Some programs may have other benefits, but these currently are not monetized. Outcomes from WSIPP, other than First Born, are from a 2019 Kilburn and Cannon article. Some ROI analysis (NFP, PAT, EHS) has a range based on previous LFC reports with variance due to model changes. ^Other home visiting programs for at risk families may provide a proxy for First Born home visiting, which was not included due to limited research allowing for monetization.

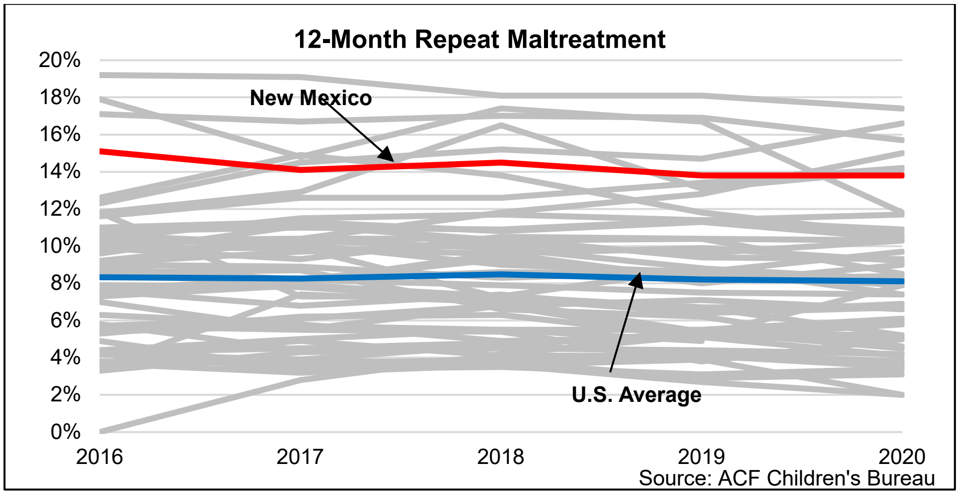
Source: LFC Analysis Using Pew Results First Analysis with New Mexico Data Where Possible

Children, Youth and Families Department

New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of an initial allegation. There are several evidence-based options to reduce and prevent repeat maltreatment and better leverage the child welfare workforce, including improving the use of screening and assessment tools, intervening early with the level of intervention based on the level of risk, and following through with the appropriate supports and services. In recent years, the state enacted legislation and significantly increased appropriations in support of these objectives. However, delivering the right interventions to the right people at the right time is easier said than done. In a February 2023 press release the governor declared the child welfare system "is fundamentally broken." This came 32 years after the taskforce that led to the establishment of the Children, Youth and Families Department (CYFD), said the system was crisis-oriented and failed to support families. For FY24, the Legislature increased appropriations significantly for the child welfare system to adjust salaries, fill vacancies, improve access to behavioral health services, and boost prevention programming for evidence-based programs.

Protective Services

Prevention and early intervention is the key to reducing repeat child maltreatment. Over the long-term, child maltreatment causes physical, psychological, and behavioral consequences leading to increased costs to the child welfare, behavioral health, and physical healthcare systems. Several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. Between FY18 and FY22, CYFD preventive services expenditures grew from about $1.1 million to $11.1 million, a tenfold increase, with most of the increase occurring in the last two years. The number of children placed in either foster care, relative foster care, or other placements increased by 14 percent since December 2022 or about 242 children. Prior LFC program evaluation reports pointed out that the state may be over-removing children and that many of these children end up in short-term placements. The increased number of children in custody of the department reverses a trend going back to at least 2018 of fewer children in foster placements.



Source: ACF Children's Bureau

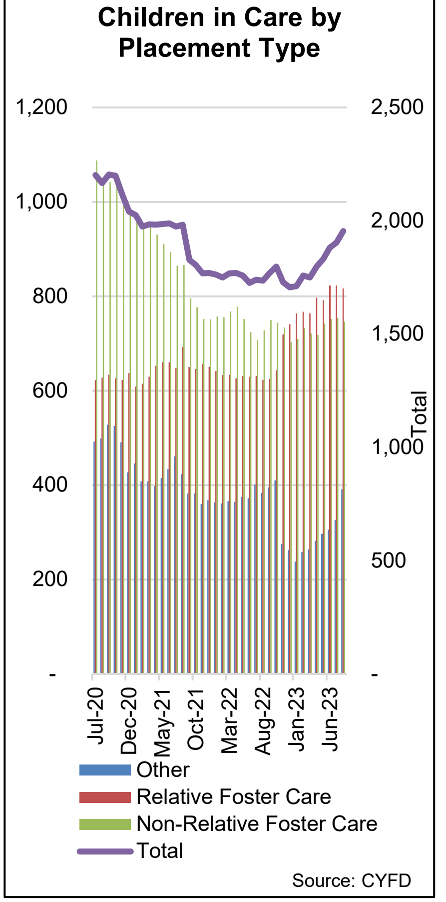
ACTION PLAN

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

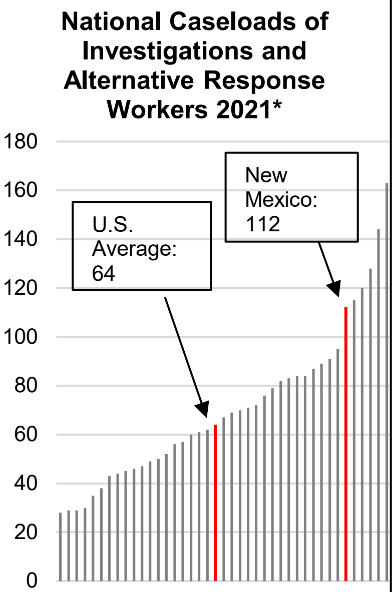
Kevin S., et al. v. Blalock and Scrase **Lawsuit Settlement**

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.

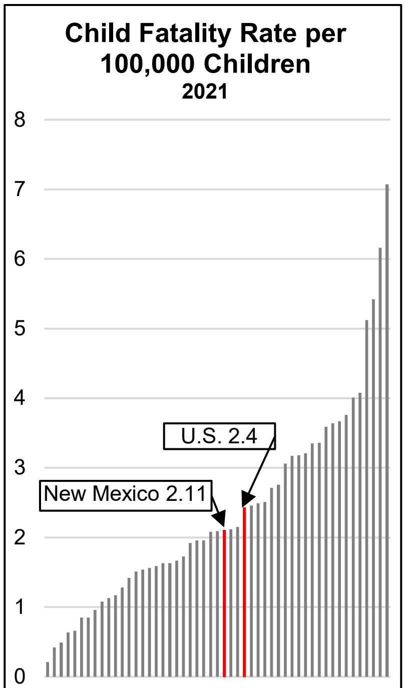


Source: CYFD



*Completed reports per investigation and alternative response worker; some states do not report

Source: ACF Child Maltreatment 2021



Source: ACF Child Maltreatment 2021

Budget: $195,773.8 **FTE: 1,111**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Maltreatment					
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%	13%	R
Rate of maltreatment victimizations per one hundred thousand days in foster care	14.7	10.1	8.0	13%	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	75%	20%	91%	G
Serious injuries with prior protective services involvement in the last year	New	43%	26%	33%	R
Turnover rate for protective service workers	26%	37%	30%	37%	R
Average statewide central intake call center wait time in seconds	27	30	180	29	G
Foster Care					
Children in foster care who have at least one monthly visit with their caseworker*	98%	96%	N/A	92%	
Children in foster care for more than eight days who achieve permanency within 12 months of entry into foster care	30%	36%	30%	33%	G
Children in foster care for 12 to 23 months at the start of a 12-month period who achieve permanency	40%	42%	35%	34%	Y
Children in foster care for 24 months, or more, at the start of a 12-month period who achieve permanency	41%	38%	32%	31%	Y
Foster care placements currently in kinship care settings	42%	49%	35%	52%	G
Indian Child Welfare Act foster care youth who are in an appropriate placement	73%	72%	35%	67%	G
Relative placements that transition to permanency or are still stable after 12 months	78%	74%	35%	73%	G
Children who enter care during a 12-month period and stay for >8 days, placement moves rate per 1,000 days of care	5.6	5.7	4.0	7.6	R
Program Rating	Y	Y			Y

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

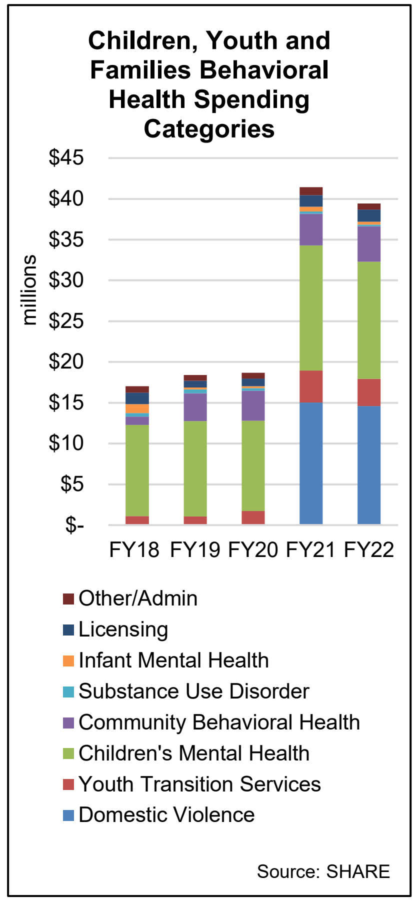
Juvenile Justice Services

The Juvenile Justice Services (JJS) secure population continues shrinking and in November 2022 there were a total of 80 clients in secure facilities, a 63 percent decrease since FY13. Because of the continual downward population trend, in January 2022 the department closed the Camino Nuevo Youth Center after ceasing to hold clients at the San Juan County Detention Center in FY21. Physical assaults in the facilities are significantly down and there is currently a two-to-one student teacher ratio. With the reduced population and low ratios, the program should start performing better on improving math and reading scores. The turnover rate for youth care specialists increased from 18 percent in FY21 to 42 percent in FY23. The department says the high turnover is the result of staff taking outside positions that allow telecommuting. The department says it submitted a pay equity study to the State Personnel Office in January 2023. The department is also working to ensure salaries consider educational attainment and years of service.

Budget: $76,110.4 **FTE: 767**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Physical assaults in Juvenile Justice Facilities *(target is annual; quarterly numbers are cumulative)*	224	155	<245	193	G
Eligible juvenile justice involved youth that are participating in fostering connections	New	50%	60%	63%	G
JJS clients who successfully complete formal probation.	90%	87%	87%	93%	G
Recidivism rate for youth discharged from active field supervision.	18%	15%	20%	13%	G
Recidivism rate for youth discharged from commitment.	33%	35%	55%	40%	G
Clients with improved math scores	No data	44%	56%	57%	G
Clients with improved reading scores	No data	33%	56%	49%	R
Substantiated complaints by clients of abuse and neglect in JJS facilities.	2	2	5	4	G
Turnover rate for youth care specialist.	18%	39%	21%	42%	R
Youth being formally supervised by field services currently in kinship care settings	17%	15%	35%	16%	R
Indian Child Welfare Act Youth formally supervised in the community who are in an appropriate placement.	61%	81%	90%	Not Reported	R
Program Rating	Y	Y			Y

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



Behavioral Health Services

Behavioral Health Services reported there were no infants receiving a recommendation for family reunification from a mental health team. This is because most of those served with infant mental health services were not separated from their families to begin with.. 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). On the last measure for community behavioral health clinicians (CBHC), the department says they have filled several vacant positions and have also worked to increase consultation with investigations and permanency planning workers in the Protective Services Program. The department received $963.4 thousand in FY24 to establish three more CBHC teams and LFC will be monitoring the department's roll out of the additional teams over the next few months.

Budget: $52,304.3 **FTE: 119**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Infants served by infant mental health teams with a team recommendation for unification who have not had additional referrals to protective services	70%	100%	90%	N/A	R
Children and youth in department custody who are placed in a community-based setting	90%	91%	70%	91%	G
Clients enrolled in multisystemic therapy who demonstrate improvement in mental health functioning	92%	90%	75%	89%	G
Domestic violence program participants who agree they have strategies for enhancing their safety.	0%	90%	80%	92%	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	95%	93%	80%	92%	G
Increase in supportive or independent housing options for youth ages 16-21 years from baseline FY20 levels	15%	25%	20%	25%	R
Department-involved youth in the estimated target population who are receiving services from community behavioral health clinicians	65%	65%	75%	60%	R
Program Rating	G	Y			Y

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

PERFORMANCE REPORT CARD: Fourth Quarter, FY23

Economic Development Department

New Mexico's economy has delivered strong job growth in 2023 and unemployment rate is 3.5 percent, below the national average. The Economic Development Department (EDD) had two years of record-breaking job creation through the Job Training Incentive Program (JTIP) and Local Economic Development Act (LEDA) in FY21 and FY22. While the department surpassed performance targets for most measures in FY23, performance across the board is lower than FY22. EDD notes concern about the cost of lending and increased inflation have slowed companies from expanding and focused on maintaining existing production and workforce. With more hesitancy to expand, less companies have requested LEDA and JTIP. In response, EDD has taken measures to address slowdowns in fund use. For JTIP, EDD incentivized companies to partner with the Workforce Solutions Department and reassessed the reimbursement formula for higher education institutions that provide customized training for expanding companies. For LEDA, EDD is working with communities and existing local companies on infrastructure needs.

The agency's action plan reflects both its 20-year strategic plan and directives from legislators in the three EDD LegisStat hearings. EDD shifted efforts to attracting companies that offer competitive wages, moving away from low-wage high-volume jobs, such as call centers. The agency surpassed the target for wages of jobs created in excess of prevailing local wages by over $8 thousand, and the average annual wage of new jobs created by the department in FY23 was $56.5 thousand, surpassing the target of $47 thousand.

Economic Development

Local Economic Development Act and Job Training Incentive Program. The Economic Development Division awarded two companies $3 million in Local Economic Development Act (LEDA) funds in the fourth quarter of FY23. In FY23, EDD awarded $13.3 million to 14 companies which could result in 1,092 jobs at a cost of about $12.1 thousand per job. The agency reports having $24 million available in LEDA funds.

For the Job Training Incentive Program (JTIP), the JTIP board approved 16 companies in the fourth quarter, bringing a total of 1,255 workers trained by JTIP with an average wage of $29.02 per hour in FY23. Additionally, the Film Crew Advancement Program (FCAP), one of the two job training incentive programs for film and multimedia programs, approved 13 companies and approved training 99 crew members at a projected average hourly wage of $28.26. However, JTIP participation decreased in FY23. EDD notes that the program experienced an unprecedented increase in participation in FY20 through FY22 due to the pandemic and companies exploring alternative methods to stay afloat, such as expanding their e-commerce capacity and expanding products to meet new

ACTION PLAN

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

LegisStat Pilot Agency

The New Mexico Economic Development Department (EDD) 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 the department's role in creating jobs in the state. The department answered the following questions:

- How many of the short-term strategic plan action items has the department completed or nearly completed?
- How do newly funded economic development initiatives, like the venture capital investment fund or the opportunity enterprise fund, interact with the strategic plan?
- How is the department monitoring the return on investment from LEDA grants?
- How does the department ensure consistency in award criteria for LEDA?

Total Cost per Job

	JTIP	LEDA
FY17	$12,563.00	$29,200.00
FY18	$8,839.00	$4,025.00
FY19	$8,144.00	$13,272.00
FY21	$4,541.00	$15,688.00
FY22	$7,994.00	$8,000.00
FY23	$14,816.00	$12,179.00

Source: EDD and LFC Files

LEDA Investments in FY23

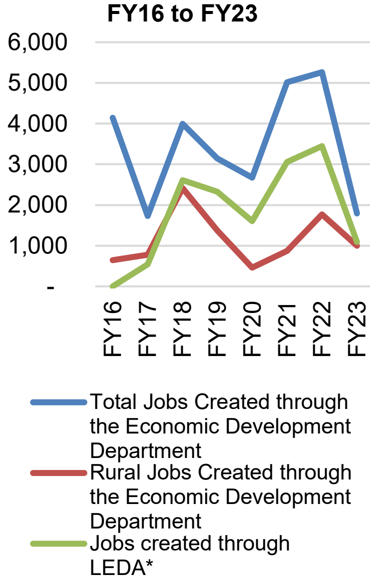
1. Franklin Mountain Packaging, a manufacturer specializing in producing high quality corrugated micro-flute sheets, received $500 thousand to construct a new production center and warehouse in Santa Teresa and expects to add 60 employees in the next three years.

2. HOTA industrial Manufacturing, a major Asian automotive parts supplier, received $2.5 million to build a factory in Santa Teresa and expects to hire 350 employees.

3. Louisiana Pepper Exchange, a New Orleans-based chile pepper company, received $300 thousand for a processing warehouse in Santa Teresa and expects to hire 20 people over the next five years.

4. Parting Stone, an innovative cremation company that turns remains into smooth stones, received $150 thousand and expects to hire an additional 80 employees.

Economic Development Department Job Creation FY16 to FY23



*Data was not collected in FY16

Source: EDD

markets. Over the past year, companies have scaled back hiring and focused on maintaining their existing workforce. To address underutilization, the JTIP board is encouraging participation by New Mexico higher education institutions that provide customized training for expanding companies and reassessed the per-trainee reimbursement cap. Additionally, companies are eligible for an additional 5 percent reimbursement for participation in job fairs, corporate training, and other customized human resources services offered by the Workforce Solutions Department.

New Mexico Partnership. New Mexico Partnership was created as a mechanism to entice and entertain companies considering relocating to New Mexico. Performance for the partnership has been low for the past five fiscal years with its highest performance in FY20, when the partnership created 812 jobs through business relocation facilitations. EDD notes many projects are taking longer to relocate due to concerns about inflation and lending costs. However, company visits managed by the partnership have slightly increased from FY22 and EDD reports companies coming back for second and third site visits.

Office of Strategy, Science, and Technology. The Office of Strategy, Science and Technology (OSST) executes programs that encourage and enable the startup, growth, and relocation of technology-based industries in and to New Mexico by focusing on growing and diversifying existing technology companies, rapidly commercializing technologies, and promoting research and development in emerging technologies. The director position was vacant for several months but was filled in July 2023. The office is also recruiting for the newly created Entrepreneurship Program coordinator. With a full staff, the office will be able to follow up with companies that received science and technology grants and provide technical assistance to technology companies not previously engaged with EDD. In FY23, OSST tracked $1.062 million in new investment in tech companies assisted by the office from non-state sources.

MainStreet. In addition to $52.8 million in private sector investments and 278 private building rehabilitations, local MainStreet programs reported 132 net new businesses and 827 net new jobs in FY23. Major purchases reported by MainStreet districts from the final quarter of FY23 include a $2.7 million purchase in Las Cruces for the Bank of the West building and $1.8 million purchase in Ruidoso for a riverside property for Downshift Brewing. In 2022, the Legislature approved $10 million in severance tax bonds for MainStreet districts, compared to just $250 thousand in 2021 and $1 million in 2020.

Budget: $11,758.8 **FTE:** 25

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Jobs created due to economic development department efforts	5,012	5,263	4,000	1,790	R
Rural jobs created	871	1,766	1,320	996	R
Average wage of jobs created due to economic development department efforts (in thousands)	$70.6	$61.3	$47.5	$56.5	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	128:1	84:1	25:1	19:1	R
Jobs created through the use of Local Economic Development Act funds	3,058	3,447	3,000	1,092	R

Budget: $11,758.8 **FTE:** 25

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of workers trained by JTIP	3,356	2,355	2,000	1,255	R
Jobs created through business relocations facilitated by the New Mexico partnership	147	64	2,250	165	R
Number of company visits to New Mexico for projects managed by the New Mexico Partnership	9	21	12	28	G
Potential recruitment opportunities submitted by the New Mexico Partnership	60	69	60	63	G
Dollars of follow-on investment in technology-based companies as a result of OST programs (in millions)	$17	$5.2	$2	$1.06	R
Private sector investment in MainStreet districts (in millions)	$59	$42	$25	$52.9	G
Number of building rehabilitations assisted by the MainStreet Program	274	232	200	278	G
Program Rating	Y	G			Y

New Mexico Film Office

All measures for the film office surpassed FY23 targets. Direct spending by the film industry surpassed the FY23 target by over $260 million but reflects a 7 percent decrease from FY22. EDD notes that the decrease in all performance measures in comparison to FY22 are due to the Write Guild of America and Screen Actors Guild-American Federation of Television and Radio Artists (SAF-AFTRA) strikes, which have halted productions nationwide.

Budget: $961.8 **FTE:** 8

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Direct spending by film industry productions, in millions	$623.8	$855.4	$530	$794.1	G
Film and media worker days	266,604	668,707	320,000	553,630	G
Total gross receipts paid by film industry productions, in millions	$30.2	$47.1	$25	$43.4	G
Total wages paid by film industry productions to New Mexico residents, in millions	$121.2	$157.0	$100	$152.2	G
Program Rating	G	G			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 division focuses on a few key impact areas: economic development, promotion of outdoor-recreation assets, conservation, and education and public health programs. The division created 411 new outdoor recreation jobs in FY23, an 83 percent increase from FY22.

In FY22, The Legislature heavily invested in the division's two grant funds, appropriating $7 million to the Trails+ fund, created to assist local entities in creating, maintaining, and improving recreational trails, and $3 million to the

One-Time Economic Development Funding at a Glance
(in thousands of dollars)

Purpose	2021 Second Special Session	2022 Regular Session	2023 Regular Session
Outdoor Equity Fund	3,000		1,000
Trails + Grants	7,000		10,000
Film Academy		40,000	500
Local Economic Development Act		50,000	13,000
Venture Capital Investment Fund		35,000	15,000
Federal Grants Administration	435	3,500	
Local grant management		1,500	
Opportunity Enterprise Fund		70,000	
Job Training Incentive Program		6,000	3,000
Subtotal	**10,000**	**201,000**	**42,500**
Grand Total		**253,500**	

FY23 Approved Outdoor Recreation Trails+ Grant Awards

The Outdoor Recreation Division approved 44 grant applications and awarded $4.2 million for the Trails+ program in FY23. Approved projects include:

1. Taos Pueblo received $490 thousand to clear access to Tribal trails blocked by downed trees and to design and engineer a 4.5 mile nonmotorized trail.

2. Las Vegas received $99 thousand to add a trail to the Rodriguez Park Baseball and Softball field.

3. San Juan College received $99 thousand for restroom facilities in an open space near the institution.

FY23 Approved Outdoor Equity Fund Grant Awards

The outdoor equity fund approved 48 projects in FY23. Among approved projects:

1. Albuquerque Sign Language Academy was awarded $20 thousand for outdoor activities for students with disabilities.

2. The City of Clovis Summer Youth Program was awarded $20 thousand for youth classes and seminars on the environment, animals, plants, and ecology.

3. The Native American Community Academy was awarded $20 thousand for land-based healing and learning.

outdoor equity fund, designed to fund outdoor programming for underserved youth in FY22. In FY23, the Legislature made an additional investment of $10 million to Trails + fund and $1 million to the outdoor equity fund. The division approved 44 grant applications and awarded $4.2 million for the Trails+ program. In 2022, the outdoor equity fund approved 48 applications and awarded $795 thousand and brought 12,221 young New Mexicans outdoors. Of the awardees, 50 percent support tribal, rural, and land grant communities.

Budget: $1,080.8 **FTE:** 3

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
New outdoor recreation jobs created by the outdoor recreation division*	9	173	N/A	411	
Outdoor recreation projects funded or lead by the outdoor recreation division*	6	44	N/A	44	
Number of youth to participate in outdoor education programs through the division*	3,123	21,904	N/A	12,221	G
Program Rating	Y	G			G

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

Tourism

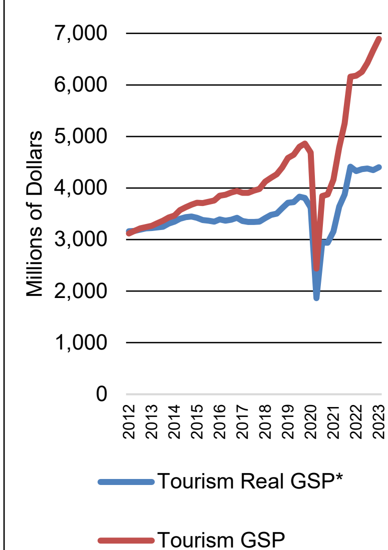
While New Mexico's tourism industry took many hits throughout the pandemic, sector job growth and industry gross state product have steadily recovered and are nearing prepandemic levels. The Legislature has made investments to the base operating budget and special appropriations to support the department's programs and advertising efforts.

The Tourism Department (NMTD) has met or exceeded most performance measures in FY23 and is positioned to meet targets where performance was low with dedicated new staff for outreach.

In FY23, the department awarded $177 thousand to local events through its new tourism event growth and sustainability program. The department also continued its cooperative marketing and advertising grant program, which provides a 2 to 1 matching investment to tourism-related entities, such as nonprofits and local governments. The department awarded $3.9 million to 41 partners through the cooperative program provide guidance in marketing and advertising initiatives that align with the New Mexico True brand.

ACTION PLAN

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

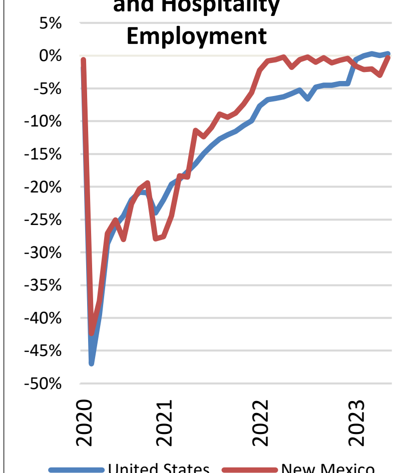


*Real GSP is an inflation-adjusted measure.
Source: NMTD

Marketing and Promotion

Workforce. For the first time since the pandemic, national employment in leisure and hospitality pulled ahead of New Mexico, marking a recovery of the industry for the United States and signaling the tourism economy is seeing rebounds at the national level. Jobs in the New Mexico leisure and hospitality sector are within 0.3 percentage of prepandemic employment levels. The department reports 4.6 percent more jobs in the sector in the fourth quarter of FY23 year over year.

Media and Engagement. The department secured 14 times the target for earned media in FY23 from various news, sports, and magazine features. NMTD reports a return on investment of $67 in earned media for every dollar spent on national marketing, a 168 percent improvement from the return on investment in FY22. The department attributes this growth in earned media value to placement and targeting in top-tier leisure travel media. Additionally, the cooperative marketing grant program resulted in a total earned media value of more than $5.1 million.



Source: NMTD

Budget: $18,656.1 **FTE:** 13

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Year-over-year change in New Mexico leisure and hospitality employment	-14%	19%	3%	4.6%	G
Percent email open rate of NM True eNewsletters	New	New	18%	27%	G
Amount of earned media value generated in millions	$1.7	$5.2	$1	$16.4	G
Program Rating	Y	Y			G

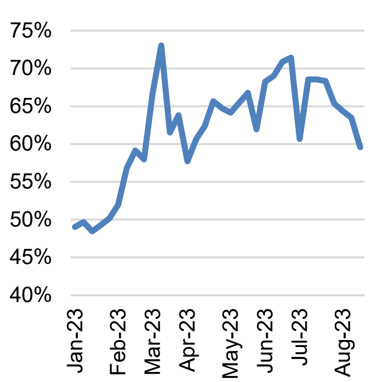
Outdoor Tourism and Infrastructure

Outdoor recreation is a large component of tourism in New Mexico. According to annual visitation data from 2022, 60 percent of trips to New Mexico included an outdoor activity, 12 percent higher than the national average.

To support outdoor infrastructure that allow for sustainable tourism, the Tourism Department:

- Works closely with the Economic Development Department's Outdoor Recreation Division to ensure trails are supported by the New Mexico True brand and expand outdoor tourism development.
- Launched Destination Forward which provides eligible entities technical support for planning, design, and renovation.
- Serves on the grant review committee for EDD's Trails+ grant that provides awards to organizations to fund outdoor infrastructure groups.
- Support local government initiatives to support beautification and litter reduction through the department's Clean and Beautiful Grant Program.
- Work with Councils of Government to identify tourism-related infrastructure projects for capital outlay funds. Of the 111 identified programs, 42 percent of them support rural outdoor recreation projects.

New Mexico Occupancy Rate 2023



Source: NMTD

New Mexico Magazine

New Mexico Magazine revenues in FY23 were 6 percent higher than in FY22. The magazine celebrated 100 years of publication and collaborated with the New Mexico History Museum to open an exhibit recapping the beginning of the publication, featuring over a thousand magazine covers and over 200 photographs published in the magazine. The publication also released *Centennial Cookbook: A Century of Flavors* featuring recipes from the magazine's archives and shared by contemporary chefs throughout the state. The magazine received the Adrian Award honoring excellence in travel marketing from Hospitality Sales and Marketing Association International.

Budget: $3,242.4 **FTE:** 10

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Advertising revenue per issue, in thousands	$182	$137	$75	$146	G
Program Rating	G	G			G

Tourism Development Program

The program, which supports tourism development in communities and other entities with competitive grants, made collaboration with Native American partners a priority in recent years, with tribal community engagement in the Clean and Beautiful Program increasing by 73 percent in FY23. NMTD hired a tribal liaison in the third quarter to help support Native communities and, as a result, engagement quintupled compared to all other quarters combined.

The Clean and Beautiful Program awarded nearly $791 thousand to 45 participants. Awards were invested in litter eradication, waste reduction, community beautification, youth empowerment, and program development. Through the new tourism event growth and sustainability program, which has three different award tracks, NMTD awarded $177 thousand to 12 events. The New Mexico True Certified program continued to grow in FY23 and helped businesses with co-branded advertisements, certified logos, and holiday gift guides. Participation in the program increased 8 percent in FY23. The Cooperative Marketing Grant Program provides a 2 to 1 marketing funding match and customized media strategies for tourism-related entities. In FY23, the department awarded $3.9 million in grant funding to 41 partners. Marketing campaigns supported by the cooperative grant include digital billboards in El Paso to promote Silver City, social media content for the Santa Fe Children's Museum, and photo asset creation for Mesilla.

Budget: $3,006.1 **FTE:** 17

Source: NMTD

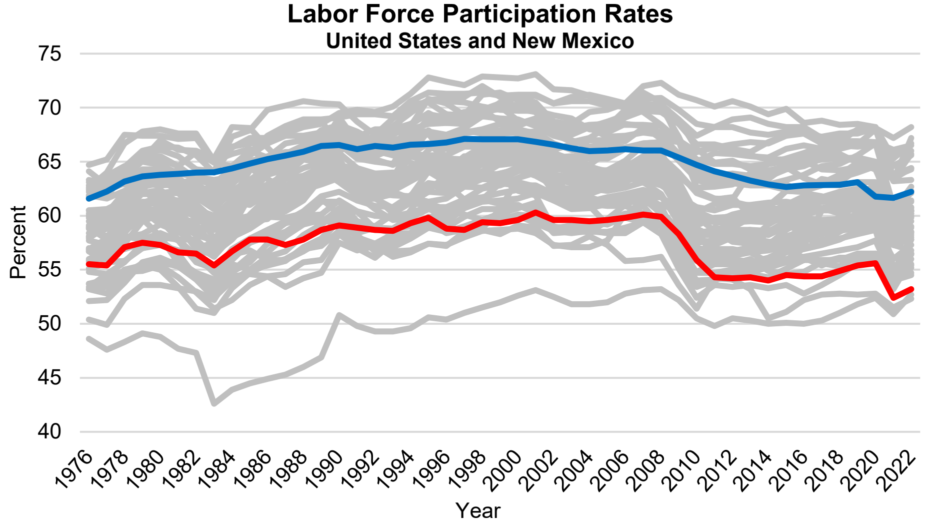
	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of meetings or events conducted with Native American entities	21	23	70	50	Y
Number of participants in New Mexico True Certified Program	414	401	400	433	G
Program Rating	R	G			G

Workforce Solutions

Teachers, nurses, social workers, service industry workers, and workers in several other sectors are in short supply. New Mexico's low unemployment rate and comparatively low labor force participation rate suggests the state should be doing more to entice prospective workers off the sidelines. A key April 2022 Workforce Solutions Department Labor Market Review that focused on the state's low labor force participation rate (LFPR) 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 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.

During the 2022 session, the department directly received $10 million for reemployment services, case management, and youth apprenticeships. The

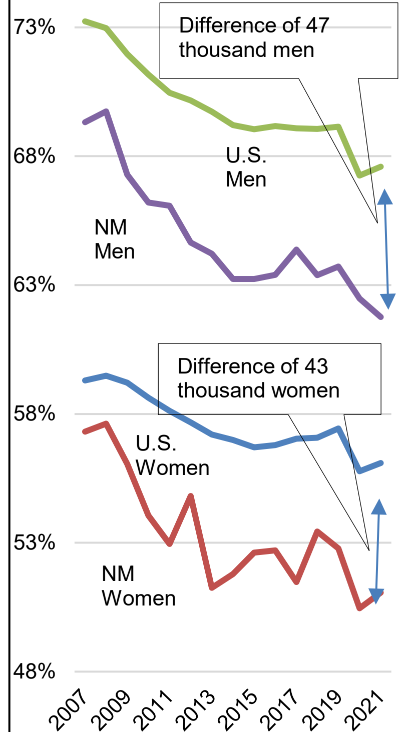


Source: U.S. Bureau of Labor Statistics

ACTION PLAN

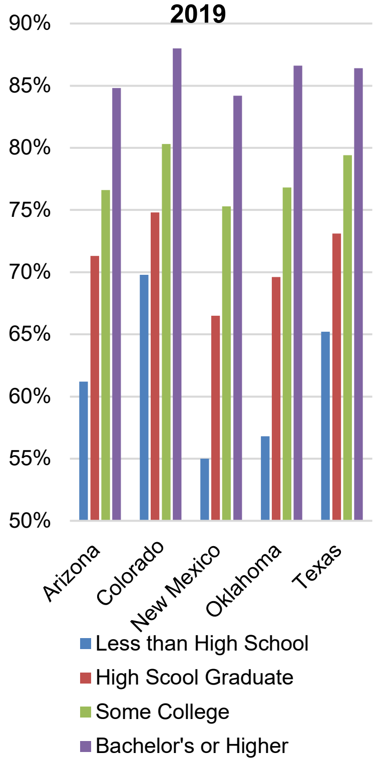
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

U.S. and New Mexico Labor Force Participation for Select Groups



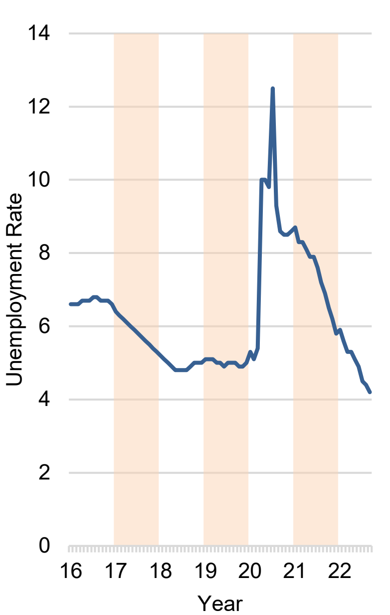
Source: WSD, BLS, U.S. Census

Labor Force Participation by Educational Attainment, 2019



Source: U.S. Census

NM Unemployment Rate



Source: WSD

department says it has been working with the Public Education Department (PED) and convened a work group of businesses, trade unions, and PED representatives focused on work-based learning, and community college representatives to refine the plans for pre-apprenticeship programs, career specialists, and technological improvements with the two special appropriations, in addition to developing the plans for marketing trade careers through virtual reality experiential learning. As of August 2023, the department spent about $2.7 million from the two appropriations. The largest expenditures went to the New Mexico Center for Economic Opportunity for advertising and to purchase a truck for the Be Pro Be Proud initiative the department started with the funds.

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). Much of the $10 million discussed above could be used to augment already existing evidence-based workforce programs the federal government funds through WIOA. Throughout FY23, about 50 thousand individuals received employment services in a Connections office, about half of the targeted 100 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.

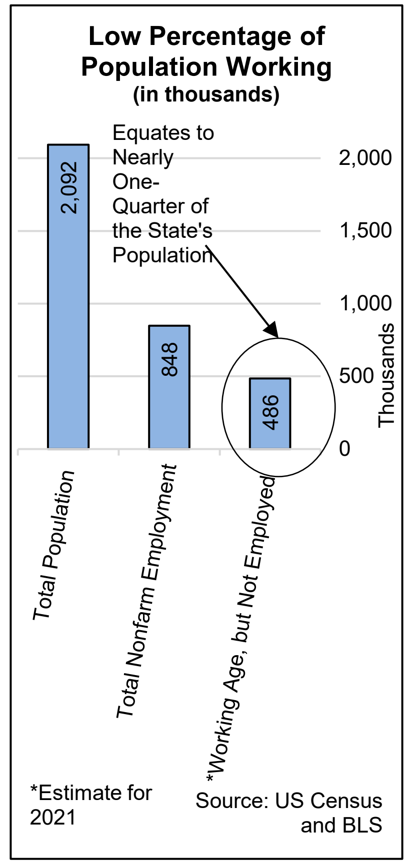
Budget: $30,839.7 **FTE: 368**

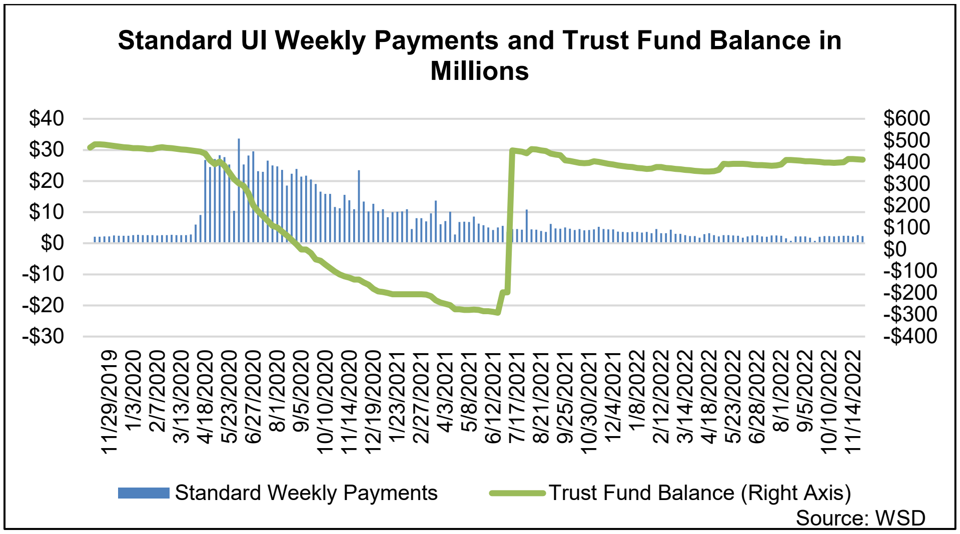
	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office	$13,594	$15,076	$12,750	$15,547	G
Recently separated veterans entering employment	47%	48%	60%	51%	R
Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office	47%	46%	60%	51%	R
Individuals receiving employment services in a Connections Office	107,366	60,116	100,000	50,041	R
Unemployed individuals employed after receiving employment services in a Connections Office	57%	51%	60%	61%	G
Individuals that have received employment services in a Connection Office, retaining employment services after six months	57%	55%	60%	61%	G
Recently separated veterans retaining employment after six months	45%	47%	60%	51%	R
Average six-month earnings of unemployed veterans entering employment after receiving veterans' services in a Connections Office	$14,193	$18,800	$17,000	$18,812	G
Average change in six-month earnings of working individuals after receiving employment services in a Connections Office	$393	$2,032	$800	$4,616	G
Audited apprenticeship programs deemed compliant	67%	50%	75%	66%	R
Total number of individuals accessing the agency's online Job Seeker portal	293,837	106,659	125,000	63,024	R
Apprentices registered and in training	1,837	1,883	1,800	2,273	R
Program Rating	Y	G			Y

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

Unemployment Insurance

The Workforce Solutions Department 2022 annual *State of the Workforce* report found “the number of New Mexicans aged 65 years old and older grew more quickly than the rest of the U.S. and that the number of persons in the prime working age group of 25 to 54 declined by 2,864 people, or 0.4 percent in New Mexico. In the U.S., the number of persons in this age group increased by 0.5 percent.” Additionally, the report notes “from 2016 to 2020, New Mexico lost about 25 thousand, nonfarm jobs, a decline of 5.4 percent. Although this was largely due to efforts to control the COVID-19 pandemic, the country showed an increase during this same period—the U.S. total nonfarm employment increased 3.0 percent.”

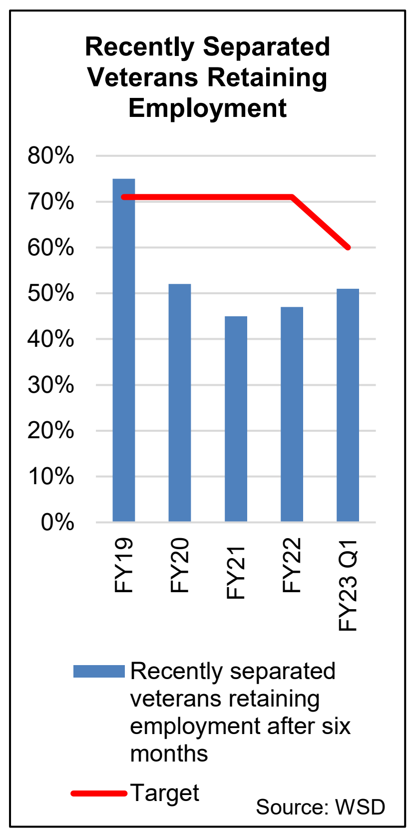




Budget: $16,177.2 **FTE:** 164

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Eligible unemployment claims issued a determination within 21 days from the date of claim	55%	35%	80%	36%	R
Percent of all first payments made within 14 days after the waiting week	60%	52%	87%	61%	R
Accuracy rate of claimant separation determinations	53%	65%	75%	51%	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	18:69	7:19	18:00	16:31	G
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes	16:55	9:30	15:00	14:54	G
Program Rating	R	Y			Y

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



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 department posted guidance with frequently asked questions on its website to support businesses implementing the law.

Budget: $4,077.1 **FTE: 45.5**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Investigated wage claims issued an administrative determination within 90 days	14%	50%	35%	20%	R
Total public works projects inspected	0%	77%	45%	100%	G
Discrimination claims investigated and issued a determination within two-hundred days	27%	28%	60%	53%	R
Program Rating	R	Y			G

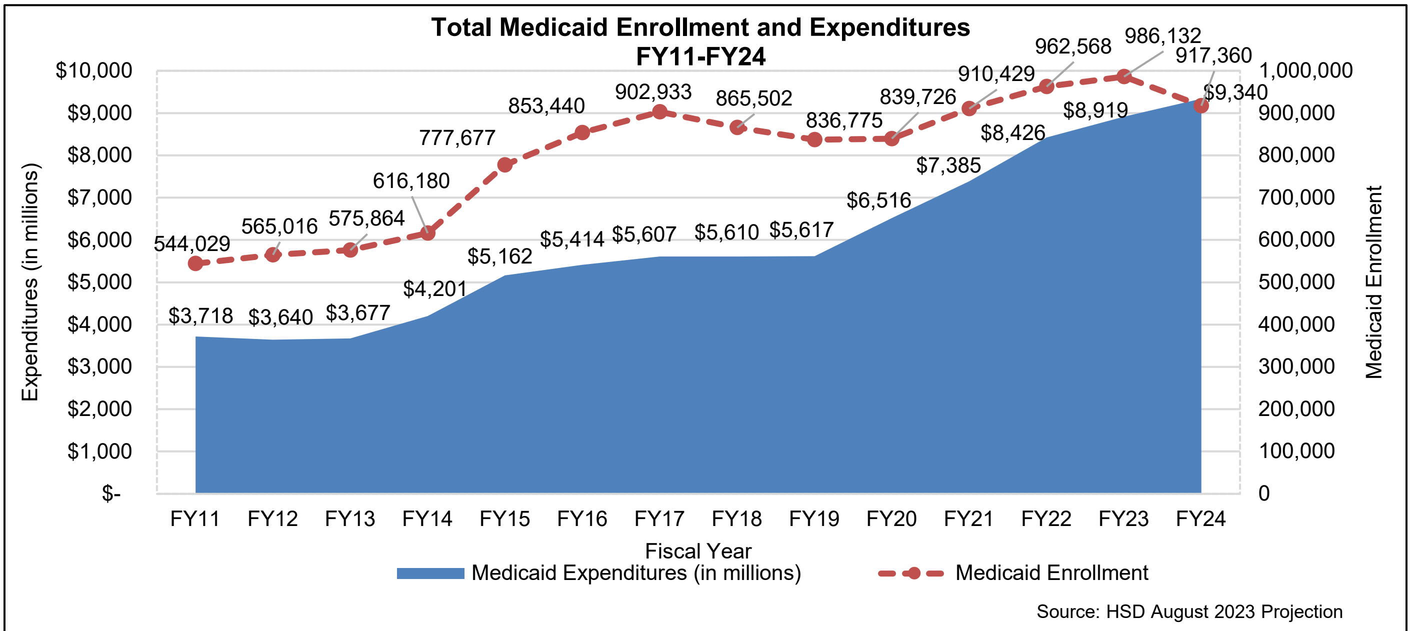
*Measure is classified as explanatory and does not have a target.

Human Services Department

ACTION PLAN

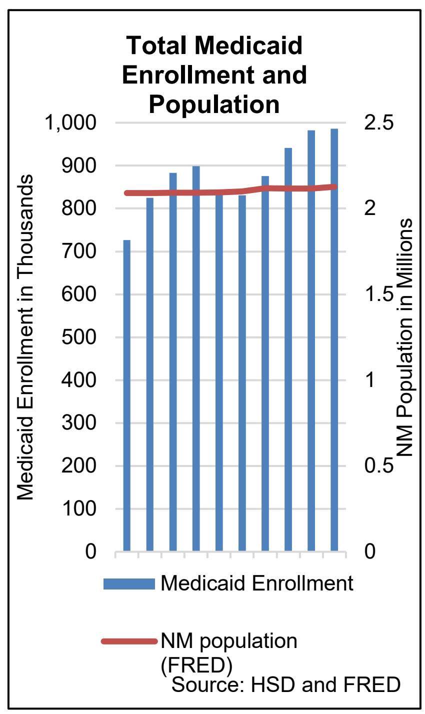
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

Close to half of the state's population is enrolled in the Human Services Department's Medicaid Program, making it the largest per capita Medicaid Program in the country. The program represents about 14 percent of the state's general fund spending, but the program continues not to meet performance targets. Notably, maternal and child health performance is below targeted levels but did improve over FY22.



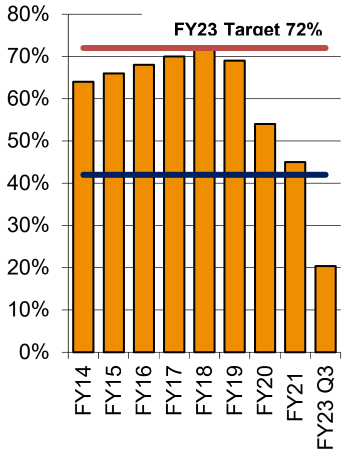
The Income Support Division's (ISD) Temporary Assistance for Needy Families (TANF) Program reported only 7 percent out of a targeted 37 percent of recipients earned sufficient income to impact their eligibility to receive cash assistance. Supplemental Nutrition Assistance Program (SNAP) enrollments and recertifications are also behind federal targets.

Pandemic-Related Enrollment and Funds. The public health emergency (PHE), federal policy, and workforce participation impact the Medicaid program's enrollment, utilization, costs, and outcomes. In 2020, the federal Families First Coronavirus Response Act included a 6.2 percent increase in the federal Medicaid matching rate. States were required to continue Medicaid eligibility for enrolled individuals through May 11, 2023 when the PHE ended. During the PHE, Medicaid enrolled over 170 thousand new members, for a total approaching 991 thousand members.



The Human Services Department reported 75 thousand disenrollments from Medicaid over the first three months of unwinding efforts. The most recent Medicaid projection for FY23 indicates a nearly $40 million reduction in expenditures from the previous projection for centennial care physical health partially because of the disenrollments. The disenrollments may lead to further

Children in Medicaid Receiving Annual Dental Visit



Source: HSD Quarterly Report

downward adjustments in projected expenditures in future projections. Additionally, the department is projecting a total of 95 thousand disenrollments, but this may be a conservative estimate since the first half of unwinding resulted in 69 thousand disenrollments.

Medical Assistance Division

The Medicaid Program did not meet any of its performance during FY23. However, there was notable improvement over FY22 including well child visits, prenatal visits, and child and youth dental visits. For well child visits, HSD reports the reported rate is based on the Healthcare Effectiveness Data and Information Set (HEDIS), which are reported on a calendar year and do not align with the state fiscal year. 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. Participation in Centennial Home Visiting (CHV) remains low despite federal and Medicaid funding for the program. CHV provides in-home services to children and primary caregivers, seeks to improve maternal and child health and child development and school readiness, encourages positive parenting, and connects families to support in their communities. MAD will leverage the Centennial Rewards program to incentivize CHV participation, well child visits, and immunizations.

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 as well as federal requirements.

Budget: $7,269,255.3 **FTE: 219.5**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months*	51%	45%	N/A	63%	
Children and adolescents ages 3 to 21 enrolled in Medicaid managed care who had one or more well-care visits during the measurement year*	39%	17%	67%	44%	R
Children ages 2 to 20 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	56%	38%	72%	57%	R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	7%	7%	<5%	7%	R
Hospital readmissions for adults 18 and over within 30 days of discharge	9%	11%	<8%	9%	Y
Emergency department use categorized as nonemergent care	50%	53%	45%	57%	R
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization*	70%	60%	83%	80%	Y
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was <9 percent during the measurement year*	53%	77%	86%	52%	R
Program Rating	Y	R			R

*Measures are 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 reported under FY22 actuals includes the last quarters of FY22. The data for HEDIS measures is preliminary and will be finalized in June 2023.

Income Support Division

The Income Support Division's (ISD) fell short of all performance targets. Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads continued to decline from the previous year. The performance measure "TANF recipient's ineligible for cash assistance due to work-related income" reflects adults whose new employment income exceeded TANF guidelines. Despite unemployment substantially declining in New Mexico, just 7 percent of TANF recipients were ineligible for cash assistance due to work-related income.

The Workforce Solutions Department (WSD) is partnering with ISD to collaborate on 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 can assist TANF participants. HSD reports it is not meeting timeliness requirements for SNAP enrollments. Enrolling 95 percent of expedited cases within a seven-day timeframe is required by the federal government, unless there is a waiver. ISD reports it has a special dedicated team to work on enrolling expedited cases and is working with WSD and Department of Health to identify staff to work overtime to assist with outstanding recertifications as well as contracting with temporary staff.

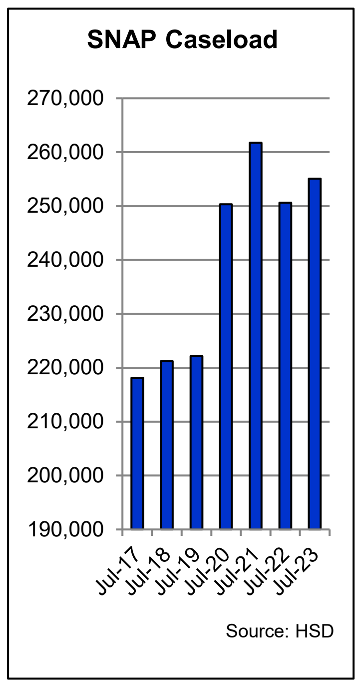
HSD's partnership with the Workforce Solutions Department (WSD) does not yet appear to be positively affecting work program performance outcomes for TANF participants. WSD is slated to assist TANF participants with gaining skills, experience, and resources to improve the family's financial stability, find employment, and earn living wages.

WSD previously reported staffing issues. However, at the end of FY22, WSD's TANF program reported a vacancy rate of only 8 percent. With TANF caseloads declining, low statewide unemployment, and more WSD staff, TANF outcomes could rebound to pre-pandemic levels.

Budget: $1,086,913.5 **FTE: 1,134**

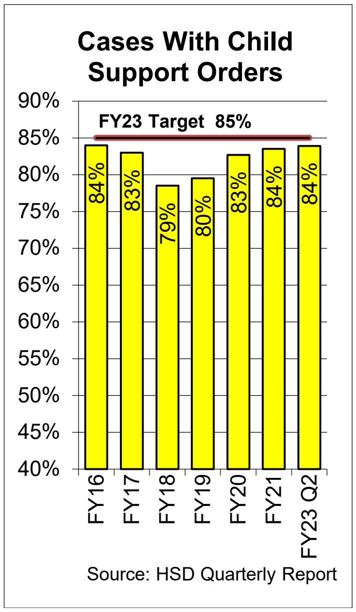
	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	99%	96%	98%	38%	R
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	99%	92%	98%	64%	R
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	8%	2%	37%	7%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	8%	3%	52%	12%	R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	9%	3%	37%	10%	R
Program Rating	Y	R			R

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



Child Support Enforcement Division

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



CSED reported child support collections totaled $121 million, resulting in collections falling short of the FY23 target of $145 million. Beginning in January 2023, the distribution of child support payments moved to a Families First model, with more payments going directly to families and children rather than for TANF recoveries. This change was slated to improve the performance of child support owed that is collected.

Budget: $35,995.4 **FTE: 370**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Noncustodial parents paying support per total cases with support orders	56%	52%	58%	50%	R
Total child support enforcement collections, in millions	$147.4	$130.3	$145	$121	R
Child support owed that is collected	61%	58%	60%	58%	Y
Cases with support orders	84%	83%	85%	84%	Y
Total dollars collected per dollars expended	$2.90	$2.69	$4.00	Annual	
Average child support collected per child	NEW	$127.9	N/A	$124.5	
Program Rating	R	R			Y

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

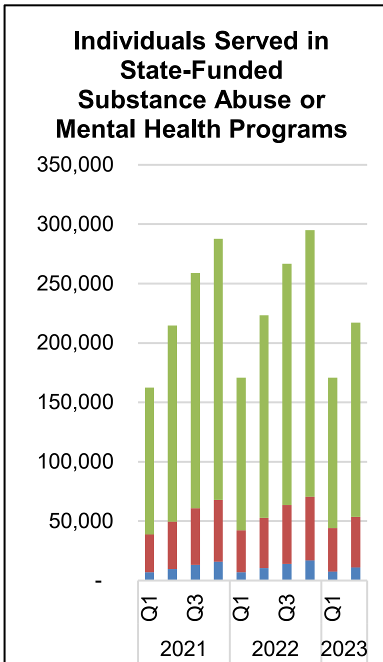
Behavioral Health Collaborative

ACTION PLAN

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

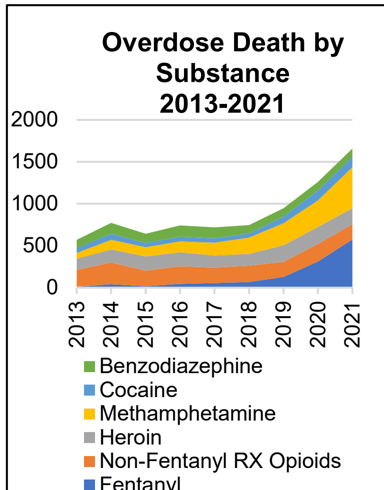
In the fourth quarter of FY23, 217,126 people received behavioral health services in Medicaid managed care, fee-for-service, and non-Medicaid programs, which remained relatively flat when compared to the same quarter in 2021 and 2022. An august 2023 LFC progress report on *Addressing Substance Use Disorders* stated that efforts to expand treatment have not kept pace with the increased magnitude of substance use needs. Overdose deaths nearly tripled between 2013 and 2021, with most of the increase occurring in the last few years. The state is investing roughly $800 million annually in the Medicaid behavioral health program, which is the largest payer of substance use treatment in the state and provides behavioral health insurance coverage to nearly half of all New Mexicans. Despite these investments, New Mexico has not yet been able to reverse trends in substance-related deaths.

When the Behavioral Health Collaborative (BHC) was established in 2004 the vision was to create a single statewide behavioral health delivery system. However, the collaborative's administrative services organization (ASO) only tracks general fund spending and performance data does not include Medicaid behavioral health, the largest purchaser of these services. The collaborative should enhance its role coordinating overarching behavioral health services across state agencies, including Medicaid. Performance data across agencies would provide a comprehensive overview of the systemic outcomes.



Existing Problem

New Mexico had some of the poorest substance use and behavioral health outcomes in the country even before the Covid-19 pandemic compounded the issue. In New Mexico, 19 percent of adults experience mental illness, and as of 2020, New Mexico had the second highest suicide rate in the nation, a rate of 24.8 per 100 thousand people. 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.



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

Source: 2013-2021 NM DOH Bureau of VItal Records and Health Statistics

Since 2019, New Mexico has experienced increasing drug overdose deaths, leading to an all-time high in 2021, when more than 1,000 New Mexicans died from drug overdoses. Additionally, from 2019 to 2021, the rate of increase in New Mexico outpaced the national rate of drug overdose growth. Between 2019 and 2021, New Mexico's drug overdose death rate grew from 30.2 deaths per 100 thousand people to 50.6 deaths per 100 thousand people (68 percent), while the national rate grew from 21.6 deaths per 100 thousand people to 32.4 deaths per 100 thousand people (50 percent). In 2021, DOH reported 1,029 drug overdose deaths in New Mexico, or about three people each day.

Behavioral Health System of Care

In 2023, BHSD reported there were 6,948 prescribing and 4,536 non-prescribing Medicaid behavioral health providers in New Mexico. Behavioral health organizations grew from 368 in 2020 to 388 in 2021. The total number of behavioral health encounters provided by a behavioral health professional or nonbehavioral professional increased from about 2.5 million in 2020 to nearly 3 million encounters in 2021. Approximately 75 percent of all people served were Medicaid managed care members, 20 percent were Medicaid fee-for-service members, and five percent were not Medicaid recipients. The top five behavioral health provider types were physicians including psychiatrists, nurse/certified nurse practitioners (CNPs), which includes psychiatric certified CNPs, federally qualified health centers, licensed clinical social workers, and licensed professional clinical counselors.

Provision of Behavioral Health Services. During the pandemic, New Mexico Medicaid managed care organizations (MCOs) and non-Medicaid programs allowed behavioral health providers to bill for telephone visits using the same rates as in-person visits. Since the end of the pandemic, behavioral health telehealth use decreased by nearly 20 percent in the fourth quarter of FY23 and telephone behavioral health dropped from 62.5 thousand in FY22 to 48.7 thousand people receiving services in FY23.

Alcohol Abuse, Opioids, and Overdoses

The Department of Health's *New Mexico Substance Use Epidemiology Profile, 2021* indicates New Mexico had the highest alcohol-related death rate in the United States since 1997. New Mexicans die of alcohol-related causes at nearly three times the national average, higher than any other state. Alcohol is involved in more deaths than fentanyl, heroin, and methamphetamine combined. Negative consequences of using excessive alcohol also affect domestic violence, crime, poverty, unemployment, and exacerbates mental illness, all of which are social determinants of health.

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.

Budget: $924,292.1 **FTE: 51**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	43%	43%	35%	43%	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	54%	51%	51%	53%	G
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	54%	32%	51%	35%	R
Increase in the number of persons served through telehealth in rural and frontier counties*	75%	-9%	N/A	-20%	
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	11%	10%	5%	10%	R
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	200,932	212,486	200,000	217,126	G
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	13% 7day; 20% 30 day	12% 7 day; 20% 30 day	25%	21% 7 day; 34% 30 day	Y
Persons receiving telephone behavioral health services in Medicaid and non-Medicaid programs	75,140	62,439	60,000	48,718	R
Program Rating	Y	R			G

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

PERFORMANCE REPORT CARD: Fourth Quarter, FY23

Department of Health

The Department of Health (DOH) reported some improvements in performance across the agency during at the close of FY23. However, state health indicators, especially those related to substance use disorder are rising contribution to overall declines in the health of at-risk populations in the state. Additionally, the department reported it overspent its budget for state facilities and will submit a deficiency over $5 million.

Public Health

The mission of public health is to reduce the leading causes of preventable death and disability, especially for underserved populations and those with health disparities. The Public Health Program reported mixed performance at the close of FY23. Programs dedicated to smoking cessation activities continued to report low performance. Tobacco use can lead to tobacco or nicotine dependence and serious health problems. Public health programs nationally have been focused on reducing nicotine activities to prevent the risk of developing smoking-related diseases. The U.S. Centers for Disease Control (CDC) reports cigarette smoking as the leading cause of preventable disease and death in the United States. In 2020, an estimated 12.5 percent (30.8 million) of U.S. adults currently smoked cigarettes.

Budget: $213,192.6 **FTE:** 789

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of female New Mexico department of health's Public Health Office family planning clients, ages 15 to 19, who were provided most or moderately effective contraceptives	88.8%	86%	62.5%	88%	G
Percent of school-based health centers funded by the department of health that demonstrate improvement in their primary care of behavioral healthcare focus area	73%	91%	≥95%	96%	G
Percent of New Mexico adult cigarette smokers who access New Mexico Department of Health cessation services	1.9%	1.9%	≥2.6%	1.36%	R
Number of teens who successfully complete a youth development program to prevent unintended teen pregnancy	385	424	≥232	384	G
Number of successful overdose reversals in the harm reduction program	2,572	3,420	2,750	3,025	G
Percent of preschoolers ages 19 to 35 months indicated as being fully immunized	65%	66%	≥65%	69%	G
Number of community members trained in evidence-based suicide prevention practices	NA	NA	225	775	G
Program Rating	R	R			Y

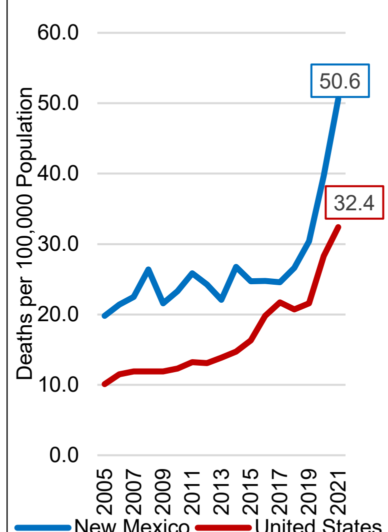
ACTION PLAN

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

A recent LFC progress report found New Mexico consistently has the highest alcohol-related death rate in the country and ranked sixth nationally for drug overdose deaths in 2021. Substance use disorders (SUD) remain a problem in New Mexico, as alcohol- and drug-related deaths increased rapidly during the pandemic.

Between 2019 and 2021, the state's alcohol-related death rate increased by 31 percent, and 2,274 New Mexicans died of alcohol-related deaths in 2021. Similarly, the state's overdose death rate increased by 68 percent, and 1,029 New Mexicans died of a drug overdose in 2021.

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



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

Epidemiology and Response

In 2021, DOH reported 520 New Mexico residents died by suicide in 2020, an increase of five suicides as compared with 2019. New Mexico had the fourth highest age-adjusted rate for suicides in the nation in 2019. New Mexico had a crude suicide rate of 24.6 deaths per 100 thousand residents in 2020, 23 percent higher than the crude rate in 2010 (19.9 deaths per 100 thousand residents).

In September 2022, DOH reported provisional data show a small decline in the 2021 rate of suicide among youth ages 5 to 18 years compared with the year before. Final figures from 2021 are expected in mid-to-late fall of this year.

The Epidemiology and Response Program monitors and provides health information, prevents disease and injury, promotes health and healthy behaviors, responds to public health events, prepares for health emergencies, and provides emergency medical and trauma services and vital records to New Mexicans. Program performance metrics in the program are centered on improving health statuses, substance use deaths, and suicide prevention. However, the program was unable to report on the performance of many measures at the close of FY23. Without timely reporting policy makers are unable to make thoughtful funding and legislative decisions.

Budget: $127,901.5 **FTE:** 298

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of New Mexico hospitals certified for stroke care	19.5%	20%	24%	18%	R
Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis	NA	NA	3,408	294	G
Cities and counties with access to functional needs plans that help prepare vulnerable populations for a public health emergency	60%	35%	33%	33%	G
Number of people admitted to the emergency department of participating hospitals with a suicide attempt diagnosis	NA	NA	3,408	294	G
Percent of death certificates completed by Bureau of Vital Records & Health Statistics within ten days of death	50%	50%	64%	Not Reported	R
Percent of hospitals with emergency department based self-harm secondary prevention programs	2.5%	5%	7%	Not Reported	R
Percent of opiod patients also prescribed benzodiazepines	10.5%	9.9%	5%	Not Reported	R
Rate of persons receiving alcohol screening and brief intervention services	52.2	69.1	72.6	Not Reported	R
Program Rating	R	R			G

Scientific Laboratory

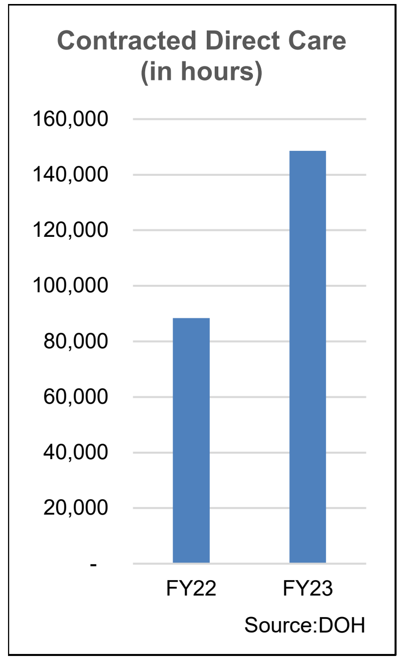
The Scientific Laboratory Division (SLD), which provides a wide variety of laboratory services and programs that support the citizen and other agencies in New Mexico, had mixed result for FY23. At the end of the fiscal year, 99 percent of cases were analyzed in 30 days and 86 percent of cases were analyzed in 15 days.

Budget: $15,956.0 **FTE:** 191

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within 15 calendar days	NA	NA	95%	86%	Y
Percent of public health threat samples for communicable diseases and other threatening	98%	98%	90%	97%	G

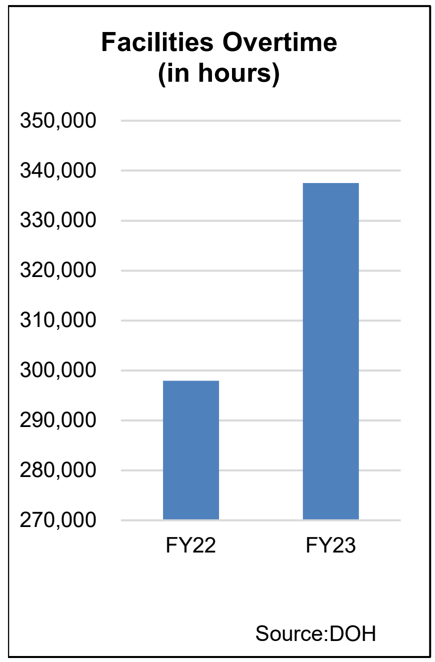
Budget: $15,956.0 **FTE:** 191

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
illnesses that are completed and reported to the submitting agency					
Program Rating	G	G			G



Facilities Management

The global pandemic continued to affect the intake and capacity of the Facilities Management Program (FMD), which provides services for behavioral healthcare for adults and adolescents, addictions treatment services, long-term care, and transitional living services. 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 facility level to determine how to safely open more beds and with recommendations, such as developing recruitment and retention campaigns and case mix, that can be implemented to ensure admitted patients will not necessitate an immediate increase in staffing. At the close of FY23, the facilities statewide census was 47 percent of total beds. Despite low census the department is reporting increased overtime and contracted direct services raising costs. Lower than expected revenues and high personnel and contract costs have resulted in a significant deficiency.



Budget: $183,833.3 **FTE:** 1,930

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of medication errors causing harm per one thousand patient days within identified categories	0.6	0.2	2.0	0	G
Percent of medical detox occupancy at Turquoise Lodge Hospital	70%	69%	75%	76%	G
Percent of medication assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital	NA	73%	65%	100%	G
Percent of patients educated on medication assisted treatment options while receiving medical detox services	NA	89%	90%	83%	R
Percent of patients eligible for naloxone kits who received the kits	NA	NA	50%	52%	G
Percent of licensed beds occupied	58%	52%	75%	47%	R
Percent of eligible third-party revenue collected at all agency facilities	92%	93%	93%	89%	R
Program Rating	R	R			Y

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 waiting list is decreasing, and as the program continues, it plans to eliminate the list. 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. At the close of FY23 6,766 individuals were receiving waiver services.

Budget: $193,412.8 **FTE:** 204

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of adults between ages 22 and 64 served on a developmental disabilities waiver (traditional or Mi Via) who receive employment supports	18.4%	9.8%	27%		G
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)	83%	85%	86%	90%	G
Percent of Developmental Disabilities Waiver applicants who have a services plan and budget in place within ninety days of income and clinical eligibility determination	97%	96%	95%	87%	R
Percent of adults between ages 22 and 64 served on a Developmental Disabilities Daiver (traditional or Mi Via) who receive employment supports	18.4%	9.8%	27%	9.5%	R
Program Rating	G	R			Y

Health Certification Licensing and Oversight

The Health Certification, Licensing, and Oversight Program met a majority of performance measures targets in FY23. The program reported a low rate of re-abuse for individuals on the Developmental Disabilities and Mi Via waivers, a key indicator for safety. However, abuse rates are on the rise.

Budget: $17,510.0 **FTE:** 174

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
CMS: Percent of nursing home survey citations upheld when reviewed by the Centers for Medicare and Medicaid Services and through informal dispute resolution process	77%	88%	90%	97%	G
IDR: Percent of nursing home survey citations upheld when reviewed by the Centers for Medicare and Medicaid Services and through informal dispute resolution process	90%	57%	90%	51%	R
Percent of abuse, neglect, and exploitation investigations completed according to established timelines	96%	95%	86%	95%	G
Percent of acute and continuing care facility survey statement of deficiencies (CMS Services form 2567/state form) distributed to the facility within 10 days of survey exit	82%	86%	85%	85%	G
Abuse rate for developmental disabilities waiver and mi via waiver clients	5.6%	7.9%	NA	9.8%	
Re-abuse rate for developmental disabilities waiver and mi via waiver clients	6%	6%	NA	0%	
Program Rating	Y	Y			Y

PERFORMANCE REPORT CARD: Fourth Quarter, FY23

Aging and Long-Term Services

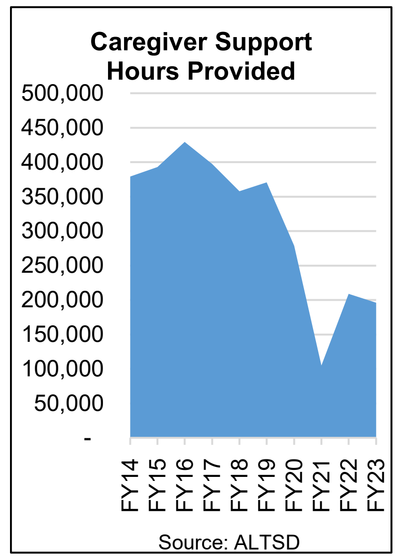
ACTION PLAN

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

The Aging and Long-Term Services Department (ALTSD) reported some decline in performance at the close of FY23. 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 the fourth quarter of FY23, the Aging and Disability Resource Center (ADRC) received 6,702 calls, an average of 107 per day, on trend with the close of FY22 but lower than pre-pandemic levels. The department reported consistent turnover contributed to the high vacancies and low 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. The top topics for which people contact ADRC include assistance with Medicaid, Medicare, senior centers, and Covid-19. The program reported ombudsmen in-person visits to nursing homes and assisted-living facilities is increasing as pandemic restrictions change.

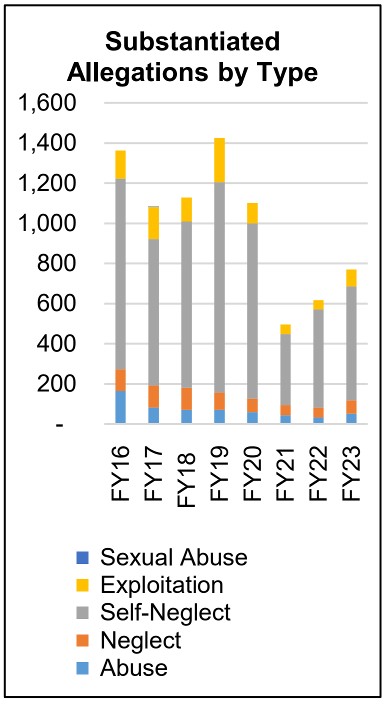


Budget: $5,185.7   **FTE:** 48

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator	44%	52%	90%	81%	R
Percent of residents who remained in the community six months following a nursing home care transition	84%	86%	90%	98%	G
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	99%	81%	92%	84%	R
Percent of facilities visited monthly	18%	32%	40%	52%	G
Percent of ombudsman complaints resolved within 60 days	93%	99%	97%	100%	G
Program Rating	R	R			Y

Adult Protective Services

The Adult Protective Services Program (APS) began reporting on repeat maltreatment substantiations within six months of a previous substantiation of abuse or neglect in FY21. This performance measure assists the state in assessing the effectiveness of the program in preventing maltreatment. At the close of FY23, the program continued to report no instances of repeat maltreatment. The program met the performance target for priority investigations, making face-to-face contact quickly and increased the outreach events. Previously, the department was providing outreach through virtual platforms, but it is now returning to a regionally based outreach approach.

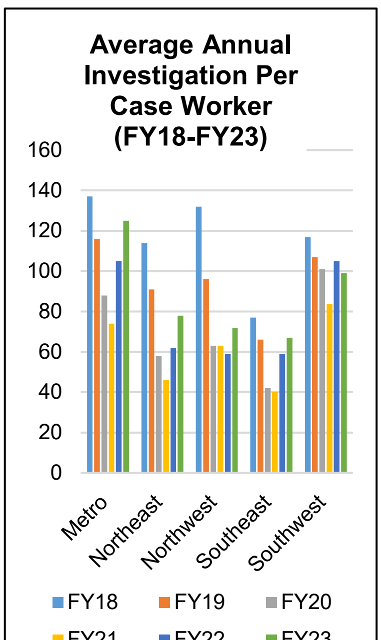


Budget: $14,408.8 **FTE:** 128

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	4,355	5,550	6,150	6,863	G
Percent of emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	99%	99%	G
Percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	4%	0%	5%	0%	G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	132	180	141	409	G
Percent of contractor referrals in which services were implemented within two weeks of the initial referral	64%	60%	99%	72%	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	89	238	600	147	G
Percent of priority two investigations in which a caseworker makes initial face to face contact with the alleged victim within prescribed time frames	99%	98%	99%	99%	
Program Rating	R	R			Y

Aging Network

The Aging Network is not on track to meet targeted performance for the hours of caregiver support for FY23 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 department reported the number of hours of caregiver support were 16,280 hours of respite care, 21,869 of adult daycare, 13,558 hours of homemakers, and 3,093 hours of other support services.



Source: ALTSD

Budget: $45,535.0 **FTE:** 18

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of older New Mexicans receiving congregate, and home delivered meals through Aging Network programs that are assessed with "high" nutritional risk	16%	15%	15%	17%	G
Number of hours of services provided by senior volunteers, statewide	607,258	733,910	1,700,000	472,250	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	1,135	802	250	764	G
Number of meals served in congregate, and home delivered meal settings	5,141,387	4,443,066	4,410,000	4,105,279	Y
Number of transportation units provided	68,180	136,426	637,000	223,938	R
Number of hours of caregiver support provided	104,730	167,701	444,000	196,246	R
Program Rating	R	R			R

Corrections Department

ACTION PLAN

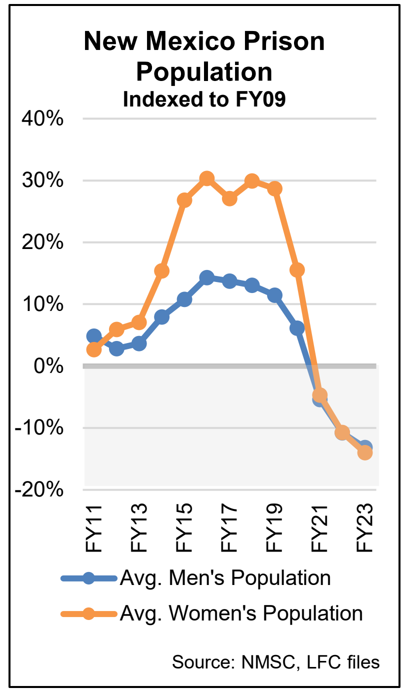
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Prison populations continued to decline for the fourth consecutive year, and while the data suggest that these trends may be stabilizing, reductions in population have not led to a decrease in spending. This fiscal year, the Corrections Department (NMCD) sustained improvements in recidivism and made significant gains in metrics related to inmate education, but vacancy rates among correctional officers and probation and parole officers remain high.

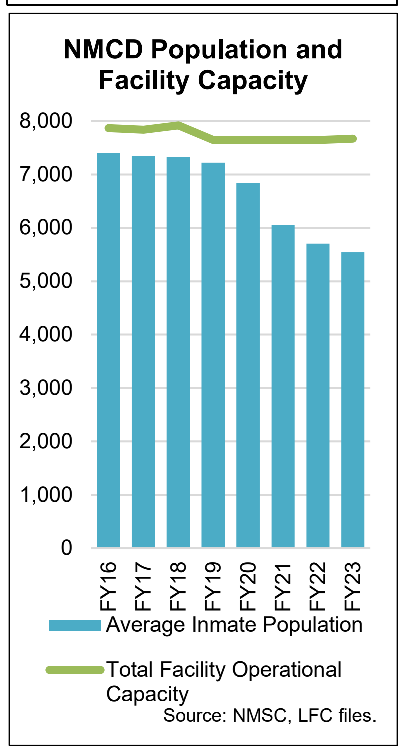
Inmate Management and Control

NMCD created a new Reentry Program starting in FY23, which consolidates the budgets of the Recidivism Reduction and Education bureaus, previously part of the Inmate Management and Control (IMAC) Program, as well as transitional services and community corrections contracts, previously part of the Community Offender Management (COM) Program. As a result, measures related to recidivism, education, and other programming previously reported under IMAC were transitioned to Reentry.

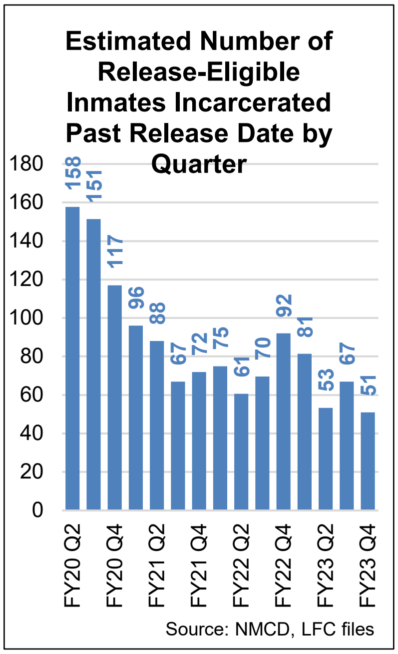
Facility Capacity. Many state owned facilities continue to operate near half capacity. At the close of FY23 the total population in state facilities was 64 percent of total capacity. Notably, the Penitentiary of New Mexico in Santa Fe had completely closed its north complex and was operating at 54 percent capacity as a result. Even with many of these inmates shifting to the Southern New Mexico Correctional Facility (SNMCF) which led state run facilities at 88 percent capacity. The Central New Mexico Correctional Facility in Los Lunas and the Northeast New Mexico Correctional Facility in Clayton were operating at 46 percent and 48 percent respectively. With capacity continuing to exceed populations inside state prisons, it is clear that one or more of these prisons could be closed, and there would still be an excess of space in remaining facilities.



Staffing. The ratio of corrections officers to inmates systemwide remains balanced, with approximately 33 percent of corrections officer positions vacant and facilities operating overall at 66 percent capacity. Although the department has been able to leverage the reduced inmate population to allow the safe operation of facilities despite high vacancies, vacancies at some facilities are particularly concerning. The average vacancy rate among corrections officers at Western New Mexico Correctional Facility (WNMCF) in Grants during FY23 was 33 percent and for the fourth quarter it was 29 percent. The average population at WNMCF during FY23 was 83 percent capacity, and in the fourth quarter it was 86 percent. The agency has limited ability to shift the population at WNMCF to realign with vacancies because it is the only facility that can house high and medium security female inmates.



In-House Parole. Continued issues with NMCD's reporting on release-eligible inmates imprisoned past their release dates (those serving "in-house parole") is detailed under Data Quality Concerns on page 4, but, in FY24, the agency will replace the current metric with the average number of inmates serving in-house parole, which should resolve the issue.



Medication-Assisted Treatment

Laws 2023, Chapter 49, (Senate Bill 425) requires NMCD to provide medication-assisted treatment (MAT) to all inmates with MAT prescriptions by the end of calendar year 2025 and to all inmates by the end of FY26. NMCD has previously only provided MAT to pregnant women already undergoing such treatment, a very small fraction of the population who could benefit from the program, although the department recently received a grant from the Human Services Department to develop a pilot to treat other populations.

The 2023 General Appropriation Act contains $1 million in opioid settlement funds for NMCD to implement MAT in prisons.

LFC program evaluations have recommended expanding MAT in New Mexico, both inside and outside prisons. MAT is the standard of care for opioid disorders, and its use with psychosocial counseling has been shown to be safer and more effective than counseling alone. Ensuring the standard of care is delivered to inmates will require a system including screenings, access to MAT while in custody, and reentry services that effectively support ongoing recovery as offenders reintegrate into society.

Budget: $286,715.2 **FTE:** 1,857

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Staffing					
Vacancy rate of correctional officers in public facilities.	27%	29.2%	20%	32.3%	R
Vacancy rate of correctional officers in private facilities	25%	31.6%	20%	33.8%	R
In-House Parole					
Percent of release-eligible male inmates still incarcerated past their scheduled release date	1%	1.3%	3%	1.2%	G
Percent of release-eligible female inmates still incarcerated past their scheduled release date	1%	1.2%	3%	0.8%	G
Prison Violence					
Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	6	4	10	7	G
Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment	3	4	3	4	Y
Health					
Percent of random monthly drug tests administered to at least ten percent of the inmate population that test positive for drug use*	2%	3.2%	N/A	1.4%	
Percent of standard healthcare requirements met by medical contract vendor	90%	95%	98%	99%	G
Program Rating	Y	R			Y

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

Reentry

Recidivism. Every year, NMCD releases around 3,000 offenders into communities statewide. Reducing the rate at which these offenders commit new crimes is crucial to improving public safety and serves as the most important metric of NMCD's performance. However, many offenders are reincarcerated for technical parole violations or drug use, increasing costs without effectively improving public safety. Reductions in the number and share of individuals admitted to prison due to parole revocations seen since FY21 support the accuracy of recidivism data because most parole terms last two years, meaning most individuals whose parole is revoked are included in measures of three-year recidivism. With almost three years of comparable data, the department has made significant strides in overall recidivism, and this measure is rated green. However, improved historical data is still necessary to fully evaluate the agency's long-term performance in this key area.

Similarly, while recent data regarding recidivism due to technical parole violations is not comparable to data reported prior to FY21 (see "Data Quality Concerns" on page 4), the considerable improvements reported in FY23, which averages 19 percent year to date, in comparison to 30 percent in FY21 and 24 percent in FY22 earn the measure a green rating. Recidivism for technical violations remained steady between the third and fourth quarters of FY23, at 17 percent. Additionally, recidivism due to new offenses fell about 1 percent this quarter compared with the previous quarter.

Education and Programming. In FY23, NMCD's Reentry Program massively increased the number of inmates who earned a high-school equivalency (HSE) certificate. HSE attainment is one of the most well-established and impactful interventions for reducing recidivism, making this a key metric of NMCD's performance. The agency credits this improvement to extending teachers' hours, increasing the use of tablets, use of pre-HSE ready exams, and expanding HSE certificate offerings from just the high school equivalency test (HiSET) to include the GED.

Budget: $23,544.9 **FTE:** 130

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Recidivism					
Prisoners reincarcerated within 36 months	44%	37%	40%	36%	G
Prisoners reincarcerated within 36 months due to new charges or pending charges	14%	13.6%	17%	16.9%	G
Prisoners reincarcerated within 36 months due to technical parole violations	30%	24%	20%	19%	G
Sex offenders reincarcerated on a new sex offense conviction within 26 months of release on the previous sex offense conviction	6%	1%	5%	4%	G
Education					
Eligible inmates enrolled in educational, cognitive, vocational and college programs	41%	45%	60%	51.2%	Y
Percent of eligible inmates who earn a high school equivalency credential	9.7%	7.7%	80%	15.4%	R
Number of inmates who earn a high school equivalency credential	118	82	165	184	G
Other Programming					
Residential drug abuse program graduates reincarcerated within 36 months of release*	22%	22%	N/A	19%	G
Graduates from the women's recovery center who are reincarcerated within 36 months	27%	18%	20%	11%	G
Program Rating	R	Y			G

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

Community Offender Management

Measures related to community corrections programming through the men's and women's recovery academies and recidivism due to technical parole violations moved to the Reentry Program for FY23.

Vacancy rates among probation and parole officers decreased to 19 percent this quarter compared with 20 percent in the third quarter of FY23, while the average standard caseload per officer rose from 80 to 83. NMCD reports 24.9 percent of absconders were apprehended in FY23, which represented a slight increase from the 24.2 percent apprehended in FY22, but still under the target of 30 percent.

Budget: $34,722.0 **FTE:** 378

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Average standard caseload per probation and parole officer	88	86	90	83	G
Percent of contacts made per month made with high-risk offenders in the community	94%	96%	97%	97%	G
Vacancy rate of probation and parole officers	16%	21%	15%	19%	Y
Percent of absconders apprehended	24%	24.2%	30%	24.9%	Y
Program Rating	Y	R			Y

Probation and Parole Reform

Changes to the state's systems of probation and parole passed during the 2023 legislative session were anticipated to significantly reduce the size of the incarcerated population, but opposition voiced by district attorneys led the governor to veto the most impactful change. Senate Bill 84 would have substantially revised the system governing violations of probation or parole conditions, creating a separate process for technical violations requiring the imposition of graduated sanctions prior to allowing an offender to be incarcerated or have their parole revoked. These changes were anticipated to significantly reduce recidivism, resulting in projected savings of over $20 million.

However, changes to medical and geriatric parole in Chapter 89 (Senate Bill 29) and the elimination of sentences of life without parole for youthful offenders were signed into law and are anticipated to result in moderate reductions in prison population and reincarceration.

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	Issue
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 (In-House Parole)	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, FY22, or FY23 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 was an increase or decrease.

Department of Public Safety

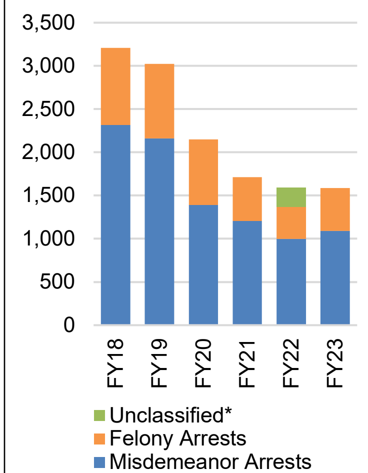
New Mexico's policymakers are often forced to make decisions without the benefit of timely data on crime trends. The Department of Public Safety (DPS) is in the midst of a multi-year transition to the new National Incident-Based Reporting System (NIBRS), which should allow it to provide more timely and comprehensive data. However, many agencies, including the New Mexico State Police (NMSP), are still not reporting to NIBRS, and NMSP is not anticipated to be fully NIBRS compliant until late 2023 at the earliest. Ultimately, agencies' failure to transition to NIBRS promptly hindered understanding of crime in New Mexico, and the FBI's most recent reporting did not estimate the state's 2022 crime rate because so few agencies reported data. Despite significant investments of time and resources, DPS has continued to face resistance from smaller law enforcement agencies, the Legislature will likely need to investigate alternative measures to encourage compliance by smaller law enforcement agencies in the upcoming session.

Albuquerque has historically driven New Mexico's high violent crime rates, making up almost half of the state's violent crimes despite comprising only a quarter of the state's population. The Albuquerque Police Department reports crimes reported fell 2.5 percent in 2022, with violent crime falling 8 percent year-over-year and property crime declining 0.8 percent. Property crime has been declining for several years, dropping 28.6 percent over the past five years, and while violent crime saw a spike in 2021, it has dropped by a net of 3.3 percent since 2018.

ACTION PLAN

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

Average Quarterly NMSP Arrests
FY18 to FY23 YTD



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

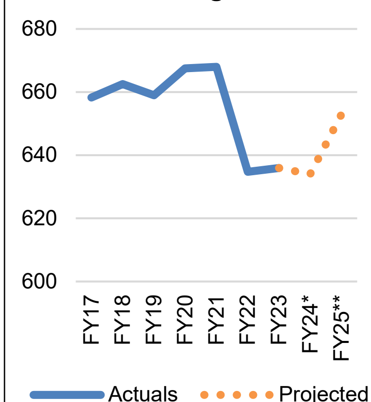
Source: DPS

Law Enforcement Program

Operations. In the first quarter of FY23, the agency was on track to exceed its target for saturation patrols, and DWI arrests were in line with the first quarter of FY22. However, the agency reported only 173 saturation patrols were conducted in the second quarter of FY23, largely due to an operation in Albuquerque diverting some NMSP resources during the first half of the quarter. In total, during FY23 NMSP conducted 2,588 saturation patrols, and DWI arrests exceeded FY22 levels. State police arrests rose in the fourth quarter of FY23, but the agency did not reach its FY22 levels.

Manpower. During the 2023 legislative session, the Legislature passed legislation to create a new program to grow the law enforcement workforce in the state, and the 2023 GAA includes almost $90 million for law enforcement workforce. Between FY21 and FY23, the Legislature invested $1.9 million into improving pay and reducing vacancies among dispatchers and transportation inspectors. Dispatcher vacancies critically impact officer and public safety, increasing the risk of missed radio transmissions and abandoned emergency calls. The 2023 GAA includes $1.2 million to increase dispatcher pay to try to reverse this trend.

State Police Force Strength

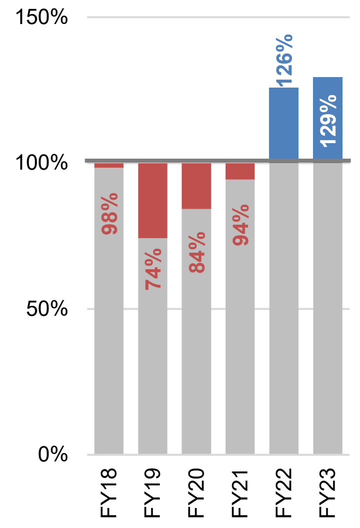


Note: Reflects average force strength based on force strength at the end of each quarter.
*Projected by DPS for FY24 Q1 to Q4.
**Projected by DPS for FY25 Q1 to Q4.

Source: DPS

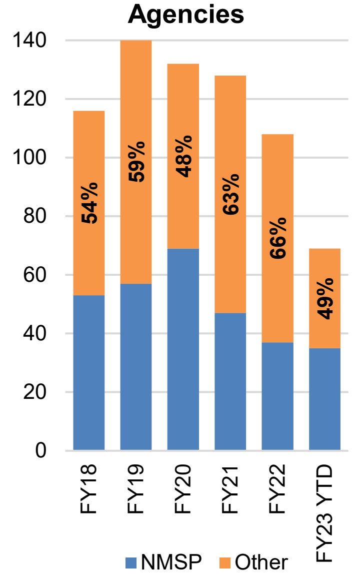
Budget: $143,392.3 **FTE: 1,068.25**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of data-driven traffic-related enforcement projects held	2,575	2,074	2,750	4,142	G



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

Source: DPS



Note: Percentage indicates the share of total crime scenes investigated for other agencies.

Source: DPS

Budget: $143,392.3 **FTE: 1,068.25**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of driving-while-intoxicated saturation patrols conducted	2,290	2,805	2,200	2,588	G
Number of driving-while-intoxicated arrests*	1,272	1,450	N/A	1,641	
Number of New Mexico state police misdemeanor and felony arrests*	6,844	6,375	N/A	6,340	
Number of commercial motor vehicle safety inspections conducted	76,269	102,972	80,000	114,539	G
Number of motor carrier safety trainings completed*	1	24	N/A	41	
Commercial motor vehicle out-of-service rate compared with current national level* (85.3%)	48%	65.3%	N/A	67.9%	
Number of investigations conducted by criminal investigation bureau agents*	724	592	N/A	390	
Percent of total crime scenes processed for other law enforcement agencies*	63.3%	65.7%	N/A	49.3%	
Number of drug-related investigations conducted by narcotics agents*	913	860	N/A	458	
Number of illegally possessed firearms seized as part of criminal investigations*	New	180	N/A	90	
Number of violent repeat offender arrests by the fugitive apprehension unit*	New	219	N/A	230	
Number of proactive special investigations unit operations to reduce driving-while-intoxicated or alcohol-related crimes*	New	488	N/A	1,088	
Percent of total New Mexico state police special operations deployments for other law enforcement agencies	New	27.6%	N/A	35.2%	
Number of crisis intervention cases handled*	New	21	N/A	283	
Number of community engagement projects in counties with populations less than 100,000	62	125	95	198	G
Graduation rate of the New Mexico state police recruit school*	71%	53.6%	N/A	65.9%	
Turnover rate of commissioned state police officers*	6.44	10.87	N/A	7.08	
Vacancy rate of commissioned state police officers*	8.7%	12.1%	N/A	11.9%	
New Mexico state police transportation inspector vacancy rate*	29.6%	10.9%	N/A	6.9%	
New Mexico state police dispatcher vacancy rate*	25.3%	36.7%	N/A	36%	
Number of governor-ordered special deployment operations conducted*	0	2	N/A	4	
Number of man-hours spent on governor-ordered special deployment operations*	-	26,508	N/A	4,746	
Program Rating	Y	R			G

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

Statewide Law Enforcement Support Program

Forensic Laboratory. The forensic laboratory serves approximately 300 law enforcement agencies throughout New Mexico by providing forensic analysis in criminal cases and courtroom expert witness scientific testimony in the thirteen judicial districts of New Mexico and federal court. The forensic lab continues to make progress on reducing backlogged cases, however, the vacancy rate among forensic scientists and technicians has grown by 4.6 percent since the beginning of FY23. This is despite significant investment from the Legislature including over $800 thousand included in the 2023 GAA to increase salaries for forensic scientists and four staff positions. The forensic laboratory processed more cases in FY23 than it was assigned due to the close-out project for the National Integrated Ballistic Information Network, which was transferred to the New Mexico State Police at the end of FY22.

Crime Reporting. DPS is required to collect and report crime data from all law enforcement agencies but has not publicly reported this data as it transitions to NIBRS. Unfortunately, some law enforcement agencies, including NMSP, are still not reporting through NIBRS. The remaining agencies are not reporting at all. NMSP completed its upgrade of its Record Management System in March and has begun collecting data necessary for testing (which began in July), meaning NMSP should begin reporting to NIBRS in the first quarter of FY24. The other four law enforcement agencies in the state are reporting to NIBRS, although the Albuquerque Police Department is more than one month behind in its reports. In FY23, DPS received a $100 thousand recurring budget increase to support other law enforcement agencies' compliance with crime reporting and other statutory requirements.

Budget: $27,298.2 **FTE: 183.0**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of forensic cases completed	94.4%	125.6%	100%	129.4%	G
Number of sexual assault examination kits not completed within 180 days of receipt of the kits by the forensic laboratory	0	0	0	0	G
Forensic scientist and forensic technician vacancy rate*	22.9%	25%	N/A	29.6%	
Number of crimes against persons reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	New	3,045	N/A	18,815	
Number of crimes against property reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	New	15,286	N/A	44,272	
Number of crimes against society reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	New	1,614	N/A	12,350	
Percent of complaint cases reviewed and adjudicated annually by the New Mexico law enforcement academy board*	193.7%	130.3%	N/A	76.3%	
Percent of non-state police cadets who graduated the law enforcement academy through certification by waiver*	100%	98%	N/A	100%	
Percent of non-state police cadets who graduated the basic law enforcement academy*	73%	73.3%	N/A	76%	
Graduation rate of telecommunication students from the law enforcement academy*	100%	97.6%	N/A	100%	
Program Rating	Y	R			G

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD: Fourth Quarter, FY23
Courts and Justice

ACTION PLAN

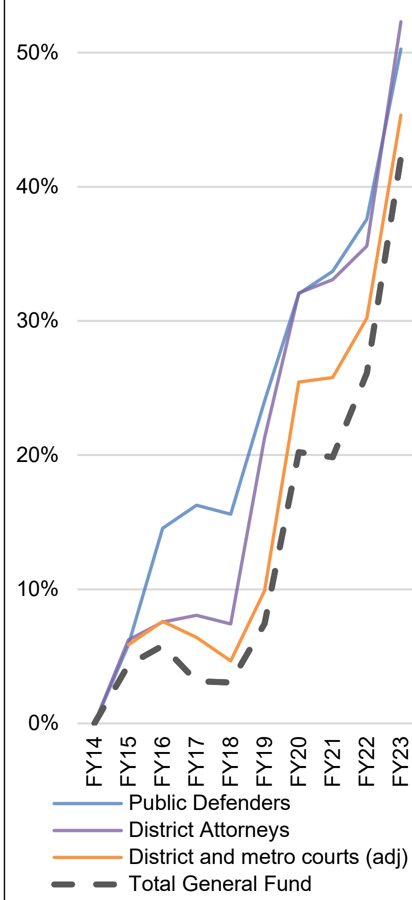
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

For criminal justice partners across the state, the effects of the Covid-19 pandemic slowly abated, and measures have returned to prepandemic averages. However, the challenges that faced these agencies have persisted for some and evolved for others. Caseloads for public defenders and the courts have returned close to previous levels while caseloads for district attorneys have remained below prepandemic margins. Vacancies in nearly all levels of criminal justice remain consistent or continue to increase. These recurring issues inhibit the state's responsibility to enforce the law or provide an adequate defense for indigent people accused of crimes.

Administrative Support. In FY23, the judiciary's "clearance rates," the measure of what percentage judges' clear cases, decreased to 93 percent. However, New Mexico courts improved in providing timely justice, a key aspect of a functional judicial system, with the average time to disposition for criminal cases in district courts decreasing from an average of 467 days in the first quarter to an average of 205 days in the fourth quarter. Additionally, the courts also improved the average age of pending cases from 524 to 375 days. This was a 40 percent decrease. Magistrate and metropolitan courts continued to perform better than district courts for days to disposition in criminal cases.

The average cost per juror rose to the highest it has been in the past four years. Jury trials increased by 32 percent to a total of 760, the highest jury trials have been since FY20. The judiciary should continue to analyze how to manage the cost of trials and juries. Since the pandemic, the average interpreter cost per session remains below the target but did increase by 14 percent.

Judicial and Public Safety Operating Budget Growth vs General Fund
Growth from FY14-FY23

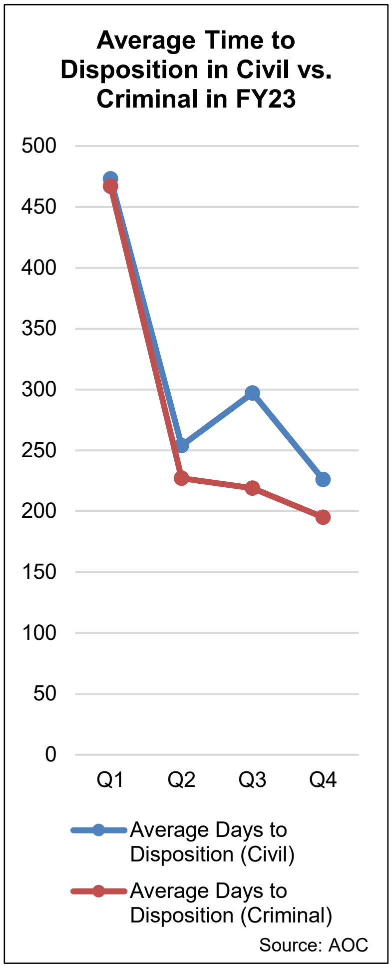


Source: LFC files

Budget: $15,305.2 **FTE:** 49.25

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Average cost per juror	$54.8	$56.4	$55	$58.32	Y
Number of jury trials for metro, district, and statewide courts*	517	574	N/A	760	
Average interpreter cost per session	$63.4	$64.1	$150	$73.37	G
Age of active pending criminal cases for district, magistrate, and metropolitan courts, in days	364	524	365	375	Y
Days to disposition in criminal cases in district and magistrate courts	207	145	365	277	R
Cases disposed as a percent of cases filed	135%	101%	100%	120%	Y
Pretrial Services Measures					
Percent of supervised defendants who make all scheduled court appearances	NEW	NEW	NEW	74%	
Percent of supervised defendants who are not charged with a new offense during the pretrial stage	NEW	NEW	NEW	80%	
Percent of released defendants who did not commit a new violent charge	NEW	NEW	NEW	95%	
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 over the last several years, and the Administrative Offices of the Court continued its practice of reporting quarterly performance measures. In both DWI and drug court, recidivism rates continued to decrease. However, graduation rates in both courts also saw a decline. AOC also reported a three-year intent-to-treat recidivism rate, a metric created to track the long-term prospects of participants. Over the past 4 years, the rate has remained below 1-in-5. Cost per drug-court participant increased by 60 percent from FY20 to FY23. The cost, $40.10, remains three times cheaper than the average daily rate to incarcerate in New Mexico.

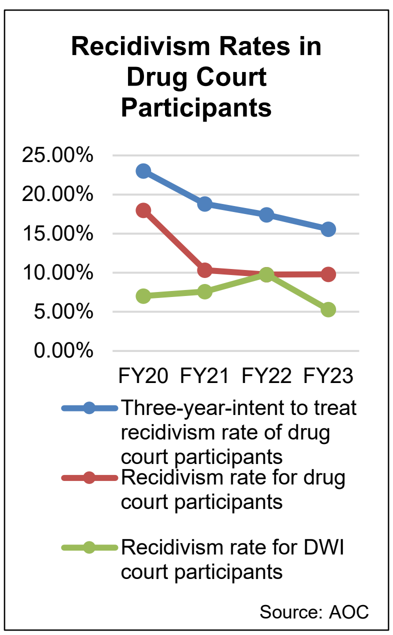
Research and data continue to underscore the efficacy of drug courts and treatment in the criminal justice system generally. Many national researchers support the risk-needs-responsivity framework in the justice system, where all who come into the system are assessed and provided services that fit their individual needs.

Monthly supervised child visitations and exchanges decreased over FY23 but remained within prepandemic averages. The number of cases to which the court appointed special advocate (CASA) volunteers are assigned decreased drastically over FY23, from 1,448 to 507, a 65 percent decrease.

Budget: $12,061.5 **FTE:** 32

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Cases to which CASA volunteers are assigned*	2,430	1,448	N/A	507	
Monthly supervised child visitations and exchanges conducted	11,211	12,012	N/A	11,181	
Average time to completed disposition in abuse and neglect cases, in days*	161	148	N/A	153	
Recidivism rate for drug-court participants	10.4%	9.8%	12%	9.8%	G
Recidivism rate for DWI-court participants	7.6%	9.77%	9%	5.3%	G
Graduation rate for drug-court participants*	61.0%	59%	70%	53.6%	
Graduation rate for DWI-court participants*	79.0%	89.5%	80%	78.6%	
Cost per client per day for all drug-court participants*	$37.10	$37.10	N/A	$40.10	
Program Rating	R	R			Y

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



Statewide Judiciary Automation. AOC continued its practice of reporting on the average time to resolve calls for assistance, a metric devised to gauge the success of the Statewide Judiciary Automation Program. AOC once again surpassed its target**.**

Budget: $15,679.3 **FTE:** 60.5

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Average time to resolve calls for assistance, in days	0.45	0.2	1	0.64	G
Program Rating		G			G

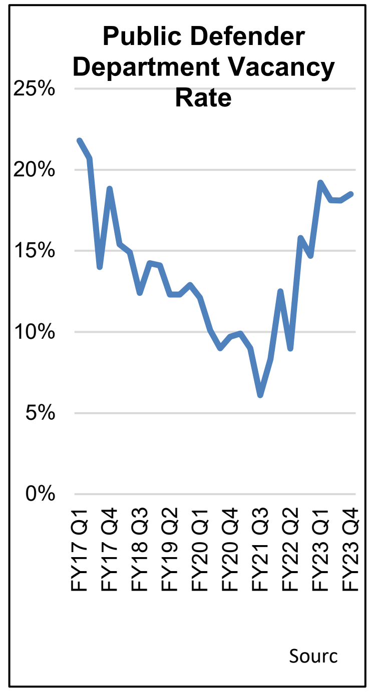
*Measure is classified as explanatory and does not have a target.

Public Criminal Legal Attorneys

Recruiting and retaining attorneys continues to be an issue for both prosecution and defense attorney offices, especially in rural parts of the state. The recruitment and retention of public attorneys has been a consistent focus of the Legislature because limited staffing directly impacts justice outcomes.

Policymakers have a strong interest in reducing crime and have provided a range of solutions, such as law enforcement investments, creating new criminal classifications and increasing penalties, and improving behavioral health initiatives.

Efforts to reduce crime may be thwarted because prosecutors do not have sufficient resources to bring strong cases to trial and gain conviction of criminals. High vacancies also present challenges for the state to meet its affirmative responsibility to provide an adequate defense for indigent defendants. Chronically high vacancy rates make these dual priorities difficult to achieve and place a burden on communities.

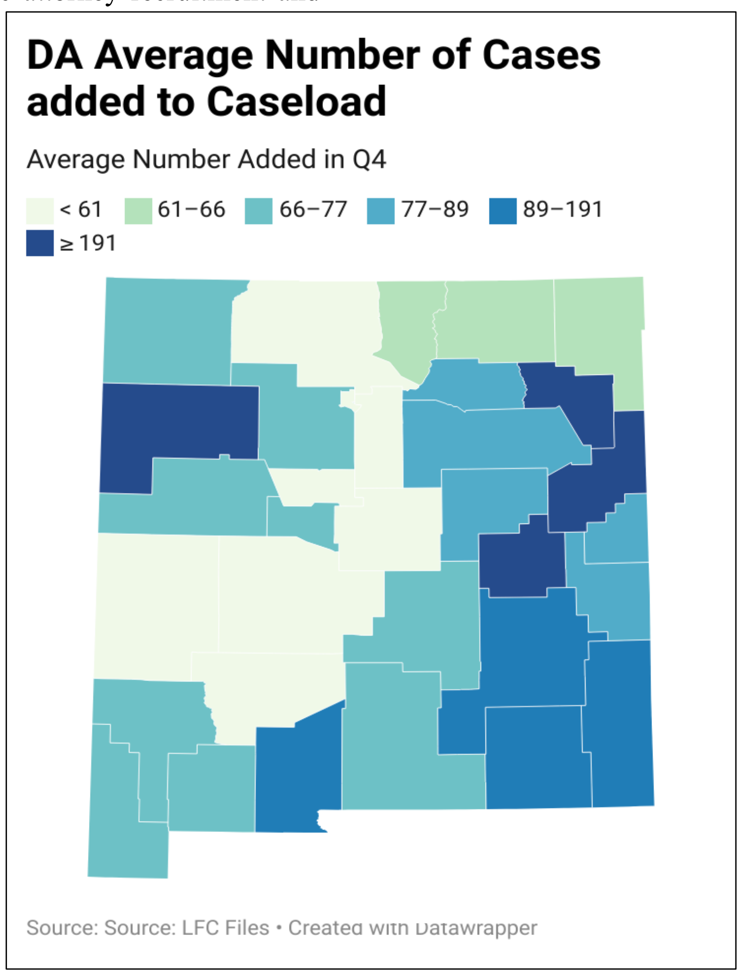


The Legislature has prioritized attorney recruitment and retention, providing compensation increases for both District Attorneys' offices and the Public Defender Department higher than statewide compensation increases. The Legislature also appropriated $4 million for a public attorney recruitment and retention fund, including $2 million for both District Attorneys' offices and the PDD to engage in out-of-state recruitment efforts.

PDD has submitted detailed reports of its vacancies over the past several fiscal years. Vacancy rate data from PDD was reported directly, while vacancy information for district attorney offices is taken from the State Personnel Office and considers positions vacant for less than 12 months. However, this may not consider positions that have been recently unfunded.

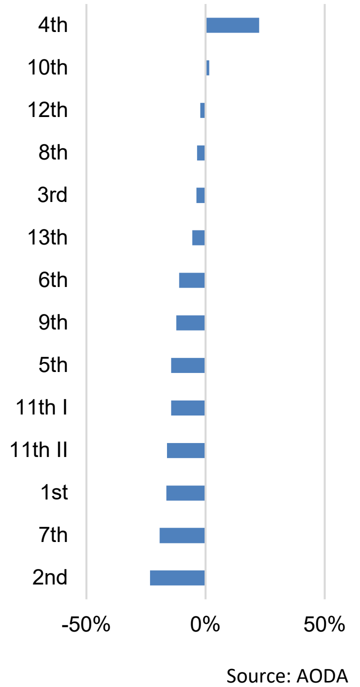
District Attorneys

In FY23 the number of cases referred to district attorney offices increased from FY22 but remained below prepandemic levels. On average, statewide offices were referred 1,056 cases in FY23, a slight increase from FY22's average. This average caseload is still 19 percent below prepandemic levels. Despite the lower number of referred cases, average cases added to attorney caseloads increased by 16 percent statewide compared with prepandemic averages. This increase was not shared across the state.



Average cases added to attorney caseload for 8 of the 13 district offices fell below pre-pandemic

Cases Referred Prepandemic vs FY23 Q4
(percent change)



levels. Of the 5 remaining district offices, districts 1,2, and 3 all saw caseload increases of 28 percent, 20 percent, and 27 percent respectively. Notably, the 2nd division of the 11th district office and the 10th district offices saw increases in caseload averages of 240.5 and 80 percent. This large increase in caseload averages is tied to reporting that many offices face constraints due to high vacancies in attorney numbers.

Data on caseloads should be interpreted with caution. The current measure "the average number of cases added to each attorney's caseload" reports new cases added to attorney caseloads during the quarter but does not reflect the actual average number of cases assigned to attorneys during this time. Further, the measure is not indicative of the net change in attorneys' caseloads during the quarter because it does not account for closed cases.

As a result, the measure does not indicate if attorneys' caseloads increased or decreased during the quarter. In FY24, district attorneys will begin reporting average attorney caseloads, which will help discern trends in prosecution caseloads. However, further modifications may be required to appropriately report and measure caseloads and their impact on overall performance, such as data on attorney vacancies and information on the types of cases carried by attorneys.

Budget: $98,087.0 **FTE:** 849	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Actual**	**Rating**
Average number of cases added to attorney caseloads	65	75	170	89	G
Number of Cases Referred for Screening*	62,468	58,675	N/A	59,354	
1st District	4,894	4,083	N/A	4,526	
2nd District	19,805	16,410	N/A	17,694	
3rd District	4,505	4,877	N/A	5,026	
4th District	1,787	1,912	N/A	1,969	
5th District	6,478	6,150	N/A	6,176	
6th District	2,603	2,561	N/A	2,365	
7th District	1,720	1,787	N/A	1,480	
8th District	1,595	1,666	N/A	1,849	
9th District	2,688	2,409	N/A	2,369	
10th District	678	683	N/A	774	
11th Division I.	5,056	5,098	N/A	4,752	
11th District Div. II	2,349	2,132	N/A	1,760	
12th District	2,554	2,676	N/A	2,547	
13th District	5,756	6,140	N/A	6,067	
Program Rating	G	G			G

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

Case Numbers

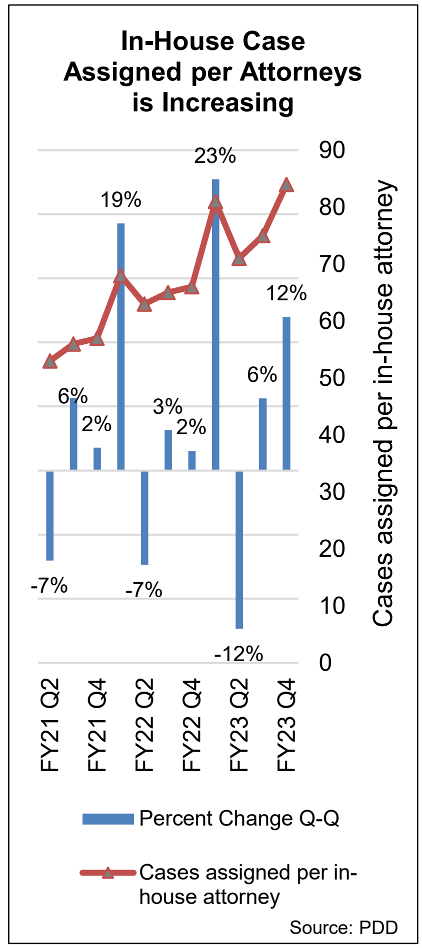
Law Office of the Public Defender data shows a nearly 200 percent increase in criminal cases resulting in alternative sentencing treatment, from 7090 in FY22 to 12,260 in FY23. This has coincided with a 14 percent increase in reduction of original formally filed charges, from 44 percent in FY22 to 58 percent in FY23. LOPD also reported a 7 percent increase in cases opened in comparison to FY22. Felony case assignments have increased since FY19 and jumped 13% between FY22 and FY23.

Public Defender

The Public Defender Department (PDD) continues to make improvements in key performance measure targets, like the percentage of cases resulting in a reduction of filed charges and alternative sentencing targets. Like other criminal justice partners, performance and ability is hampered by high vacancy rates in attorneys and core staff.

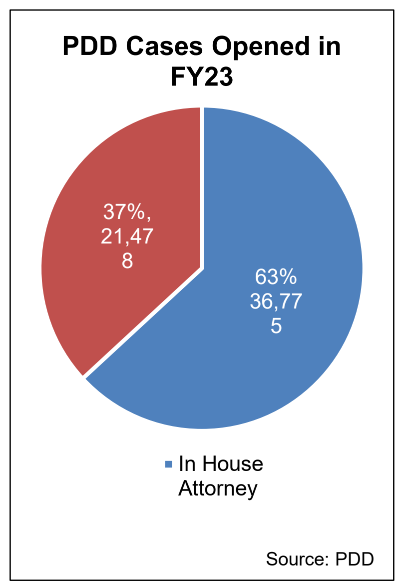
Like other agencies, high vacancy rates have caseload impacts. Cases assigned per attorney continued to increase in FY23. Notably, the number of cases opened has returned close to prepandemic averages. However, PDD has seen opened case numbers return to prepandemic averages without seeing a corresponding decrease in vacancy rates. Cases assigned to contract attorneys have also increased on average, though by a lower magnitude compared with in-house attorneys.

For PDD's in house attorneys, average time to disposition for felonies (a metric tracked in days), decreased by 13 percent to 268 days. However, contract attorneys' time to disposition increased by 5 percent to 380 days. This trend in statistics mirrors other performance measures when comparing in-house attorneys to contract attorneys.



Budget: 64,294.5 **FTE:** 469	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Actual**	**Rating**
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	48%	44%	70%	58%	Y
In-house attorneys	51%	45%	70%	62%	G
Contract attorneys	40%	41%	70%	47%	Y
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	6,312	7,090	5,000	13,260	G
In-house attorneys	4,570	5,333	4,000	9,774	G
Cases assigned to contract attorneys*	36%	34%	N/A	37%	
Average time to disposition for felonies, in days*	295	336	N/A	324	
In-house attorneys*	270	308	N/A	268	
Contract attorneys*	320	363	N/A	380	
Cases opened by Public Defender Department *	56,403	54,362	N/A	58,253	
In-house attorneys*	35,993	33,637	N/A	36,775	
Contract attorneys*	20,410	20,725	N/A	21,478	
Program Rating	Y	Y			G

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



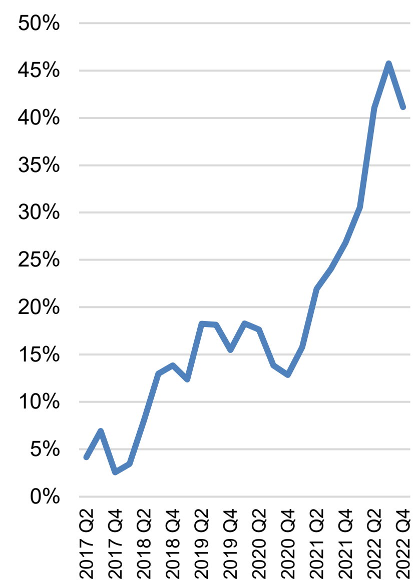
Department of Transportation

ACTION PLAN

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

After years of worsening road conditions, the Department of Transportation (NMDOT) reports investments in state roads are improving conditions. In recent years, the Legislature has made significant nonrecurring appropriations for road construction and maintenance, which has improved overall road conditions. Additionally, NMDOT has done well managing projects, generally completing projects on time and on budget. However, the department has experienced price spikes and delays due to supply chain disruptions affecting the broader economy.

Nationwide Percentage Increase in Highway Construction Costs (from Q1 2017)



Source: Federal Highway Administration, National Highway Construction Costs Index

Project Design and Construction

The department has significantly improved its ability to put projects out to bid as scheduled. NMDOT scheduled 40 projects for bid and 39 projects were put out to bid. NMDOT reports maintaining a project-letting schedule is a key goal of the department; maintaining the schedule allows the contracting community to appropriately plan for upcoming projects.

While the department failed to meet the annual performance target for on-time project completions, performance improved in the third and fourth quarter after falling significantly short of the target in the first half of the year. In the first half of the year, the department reported 75 percent of projects were completed on time, well below the target of 90 percent. However, the department met the target in the last half of the year, with 90 percent in the third quarter and 100 percent in the fourth quarter. NMDOT notes maintence crews and other staff were divereted to emergency responses to wildfire and flood activity in summer 2022, which contributed to delays in project completion. Because of this, the program maintains an overall green rating.

The department reports construction costs have climbed, but the department has typically been able to minimize cost overruns once a bid had been accepted. NMDOT reports costs exceeded bid amounts by $10.1 million on the 21 projects completed in the third quarter, a variance of 2 percent. National data suggests construction cost increases are beginning to moderate, but the department expects costs to settle in well above pre-pandemic levels, making it more difficult for the department to maintain the current road network.

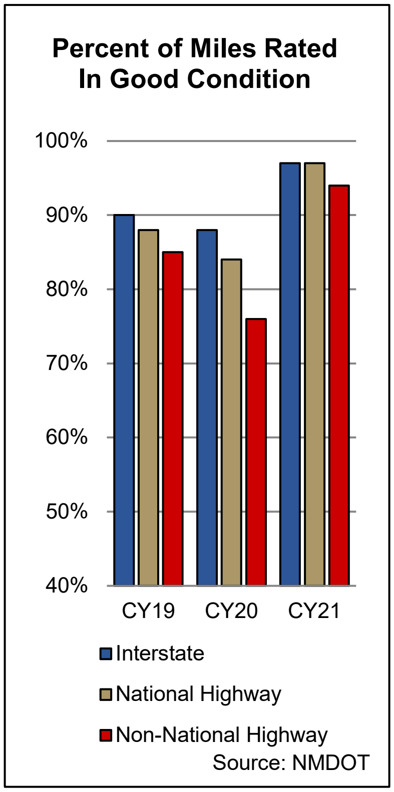
Budget: $772,174.5 **FTE:** 368

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of projects let to bid as scheduled.	77%	98%	75%	98%	G
Projects completed according to schedule	94%	89%	90%	85%	R
Final cost-over-bid amount on highway construction projects	-0.2%	1%	3%	2%	G
Program Rating	G	G			G

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

Highway Operations

Road maintence projects undertaken by the department highway operations program were limited in summer 2022 due to the department's emergency



response to wildfire and floods, leading to a narrow miss of the program's performance target for road preservation. Strong fourth quarter performance—the department typically preserves about 1,100 miles of pavement in the fourth quarter and in FY23 the department preserved 1,236 miles—was unable to overcome shortfalls earlier in the year. 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. Despite the shortfall in pavement miles preserved, strong overall performance for road conditions in the most recent road condition survey allows the program to retain its overall green rating.

Budget: $308,722.2 **FTE:** 1,859.7

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Statewide pavement miles preserved	3,852	4,373	3,500	3,390	Y
Bridges in fair condition or better, based on deck area	96%	90%	95%	96%	G
Program Rating	G	G			G

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

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

2022 Road Condition Survey	2019 Actual	2020 Actual	2021 Actual	2022 Target	2022 Actual	Rating
Interstate miles rated fair or better	90%	88%	97%	>91%	92%	G
National highway system miles rated fair or better	88%	84%	97%	>86%	90%	G
Non-national highway system miles rated fair or better	85%	76%	95%	>65%	95%	G
Lane miles in poor condition	4,420	6,805	1,451	<6,500	2,824	G
Program Rating	G	Y	G			G

Modal

NMDOT's modal program, which is responsible for traffic safety initiatives, aviation, and transit programs, reported traffic fatalities that reflect a broader nationwide trend. Federal data shows traffic fatalities in calendar year 2022 fell slightly from 2021 totals, which were record high levels. Overall fatalities fell by about 4 percent in FY23. The National Highway Traffic Safety Administration reports a decline of 0.3 percent nationally in calendar year 2022, although the region including New Mexico saw an overall decline of 4 percent. Experts point to the need to adopt a "safe systems approach" matching traffic law enforcement with safe roadway design to limit the number of fatalities.

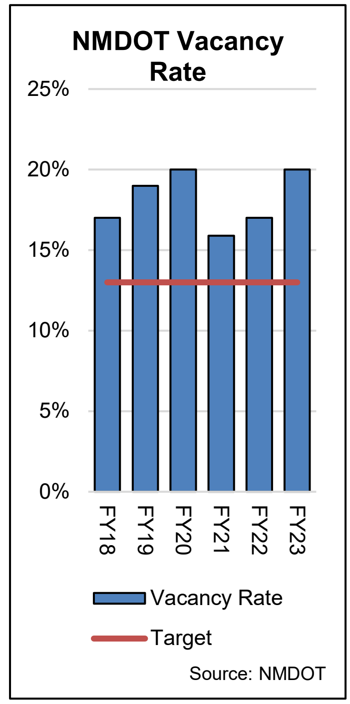
Budget: $75,605.0 **FTE:** 126

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Traffic fatalities	411	464	<400	444	R
Alcohol-related traffic fatalities	113	72	<150	119	G
Non-alcohol-related traffic fatalities	298	392	<250	325	R
Occupants not wearing seatbelts in traffic fatalities	171	193	<140	174	R
Pedestrian fatalities	76	100	<85	93	R
Riders on park and ride, in thousands	53.6	100.4	235	142.1	R
Riders on the rail runner, in thousands*	40.9	317.2		544.1	
Program Rating	R	R			R

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

Program

NMDOT reports departmental safety initiatives are reducing workplace injuries, which fell both below the performance target and below the level from FY21. Of the 31 employee injuries, only four occurred in a work zone, a significant improvement from FY22 and FY21. As with many other areas of state government the department maintains a high vacancy rate, with the rate increasing from 17 percent to 20 percent. The department is undertaking several employee recruitment and retention strategies to lower the vacancy rate.



Budget: $48,544.5 **FTE:** 252.8

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Vacancy rate in all programs*	15.9%	17%		20%	R
Employee injuries	35	59	90	31	G
Percent of invoices paid within 30 days	93%	93%	90%	92%	G
Program Rating	G	G			G

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

Environment Department

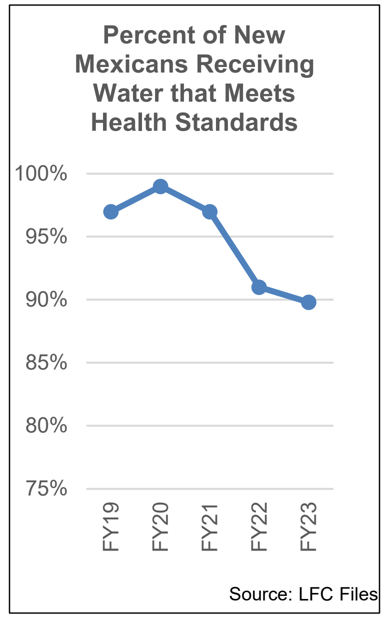
ACTION PLAN

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

The Environment Department's (NMED) regulatory programs continued to demonstrate mixed results on compliance levels in FY23. However, NMED is prioritizing compliance enforcement and continues to make progress toward achieving its performance goals despite maintaining a vacancy rate of 19 percent. While NMED showed improvement in the Resource Protection, Environmental Protection, and Environmental Health divisions, the results from the Water Protection Division's Drinking Water Bureau remained concerning. Despite significant investments in personnel by the Legislature to add capacity, the agency's recruitment and retention of key staff continues to be a challenge.

Water Protection

The Water Protection Division (WPD) continues to assist communities seeking to develop internal capacity to utilize state and federal funding for infrastructure improvement and water resource management. Of the 236 systems with one or more outstanding violations in the fourth quarter of FY23, 114, or 48.3 percent, had violations that were health related. The other outstanding issues of noncompliance were administrative violations, such as failure to submit required reports, failure to collect required samples, failure to notify customers of a violation, or failure to submit consumer confidence reports.



During the fourth quarter of FY23, the Construction Programs Bureau (CPB) processed disbursements for eight new funding agreements using clean water state revolving loan funds, Rural Infrastructure Program funds, or capital outlay project funds. Notably, this measure does not capture disbursements from programs not managed directly by NMED's CPB, although many such projects receive extensive technical assistance from the bureau.

The decline in the percentage of New Mexicans receiving drinking water that meets health standards since FY21 was mainly impacted by stricter guidelines rather than more systems falling out of compliance. It is expected that this trend will continue due to proposed rules by the U.S. Environmental Protection Agency (EPA) limiting PFAS in drinking water, which will likely go into effect in early 2024. Many public water systems throughout New Mexico struggle to comply with current drinking water requirements due to a lack of operational capacity, requiring NMED staff to provide more technical and compliance related assistance.

Budget: $30,576.4 **FTE:** 191.6

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of the population served safe and healthy drinking water	97%	97%	92%	89.8%	Y
Percent of surface water permittees inspected	New	155%	10%	145%	G
Percent of groundwater permittees inspected	19%	21.1%	65%	18.2%	R
Number of new water infrastructure projects	New	114	75	157	G
Program Rating	G	Y			Y

Resource Protection

The Resource Protection Division (RPD) failed to reach its inspection target in FY23. Solid Waste Bureau staff inspected four of 45 active permitted solid waste facilities in the fourth quarter, well below the trajectory needed to inspect every permitted facility each year or meet the performance target of 85 percent. The bureau continues to work to reclassify existing vacancies to higher-level positions to improve recruitment and retention, but the agency reports additional staffing is needed to improve the rate of inspections. Currently, the Solid Waste Bureau has a 35 percent vacancy rate.

In the fourth quarter of FY23, the petroleum storage tank bureau issued no further action (NFA) status determinations to nine petroleum release sites. The total number of open underground storage tank (UST) sites is 873 and the total number of UST and above-ground storage tank release sites is 956. Notably, NFA status determinations are fluid throughout the year, based on specific site conditions, staffing levels, and the availability of funding from the corrective action fund.

Q4 Inspections Showing Regulatory Compliance, by NMED Program	
Ground water	97.7%
Liquid waste	97.7%
Radiation sources	95.7%
Surface water	79.3%
Solid & infectious waste	75.0%
Restaurants/food manufacturers	70.2%
Air emitting sources	50.0%
Hazardous waste	25.5%

Budget: $17,925.9 **FTE:** 146.6

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of completed cleanups of petroleum storage tank release sites that require no further action	New	1,964	1,948	2,005	G
Percent of solid waste facilities and infectious waste management facilities inspected	New	47%	85%	53.3%	R
Percent of hazardous waste facilities inspected	New	4%	6%	3.7%	R
Program Rating		R			Y

Environmental Protection

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, NMED's regulatory compliance programs continually struggle to meet their target percentage of applicable entities inspected. The Environmental Protection Division's Air Quality (AQB) and Radiation Control Bureaus (RCB) are responsible for enforcing regulatory and compliance measures to protect the environment and prevent harm to human health.

In addition to inspections and monitoring, the RCB's work includes assisting nuclear workers who have become ill due to occupational exposures received while working for contractors or subcontractors at U.S. Department of Energy facilities or in the uranium industry. NMED contends that reaching the target of inspecting 85 percent of radiation sources would require 209 inspections from each staff member, and cannot be met with current staffing levels.

The AQB has deployed new air monitoring instruments that improve connectivity, efficiency, and remote access to air quality data. The bureau worked with the New Mexico Climate Change Task Force to develop rules for reducing volatile organic compounds and oxides of nitrogen emissions in the oil and gas industry. AQB inspected 14 of 128 air-emitting sources in the fourth quarter, and 42 for all of FY23. While AQB fell far short of the target of 50 percent for the year, it represented an increase of 40 percent above FY22 levels.

Budget: $33,261.2 **FTE:** 304.1

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of ionizing/non-ionizing radiation sources inspected	New	12.6%	85%	15%	R
Percent of air emitting sources inspected	New	20.5%	50%	33.3%	R
Percent of the population breathing air meeting federal health standards	New	98.4%	99.5%	99.9%	Y
Program Rating		R			R

Environmental Health

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

The Occupational Health and Safety Bureau conducts thousands of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau inspects approximately 1 percent of all workplaces each year. Still, it expects that a much higher percentage of workplaces are out of compliance at any given time, necessitating continuous refinement of the strategy by which the highest-risk workplaces are targeted.

The Environmental Health Bureau's (EHB) Food Safety Program inspections increased drastically in the third and fourth quarters, which allowed it to hit its performance target for FY23. Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. However, the same inspectors cover restaurants, food manufacturers, pools, and spas. Bureau staff currently have a compliance and enforcement workload of approximately 355 facilities per inspector, well above federal Food and Drug Administration guidance that retail food inspectors (a much narrower role than EHB's inspectors) are assigned 280-320 inspections.

Budget: $28,466.1 **FTE:** 281.6

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of employers that did not meet occupational health and safety requirements for at least one standard compared with the total number of employers	New	63.5%	55%	64%	Y
Percent of restaurants/food manufacturers inspected	New	90.2%	80%	80%	G
Percent of new or modified liquid waste systems inspected	New	82.1%	85%	86%	G
Program Rating		R			G

Energy, Minerals and Natural Resources Department

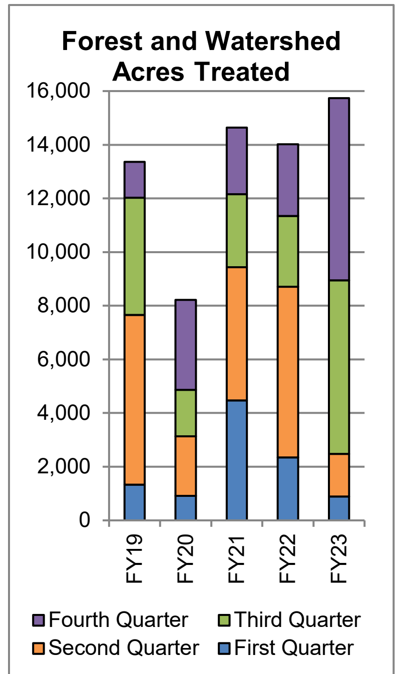
The Energy, Minerals and Natural Resources Department (EMNRD) received record levels of state and federal funding as it increased activity across several divisions. In addition to the nonrecurring funds appropriated in the special and regular sessions in 2021 and 2022, the federal Infrastructure Investment and Jobs Act delivered another $25 million for orphaned well cleanup, $960 thousand for the energy efficiency revolving loan program, $2.4 million for abandoned mine remediation, and $5 million for wildfire prevention, readiness, and firefighting equipment. The agency continued to improve its performance across several divisions, notably State Forestry and State Parks. EMNRD met or exceeded several of its performance targets for providing training a record number of firefighters, and improving both revenue and visitation at State Parks.

ACTION PLAN

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

State Forestry

Wildland Firefighter Training. The trend of decreasing training numbers finally turned around for the State Forestry Division (SFD). Trainings are held throughout the state primarily from October to April each year at a variety of volunteer, county, and municipal fire departments, as well as state and local agency locations. SFD's efforts to work with federal, local, and tribal cooperators to identify, recruit, and engage non-federal firefighters were successful. The establishment new service agreements for training contractors allowed SFD to provide more opportunities for in-person and online training. Participation in the scheduled classes throughout the state met or exceeded expected attendance levels.



Source: EMNRD

Forest and Watershed Treatment. SFD achieved the targeted forest and watershed treatment acres. The new Forest Management Treatments Statewide Price Agreement that was awarded on April 18, 2023, and relatively low wildfire risk in May and June allowed many projects to continue without impediment. SFD remains concerned the consistency of work provided to thinning contractors is not sustainable at current funding levels and is working to identify barriers that cause work stoppages and develop strategies to address them. Recurring funding from both the irrigation works construction fund and the land of enchantment legacy fund will also increase the predictability of these funding streams, hopefully signaling to contractors that New Mexico remains committed to treating forests and watersheds statewide.

Budget: $17,388.3 **FTE:** 83

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	1,066	883	1,500	1,554	G
Number of acres treated in New Mexico's forest and watersheds.	14,637	14,020	14,500	15,735	G
Program Rating	Y	Y			G

Tax Credit Programs
(Calendar Year 2022)

Tax Credit Name	Credit Cap (in thousands)	CY22 Expenditure (in thousands)
Solar Market Development Tax Credit	$12,000.0	$5,420.0
Sustainable Building Tax Credit	$5,000.0	$612.0
Renewable Energy Production Tax Credit	Varies *	$19,166.0
Agricultural Biomass Income Tax Credit	$5,000.0	$0

* 1 cent per kilowatt-hour (kWh) up to 400,000 megawatt-hours (MWh) annually per taxpayer for wind- or biomass-derived electricity. The aggregate cap for all wind projects is set at 2 million MWh.

* $0.015 to $0.04 per kWh up to 200,000 MWh annually per taxpayer for solar-light-derived or solar-heat-derived electricity, depending on the consecutive taxable year for which the credit is being claimed. The aggregate cap for all solar projects is set at 500,000 MWh.

Source: EMNRD and TRD

Scheduled State Park Improvements FY23
(in thousands)

Project Location	Cost
Bluewater Lakes State Park	$780.4
Bottomless Lakes State Park	$1,613.8
Clayton Lake State Park	$58.4
Living Desert Zoo and Gardens	$141.5
Hyde Memorial State Park	$435.90
Navajo Lake State Park	$173.9
Oliver Lee Memorial State Park	$121.4
Pecos Canyon State Park	$620.0
Pecos Canyon State Park	$65.8
Rio Grande Nature Center	$164.4
Storrie Lake State Park	$153.4
State Parks Office Remodel	$168.5
Total	**$4,497.4**

Energy, Conservation and Management Division

In the third quarter of FY23, the Energy Conservation and Management Division (ECMD) received 1,645 tax credit applications deemed complete and approved, with 1,633 approved within 30 days of receipt. ECMD is working to make improvements to its online application portal. The division is also working to create an inventory of alternative energy projects currently proposed, in process and completed in New Mexico.

Although not reflected in the division's performance measures, in late 2022, ECMD applied for grid modernization grant funding through the U.S. Department of Energy (DOE). This new program will bring over $35 million to New Mexico over five years, starting in 2023, to help reinforce vulnerable electric systems and modernize the grid as utilities transition to renewable energy resources. ECMD will be awarded $14 million in May 2023 to cover the first two years of the 5-year program. In 2023, the New Mexico Legislature allocated the match for year one in the state's FY 24 budget.

Budget: $3,810.1 **FTE:** 21

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of completed applications for clean energy tax credits reviewed within thirty days of receipt	88%	92%	90%	99%	G
Program Rating	Y	G			G

State Parks

State Parks Division (SPD) visitation kept pace with previous years during FY23, with nearly 4.8 million visitors spending time in state parks. Winter conditions and cold temperatures established safe and predictable ice fishing during winter months. A temperate spring with outstanding runoff from snowpack, improved water levels in rivers and streams across the system. these favorable conditions also resulted in no fire restrictions which kept visitation high. As a result, SPD exceeded attendance and revenue targets again for FY23.

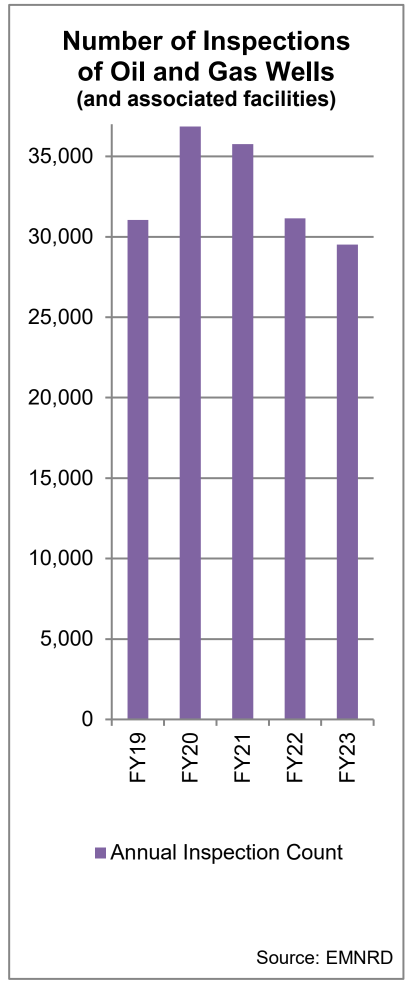
SPD continued to plan for and invest the $20 million appropriated by the Legislature across the system focused on repairing, renovating, and replacing aging infrastructure. By the close of the third quarter, SPD had spent or encumbered $10.3 million of these funds after eleven months of availability and remains on track to expend these funds within the federal allocation period. Additionally, SPD continued to reduce its vacancy rate and is working to recruit both permanent and temporary staff to ensure state parks remain a significant draw supporting New Mexico's outdoor recreation economy.

Budget: $24,173.5 **FTE:** 234.66

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of visitors to state parks	4.4 million	5.2 million	4.75 million	4.78 million	G
Amount of self-generated revenue per visitor, in dollars	$0.65	$1.01	$1.0	$1.21	G
Program Rating	Y	G			G

Mining and Minerals

Coal and Mining Act Compliance. The Coal and Mining Act Programs both require financial assurance for permitted mines. For FY23, the Coal Program had 6 coal mines that received a total of 48 actual inspections equaling 100 percent of the number of inspections targeted. Additionally, all six coal mines were 100 percent covered by financial assurance. The Mining Act Reclamation Program manages 60 mines, of which 59 have adequate financial assurance posted to cover the cost of reclamation. Combined with the coal program, this translates to 99 percent compliance.



Budget: $8,873.6 **FTE:** 28

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Percent of permitted mines with approved reclamations plans and adequate financial assurance posted to cover the cost of reclamation.	99%	99%	99%	99%	G
Program Rating	G	G			G

Oil Conservation

Inspections and Compliance The Oil Conservation Division (OCD) issued 485 violations during routine inspections in the 4th quarter of FY23 across the State's producing basins. Four factors impacted insection numbers, which declined for the third consecutive year. First, inspector vacancies, which are being addressed by aggressive hiring. Second, vehicle availability, OCD faced supply chain issues upgrading. Third, OCD changed its compliance inspection procedures over the performance period to make them more uniform, in order to increase effectiveness; rolling out these new procedures impacted overall numbers when paired with other factors. Finally, increased activity in the oil & gas industry in FY23 and OCD's plugging program all increased demands on inspector time.

Orphaned Well Program. Twenty-nine wells were plugged during the 4th quarter of FY23 bringing the total for the fiscal year to 76. Funding for plugging 13 of the wells came from the Reclamation Fund while the remaining 63 wells were plugged using federal funds. Using the $25 million in federal funds received in FY23, along with commitments by the federal government to continue funding in the future, OCD was able to secure long-term access to multiple plugging rigs and crews, which will increase both the number and rate of well-plugging projects moving forward. With 2 thousand orphaned wells identified in New Mexico, the agency's ability to complete these plugging projects at an increasing pace will be critical to protecting public health and safety.

Budget: $12,443.2 **FTE:** 78

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of inspections of oil and gas wells and associated facilities.	35,757	35,757	31,000	29,522	Y
Number of abandoned wells properly plugged.	49	49	50	76	G
Number of violations issued with associated administrative penalties*	3,174	3,213	-	2,552	
Program Rating	Y	Y			Y

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

PERFORMANCE REPORT CARD: Fourth Quarter, FY23

Office of the State Engineer

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) spent significant time and resources working with the office of the Attorney General to navigate settlement negotiations and trial preparation in the *Texas v. New Mexico* water rights case on the Rio Grande. All states involved agreed in principle to a proposed settlement, which has been presented to the judge overseeing the case and to the U.S. Supreme Court's special master. On July 3, 2023, the special master issued his third interim report that recommends acceptance of the three states' consent decree for settling the case. However, the U.S. Department of Justice (DOJ) is expected to submit exceptions this fall.

OSE made progress toward reducing New Mexico's interstate stream compact compliance debts, while also increasing the number of offers submitted to defendants through its Litigation and Adjudication Program. The Dam Safety Bureau continued to address its backlog but is constrained by staff shortages that impact the performance of the Water Resource Allocation Program, which otherwise met or exceeded all of its performance targets. Legislative approval of some key capital projects management staff may help allow for bureau to focus on its core mission.

Water Resource Allocation

The Water Rights Division exceeded its target for FY23 and processed 38 applications per month. Additionally, the division serves as "agency reviewers" for the New Mexico Finance Authority and Water Trust Board's and as "cannabis water rights validation reviewers" for the Regulation and Licensing Department. Neither of these additional workloads are reflected in current performance measures but should be considered to better reflect agency productivity.

The Water Rights Abstract Bureau is responsible for populating and maintaining the Water Administration Technical Engineering Resource System and met its target for FY23. The Dam Safety Bureau planned for over 90 inspections in FY23 but performed only 26. The agency has struggled to fill positions because senior dam safety engineers are highly specialized and hard to attract to state service. The bureau plans to use the Federal Emergency Management Agency's national dam safety grant funding to secure contract engineering assistance for inspections.

Budget: $17,037.6 **FTE:** 171

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of unprotested and unaggrieved water right applications backlogged*	522	499	N/A	445	G
Average number of unprotested new and pending applications processed per month	30.5	39	35	37.8	G
Number of transactions abstracted annually into the water administration technical engineering resource system database.	24,029	28,665	21,000	19,210	Y
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues	78	61	45	26	R
	Y	G			Y

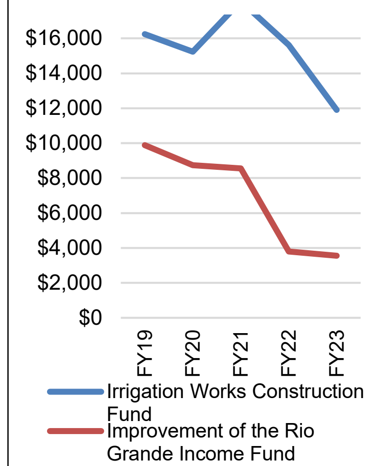
*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

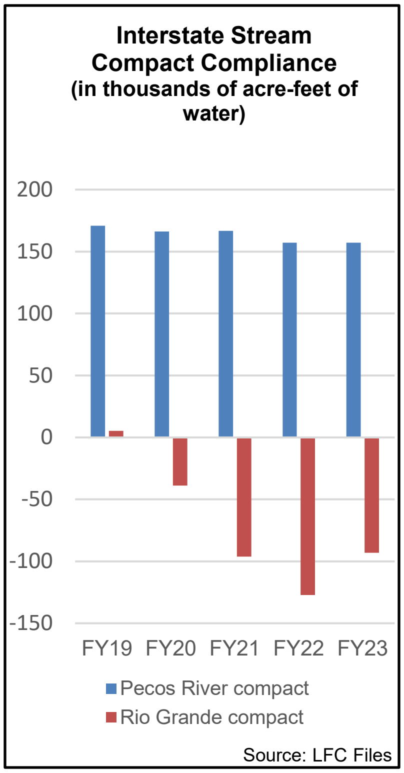
Water Security Planning Act

ISC staff are currently working to implement the Water Security Planning Act, passed unanimously in the 2023 legislative session. The Act is intended to support communities throughout New Mexico in responding to and preparing for increasing water scarcity associated with climate change. These impacts are already being felt. Work under the Act will include significant public input related to the delineation of the regions themselves, requirements for regional planning entities, and processes for prioritization of requests for funding to the legislature, as well as regular reporting on outcomes.



Source: LFC Files

Interstate Stream Commission



The state's cumulative Pecos River Compact credit continues to be positive and is attributable primarily to the 2003 Pecos Settlement Agreement and significant investment in its implementation, including the purchase of water rights and construction of two augmentation wellfields.

Under the Rio Grande Compact, New Mexico under delivered by 30,800 acre-feet of water in 2021, which at the time represented a 32 percent increase in the size of the state's debit. New Mexico then over-delivered by 3,400 acre-feet in 2022, attributed largely to an above-average monsoon season. As a result of the 2022 over-delivery and further reductions resulting from an agreement related to the federal government's unauthorized release of water in 2011, New Mexico reduced its accrued debit for 2023 to 93,000 acre-feet in the fourth quarter, well below the compact compliance debit threshold of 200,000 acre-feet.

Budget: $12,996.4 **FTE:** 46

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Cumulative New Mexico Unit fund expenditures, in millions of dollars*	$22.1	$22.0	N/A	$22.3	G
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	166,600	157,200	>0	156,600	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet	-96,300	-127,100	>0	-93,000	Y
Program Rating	G	Y			Y

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

Litigation and Adjudication

The Litigation and Adjudication Program (LAP) is making progress in FY23 toward its goal of fully adjudicating water rights in the Lower Rio Grande Basin. The division made 175 settlement offers in the fourth quarter of FY23 and continued to increase the Lower Rio Grande Bureau's productivity.

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

Budget: $7,618.2 **FTE:** 63

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Number of offers to defendants in adjudications	381	142	300	436	G
Percent of all water rights with judicial determinations	76.2%	76.5%	77%	76.7%	Y
Program Rating	G	G			Y

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD: Fourth Quarter, FY23

General Services Department

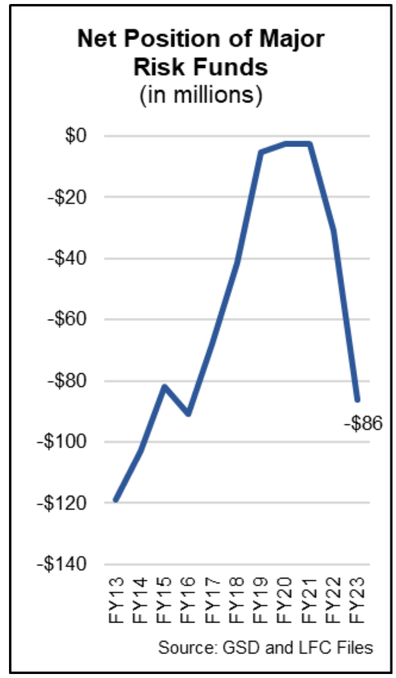
The General Services Department (GSD) continues to report a deficit in the agency's largest program, employee group health benefits, despite sizeable one-time transfers to stabilize the fund. Performance data indicate medical expenses are increasing while premiums have not increased to match expenses to revenues. For FY25, group health benefits will transfer to the newly created Health Care Authority Department, which will need to address continued deficits in the program.

ACTION PLAN

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

Risk Management Funds

The department's Risk Management Division oversees the state's shared risk pools, including the public property fund, the workers compensation fund, and the public liability fund. Overall, the financial position of the three funds, determined by dividing the current assets by the current liabilities, is 54 percent, down from 78 percent at the end of FY22. Projected assets are short of projected liabilities by $86 million. In FY21, assets were short of liabilities by only $2 million, and in FY22, assets were short of liabilities by $31 million. The public property fund remains well above the 50 percent target, and the workers' compensation fund remains slightly above target. Changes were driven mostly by the public liability fund, with projected liabilities of $105 million on assets of $43.9 million, or only 44 percent.



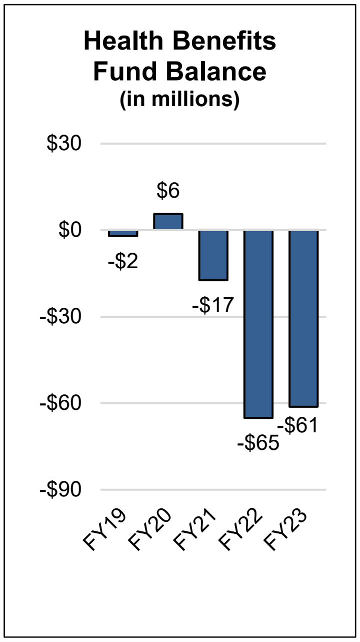
Budget: $102,700.7 **FTE: 0**

	FY21 Actual	FY22 Actual	F23 Target	F23 Actual	Rating
Projected financial position of the public property fund*	523%	443%		215%	G
Projected financial position of the workers compensation fund*	61%	60%		56%	Y
Projected financial position of the public liability fund*	112%	66%		42%	R
Program Rating	G	G			Y

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

Group Health Benefits Fund

The Risk Management Division of GSD operates a self-insured group health benefits pool, providing health coverage to employees of the state, local governments, and some higher education institutions. Despite provisions of state law designed to prevent agencies from spending without available funds (Section 6-5-6 NMSA 1978), the employee group health benefits program has been operating at a deficit since FY21. For several years, the department did not increase health insurance rates for participating employees, resulting in mounting shortfalls. To mitigate these shortfalls, the Legislature allocated $34.5 million from the general fund to cover the costs of general-fund-covered employees, contingent on the department instituting a special assessment to cover for non-general fund-covered employees. In total, GSD collected $57 million to offset the



deficits. For FY24, the Legislature included funding for a 10 percent rate increase, which went into effect in July for state employees and will go into effect in January for local government and higher education employees.

GSD reports per-member-per-month cost increases averaged 3 percent in FY23, lower than national trends and the trends for other public funds, which points to the extent current defects have been caused by rate decisions rather than increases in costs. A cost-containment strategy alone will not enable the department to close the funding gap in the absence of rate increases that recognize the true costs of the current plan.

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

Budget: $421,493.3 **FTE:** 0

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Change in average per-member-per-month total healthcare costs	5.9%	5%	5%	3%	G
Annual loss ratio for the health benefits fund	NEW	118%		118%	R
State group prescriptions filled with generic drugs	86.5%	87%	80%	83.6%	G
Number of visits to the Stay Well Health Center*	6,248	4,540		7,375	
Percent of eligible state employees purchasing state medical insurance*	81%	80%		78.5%	R
Year-end fund balance of the health benefits fund, in millions*	-$17.3	$-65.1	N/A	$-61.2	R
Program Rating	R	R			G

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

Stay Well Health Center

Employees on the group health benefits plan have access to the Stay Well Health Center for some basic healthcare services, including health screenings, physicals, and treatment for minor injuries. GSD currently contracts with Proactive MD to operate the clinic, with total payments in FY23 of $2.2 million, or about $300 per visit. GSD reported an uptick in the number of visits, but the facility continues to be underutilized. The department reports only 22 percent of available appointments were filled in FY23.

Facilities Management

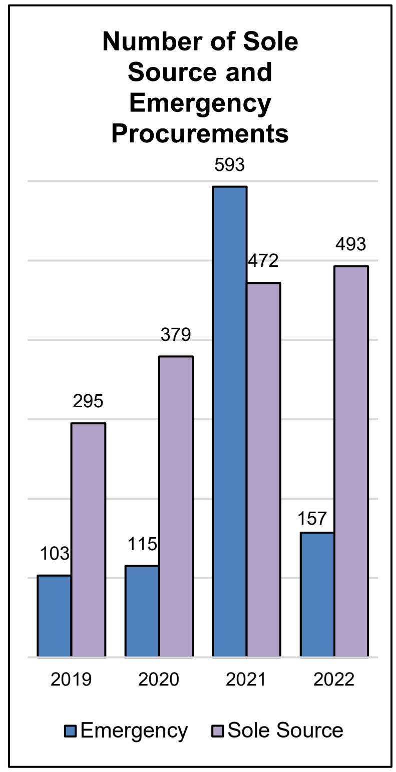
The Facilities Management Division (FMD) is responsible for maintaining 6.8 million square feet of state-owned and leased space. FMD reports only 70 percent of scheduled preventive maintenance activities were completed on time due to a lack of maintenance staff. On-time completion of capital projects also fell short of target. The department reports 100 percent of office leases met adopted space standards; however, the department continues to exclude certain leases from this calculation. For example, in the fourth quarter, the department excluded seven of the 17 leases processed. Routine exclusion of leases from the performance data negates the usefulness of this performance measure.

The state has yet to realize projected cost savings from the green energy initiatives, with the department reporting $85 thousand in energy savings in FY22. In August 2019, FMD began a $32 million project to reduce energy use in state facilities, estimated to save at least $1.4 million per year, with guaranteed savings of $1.1 million. The department reports year-to-date savings of $240 thousand.

Budget: $17,380.9 **FTE:** 148

	FY21 Actual	FY22 Actual	F23 Target	F23 Actual	Rating
Capital projects completed on schedule	88%	93%	90%	87%	Y
Preventive maintenance completed on time	48%	59%	80%	70%	R
New office leases meeting space standards	100%	100%	85%		
Amount of utility savings resulting from green energy initiatives, in thousands*	$281.4	$85		$-38.2	R
Program Rating	Y	R			R

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



State Purchasing

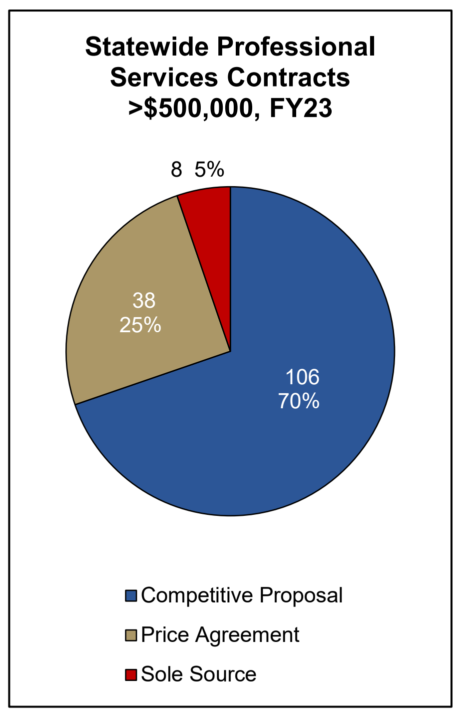
The program reports all 77 executive agencies had designated chief procurement officers, and the agency met targets for procurement completion and timely contract review, sustaining improvement gained in FY22. The department reported an uptick in revenue received from pricelist purchases, rising from $3 million in FY21 to $3.8 million in FY22, and $4.6 million in FY23, pointing to a rise in the number of agencies using price lists for procurement. State agencies have increased their reliance on price agreements for purchasing services: monthly reports from the GSD's Contracts Review Bureau show a quarter of professional services contracts valued at more than $500 thousand were purchased using a price agreement rather than through a competitive proposal.

In the 2023 session, the LFC-endorsed Senate Bill 76 proposed several changes to the Procurement Code as recommended by past LFC evaluations. These included repealing some widely used purchasing exemptions that circumvent competition and adding guardrails to the use of statewide price agreements. The bill received one hearing but no votes, and the recommended Procurement Code changes remain unaddressed.

Budget: $2,692.9 **FTE:** 29

	FY21 Actual	FY22 Actual	F23 Target	F23 Actual	Rating
Agencies with certified procurement officers	95%	100%	100%	96%	Y
Procurements completed within targeted timeframes	NEW	88.5%	80%	87%	G
Revenue generated through pricelist purchases, in thousands*	$2,988	$3,803		$4,641	
Percent of estimated payments from vendor sales	NEW	99%	80%	99%	G
Average number of days for completion of contract review	8.1	4	5	3	G
Program Rating	G	G			G

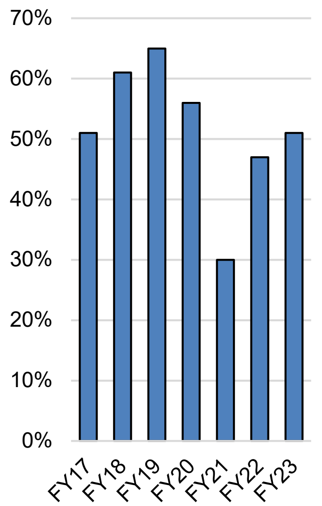
*Measure is classified as explanatory and does not have a target.



Transportation Services

State agencies continue to underutilize vehicles, with only 54 percent of leased vehicles being used daily or for at least 750 miles per month. Although the agency encourages agencies to return leased vehicles that are underutilized, many agencies are reluctant to do so. As an alternative, the department offers agencies short-term (daily) leases to meet their transportation needs.

Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

Budget: $9,874.5 **FTE:** 31

	FY21 Actual	FY22 Actual	F23 Target	F23 Actual	Rating
Percent of leased vehicles used for 750 miles per month or used daily	30%	47%	70%	54%	R
Average vehicle operation costs per mile*	$0.49	$0.55	$0.59	$0.52	G
Program Rating	Y	R			Y

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

State Printing

The State Printing Program reported recovery in sales from the downturn caused by the Covid-19 pandemic, with revenue exceeding expenditures in FY23. Sales typically peak in the second and third quarters because the program completes print jobs related to the legislative session, but the agency has reported an influx of printing jobs late in the fiscal year, suggesting continued sales growth. The division continues to perform well, with all printing jobs delivered on time, even in light of a high division vacancy rate.

Budget: $2,045.4 **FTE:** 9

	FY21 Actual	FY22 Actual	F23 Target	F23 Actual	Rating
Revenue exceeding expenditures	-0.6%	21%	4%	7%	G
Percent of printing jobs delivered on time	100%	100%	99%	100%	G
Sales growth in revenue	-11%	-2%	10%	29%	G
Program Rating	Y	G			G

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

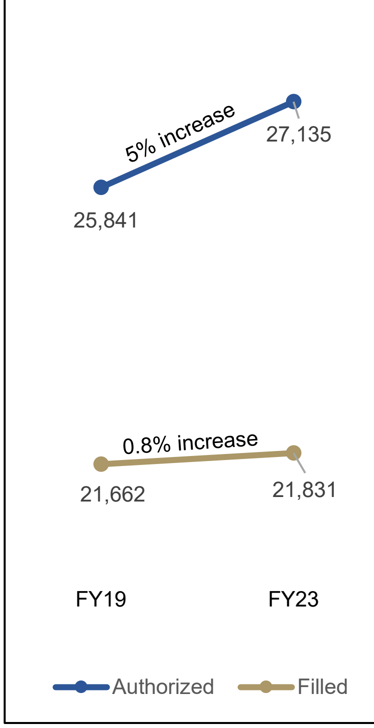
PERFORMANCE REPORT CARD: Fourth Quarter, FY22
State Personnel System

ACTION PLAN

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

Recent pay increases and stabilization of the broader job market have helped to improve key metrics related to the state's personnel system, but high turnover and the continued growth in the number of positions within state agencies have led to continued high vacancy rates. The State Personnel Office (SPO) reports the classified service vacancy rate is 23.8 percent, up 20 percent from the rate in FY21. This increase is partially due to the expanded number of positions. In FY23, state agency headcounts were roughly flat with the number reported in FY19, while the total number of authorized positions increased by 5 percent over the same period. While the state is attracting more applications from workers outside of state government, fewer employees are completing their probationary period. SPO reports more than 3,100 external hires in FY23, up one-third from the amount in FY21, but only 63 percent are completing their probationary period, down from 71 percent in FY21.

Change in Authorized and Filled Positions



SPO reports agencies have made significant inroads in reducing the time it takes to fill position. In the first quarter, SPO reported it took agencies an average of 72 days to fill positions, measured from the date of posting to the extension of an employment offer to the candidate. By the fourth quarter, agencies reduced that number to 55 days, a 24 percent drop. SPO has prioritized reducing the time-to-fill metric, creating a task force with agency human resources officers and working with agencies to improve internal processes to reduce the time it takes to fill vacant positions.

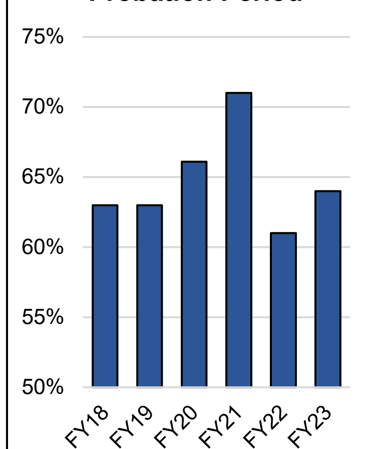
At SPO's request, a number of measures are classified as explanatory, meaning they do not have performance targets. However, ratings were given based, in part, on prior-year performance.

Budget: $4,117.6 **FTE: 46**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Average number of days to fill a position from the date of posting*	50.5	69		55	G
Classified service vacancy rate*	19.9%	22.8%		23.8%	R
Percent of classified employees who successfully complete the probationary period*	71%	61%		63%	R
Average classified employee compa-ratio*	103%	105%		98.7%	G
Average classified employee new hire compa-ratio*	99%	102%		95.5%	G
Number of hires external to state government*	1,996	2,969		3,109	G
Number of salary increases awarded*	NEW	NEW		1,660	
Average classified service employee total compensation, in thousands*	NEW	NEW		$99.8	
Cost of overtime pay, in millions*	NEW	NEW		$41.1	
Program Rating	R	R			Y

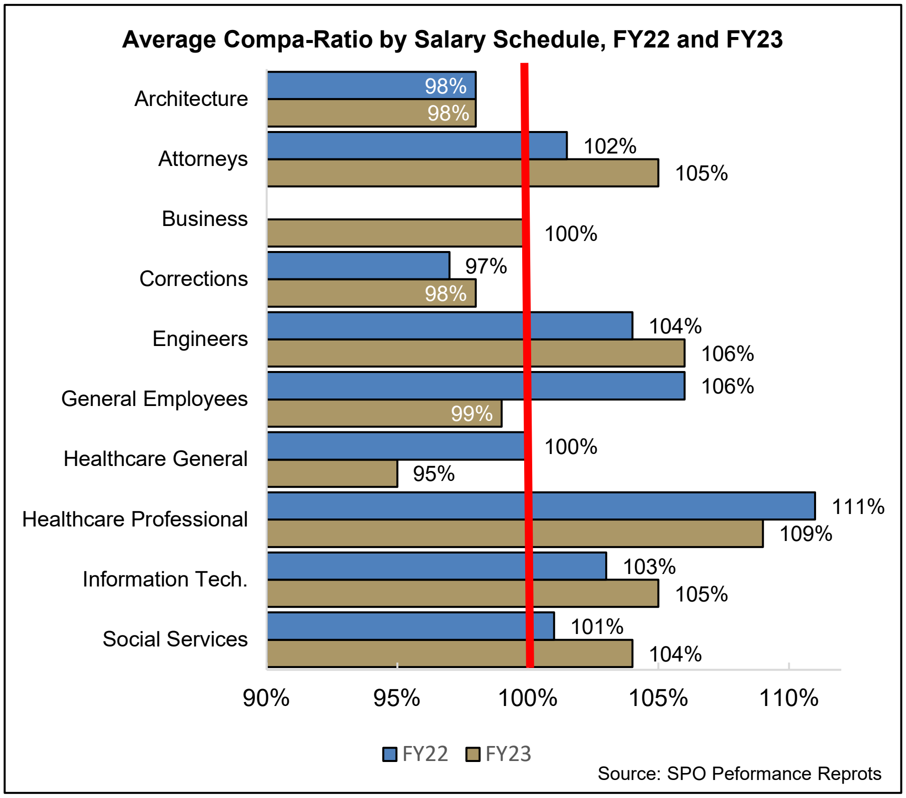
*Measure is classified as explanatory and does not have a target.

New Employees Completing One Year Probation Period



Source: SPO

SPO's quarterly report includes information on the average compa-ratio, or salary divided by midpoint of salary range, one possible indicator of salary competitiveness. Between FY22 and FY23 the average compa-ratio for state



employees fell to 99 percent from 105 percent. Average compa-ratios for new state employees fell to 96 percent from 102 percent. This indicates new employees are accepting employment offers below the position midpoint, suggesting the salary is more competitive with the broader job market. However, SPO reports some areas continue with high average compa-ratios, including classifications for attorneys, engineers, and information technology positions.

In FY23, agencies processed a large number of temporary salary increases, which could indicate some positions are requiring additional compensation. Agencies awarded 1,660 increases, or roughly one for every 10 classified state employees. SPO reports agencies have, in particular, taken advantage of temporary recruitment differentials to aid in hiring.

Taxation and Revenue Department

In FY23, the Taxation and Revenue Department (TRD) fell short of its target for collectible audit assessments since the beginning of the fiscal year and met its annual target for tax collections, with nearly all categories of collections being substantially higher than those submitted in the third quarter of FY22. TRD anticipates issuing over $600 million in tax rebates through FY24, and $15 million in non-filer relief payments.

Tax Administration

Of the $1 billion in outstanding tax collections for the state, the program collected $145.7 million in FY23, nearly 16 percent of the outstanding balance. According to data on outstanding amounts, an estimated $26.5 million would be uncollectable after FY24 due to the 10-year statute of limitations for tax collections. By FY27, the state could be at risk of forfeiting close to $100 million of uncollected taxes because of the statute of limitations, unless the debt is secured in a lien. TRD states debt is collectible after 10 years and expired debt can be reactivated and debt within one to four years is easiest to collect, with the largest debt category being sole proprietors. Due to 2016 legislation, TRD cannot collect balances in protest until after 90 days, a fluid three-month amount that is hard to pin down, essentially making the forgone FY24 amount closer to $37.9 million depending on how much was protested. This is in addition to the uncollected total. The top collection revenue sources have been gross receipts tax, at $82.8 million, and personal income tax, at nearly $35 million.

The issuance of over $1 billion in rebates at the end of FY22 and beginning of FY23 increased the volume of calls into the tax call center up to six times the normal call volume. In response to the increased call volumes, the department had over 100 unique users assisting with phones, including auditors through September and collection agents into December. The resource shifting impacted the division's ability to assess and collect in FY22, FY23 and into FY24. The division is implementing a new data analytics solution in FY24 to improve collection treatment streams.

Budget: $25,333.2 **FTE: 340.66**

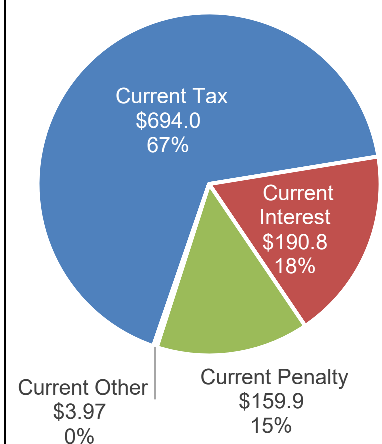
	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	17.6%	15.5%	20%	15.8%	Y
Collections as a percent of collectible audit assessments generated in the current fiscal year	30.3%	40.5%	60%	55.4%	R
Program Rating	R	R			R

*Target is cumulative.

ACTION PLAN

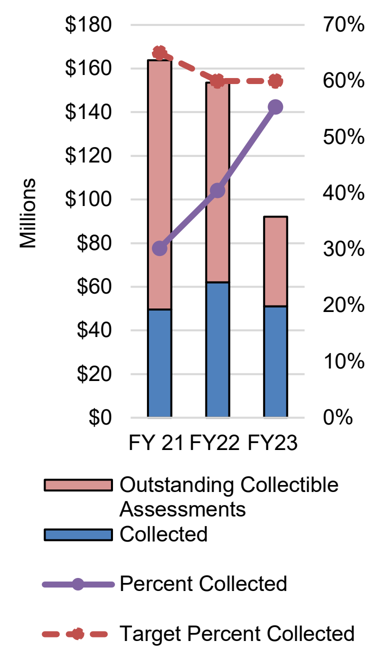
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Outstanding Tax Amounts by Category
$1.048 Billion Total (in millions)

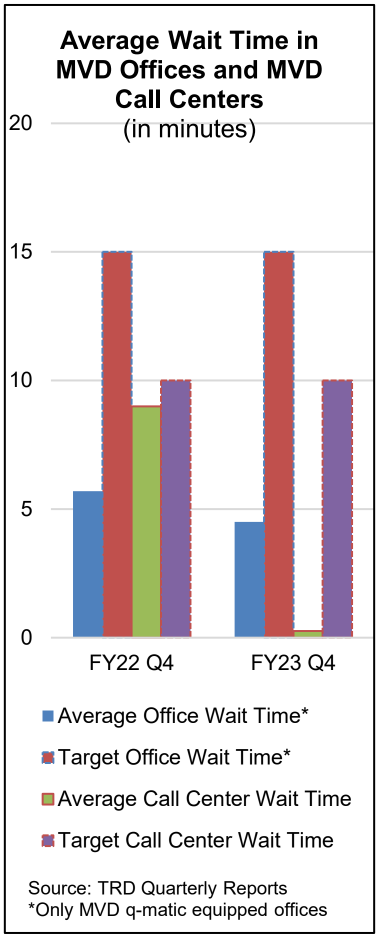


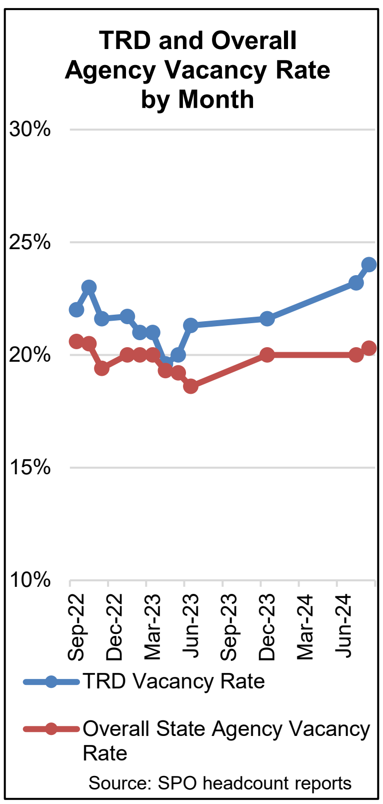
Source: TRD

Collections as a Percent of Collectible Audit Assessments



Source: TRD





Compliance Enforcement

The Tax Fraud and Investigation Division (TFID) reported 4 cases referred for prosecution and 37 open investigations. The period of investigation for fraud, embezzlement, or tax evasion cases ranges from six to eight months. Depending on subpoena returns, docket priority, and the discretion of the district attorney, the process could be longer and court jurisdictions must set dates for open cases. Without confirmed court dates, the division anticipates it will continue to lose criminal charges on specific, pending cases due to the statute of limitations. Court scheduling continues to be delayed and no pending cases have been prosecuted. TFID is preparing three cases for submission to the 1st Judicial District Attorney's Office.

Budget: $1,870.3 **FTE: 21**

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	67%	50%	85%	10%	R
Successful tax fraud prosecutions as a percent of total cases prosecuted*	N/A	100%	100%	100%	G
Program Rating	Y	R			Y

Motor Vehicle

In FY23 the Motor Vehicle Division (MVD) met all performance targets. MVD has a system called "PASCO" or "NM Insurance Interactive Database", which monitors active insurance for all vehicles in New Mexico and reports vehicles without insurance. TRD works with fleet policy holders to submit insurance. While 31 of 32 field offices have same day availability and wait times for offices and calls have improved considerably since FY21, performance data is not inclusive of service quality or wait times in contracted, private partner offices. MVD manages 204 partner office contracts and performs audits on documentation and training for onboarded staff, but does not maintain control over queues that are unassociated with MVD's internal "q-matic" software.

Budget: $47,865.2 **FTE: 332**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Registered vehicles with liability insurance	91.4%	91.1%	92%	91%	G
Average wait time in "q-matic" equipped offices, in minutes	8:00	6.48	5:00	4:48	G
Average call center wait time to reach an agent, in minutes	15:11	8:38	10:00	6:18	G
Program Rating	Y	R			G

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

Program Support

Inadequate staffing within the division affected the share of internal audit recommendations implemented. Four internal auditor positions remain vacant combined with the loss of the four full-time budget staff in FY23 and a recently appointed Chief Internal Auditor, leading to a greater risk of issues cited during external audits. The division reports 2 percent of tax protest cases were scheduled for hearing at the Administrative Hearings Office. The division met its performance target for the number of tax protest cases resolved, bringing in nearly $190.4 million in FY23.

Budget: $10,636.9 **FTE: 102**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Tax protest cases resolved	1,590	1,690	1,525	1,892	G
Internal audit recommendations implemented	100%	97%	90%	25%	R
Program Rating	R	R			R

Property Tax

In FY23 the Property Tax Program (PTD) distributed $13.9 million to counties in delinquent property taxes, exceeding the annual target, but recovered 21 percent of total delinquent property taxes. The total delinquent property tax values increased from approximately $57.5 million to $65.5 million for New Mexico's 33 counties. The statewide outstanding amount in property taxes is $15.7 million. Delinquent property taxes encompass the total of all base property taxes collected and returned to the counties and includes all collection activities including sale of properties. Although the actual delinquent property tax sales are a small portion of our overall collections. PTD receives most taxes from courtesy letters and retagging properties.

Budget: $6,141.2 **FTE: 40**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
Delinquent property tax collected and distributed to counties, in millions	$8.2	$12.0	$10.0	$13.9	G
Percent of total delinquent property taxes recovered	18.7%	23.0%	15.0%	21.0%	Y
Program Rating	G	G			Y

IT Project Status

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

September 2023

IT Project Status Report – FY23 Fourth 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	↗ Project status has improved this quarter (example: Schedule risk decreased, moved from red to yellow)	↘ Project status has declined since last quarter (ex. Budget risk increased, moved from green to yellow)	

DoIT-Led Projects

Y — The **P25 public safety radio project** ($91.2 million; 69.5 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated cost of $170 million. The agency has 35 confirmed agency subscribers and met its target of 40 percent state geographic coverage by the end of FY23. The agency continues to work on various expansion projects. In addition, the P25 advisory committee continues to meet on a regular basis and the agency has started holding subscriber user group meetings, mitigating risk.

G ↗ — DoIT's **cybersecurity project** ($7 million; 100 percent expended) has successfully implemented a security operations center to address state cybersecurity risks, as well as an attack surface management program to assesses threats to assets and a penetration testing program to test system security. DoIT onboarded all 72 executive branch agencies and some judicial and legislative branch entities to its vulnerability scanning program. DoIT plans to close the project in FY24 and will operate the new Cybersecurity Office, created by Senate Bill 280 in 2023.

Y — Legislation from 2021 created a new **statewide broadband program** ($237.2 million; 17 percent expended) within DoIT and the Office of Broadband Access and Expansion (OBAE). OBAE signed award agreements for waves one and two of the Connect New Mexico pilot grant program and wave three awards have been announced. The agency continues to make progress meeting deadlines for state and federal broadband plans, including submission of the state digital equity plan, but impending leadership changes and additional upcoming deadlines for federal grant programs pose risk.

Executive Agency IT Projects

R ↘ — The Human Services Department's (HSD) **child support enforcement system replacement (CSESR) project** ($32.9 million; 44.9 percent expended) will replace the legacy child support application. The project budget increased—from $70 million to $76 million—and timelines were extended—from August 2025 to June 2027—in the past year. Recently, the agency onboarded and received federal contract approvals for its project management office vendor and developed a tentative timeline for planning and implementation, but implementation delays continue to pose risk.

R — HSD's **Medicaid management information system replacement (MMISR) project** ($369.5 million; 53.8 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. The project has seen substantial delays—estimated to be completed in FY27—and cost overruns. HSD submitted a new overall project budget totaling $418.3 million—an increase of $28.5 million, or 7.3 percent—posing substantial risk given the continued escalation of costs. However, HSD is hiring key staff, is awaiting a response on its most recent federal update, and, after several vendor changes and delays, has deployed its system integration platform.

Y

The Children, Youth and Families Department’s **comprehensive child welfare information system (CCWIS) project** ($43.4 million; 29.4 percent expended)—now the New Mexico Impact Project—is intended to replace the old Family Automated Client Tracking System, or FACTS. Initially expected in FY23, the project is now estimated to be completed in FY25. CYFD obtained approval for a simplified cost allocation, improving risk. However, risk remains moderate given prior delays and leadership changes, but CYFD is completing its procurement, which should provide greater clarity on the overall project budget and timeline once completed.

G

The Correction’s Department’s (NMCD) **offender management system replacement project** ($16.6 million; 99.9 percent expended) successfully replaced the 15-year-old legacy client server within budget, including $2.3 million from the agency operating budget. NMCD went live with its offender management system shortly after the close of the fiscal year, providing automated and streamlined operations for corrections and other staff. The project spent nearly all available appropriations except for $10,852 that was reverted from the state computer systems enhancement fund appropriation.

G

NMCD’s **electronic health records project** ($6.7 million; 38.8 percent expended) is intended to replace the existing paper healthcare records system with an electronic-based system that will integrate and exchange information across systems. NMCD is in the planning phase but will pursue implementation certification in August 2023 as well as certification of remaining budget balances ($2.7 million). The agency faced risk of delays but is intending to increase staff augmentation to meet the original timeline of June 2024.

Y

The Department of Public Safety’s (DPS) **records management system (RMS) project** ($7.4 million; 55.8 percent expended) and **computer-aided dispatch (CAD) project** ($3 million; 43.7 percent expended) will provide public safety agencies with a new data repository for $7.4 million. DPS separated the project timelines after going live with RMS in April 2023 and delayed CAD implementation until October 2023. The agency’s schedule risk remains moderate given these delays, but RMS project activities remain low risk as the agency continues to refine its interfaces.

G

DPS’s **intelligence-led policing project** ($5.8 million; 7.7 percent expended) will implement a new system to incorporate the needed data and analytics functions to generate valuable intelligence to more efficiently direct law enforcement resources. The agency continues to address data governance concerns with partner organizations and should have additional recommendations for that and other architectural needs after completion of the assessments by the vendor. Then, the agency will implement a proof of concept and create the data repository for DPS data, Albuquerque Police Department, and Eddy County initially.

R

The Higher Education Department’s **longitudinal data system (LDS) project** ($7.5 million; 43.6 percent expended) will implement a cloud-based data repository to aggregate New Mexico’s education and workforce data. HED is nearing the end of phase one, having ingested all 11 data sets from partner agencies, and is undergoing data cleanup to complete the first round of visualizations for workforce data, including data on wages, as well as kindergarten and postsecondary data. However, project delays continue to impact the timelines for delivering initial visualizations, and HED increased the budget to $14.1 million and expanded the timeline to 2026 to accommodate additional project phases, posing substantial risk.

Y

The Regulation and Licensing Department's **permitting and inspection software modernization project** ($7.3 million; 89.1 percent expended) will replace the legacy system Accela for $7.3 million. However, RLD is implementing additional boards outside of this certified project after the agency experienced a cyber-attack to its on-premise licensing system. The agency completed the following boards in June: home inspectors, landscape architect, nutrition, and chiropractor. The remaining boards are expected to be completed prior to the end of the 2023 calendar year, at which point the agency will close the certified project. RLD continues to provide quarterly updates to the project certification committee on the special appropriation, reducing risk.

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 Subscribers

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

Source: DoIT
*Does not include nine interoperability partner organizations

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) continues with deployment plans for its public safety radio project, with 35 confirmed agency subscribers, including school and local police, fire departments, and other various federal and state public safety agencies. The agency met its goal of reaching 40 percent state coverage by the end of FY23 and is on track to complete the project in 2027, barring any unexpected delays or other issues with securing yearly funding.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	Y	Y	Y	Y	Y	Y
Schedule	Y	Y	Y	Y	G	G
Risk	Y	R	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

DoIT was appropriated $26 million in new capital outlay funding for the project during the 2023 legislative session. Although funds do not become available until July 2023 due to the cycle for capital outlay, the budget tables reflect total appropriations. The agency reduced its reported spending by $50,858 to correct a duplicated purchase order, which, combined with new purchase orders in the fourth quarter, resulted in a small reduction in encumbered expenses from the previous quarter.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$91,164.3	$0.0	$91,164.3	$63,351.6	$27,812.7	69.5%

[1] Total funding includes $1.3 million from the equipment replacement fund and $1.5 million repurposed from another DoIT project

Schedule

The agency is on track with its current deployment schedule, planned through 2027. Design and review was completed for Eddy County in May, and 2023 expansion planning is underway. However, because the project is a multi-year, multi-phase project, funding availability and the potential for deployment delays will continue to play a role in DoIT's ability to maintain its current project schedule.

Risk

The large capital cost and long-term deployment schedule continue to pose some level of risk, which has been manageable, and the agency continues to work on various expansion projects. The P25 advisory committee continues to meet on a regular basis and the agency has started holding subscriber user group meetings, reducing risk.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Fourth Quarter, Fiscal Year 2023

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.

Enterprise Cybersecurity Project

Overall Status

In addition to implementing the security operations center, DoIT has onboarded all 72 executive branch agencies and some judicial and legislative branch entities to its vulnerability scanning program. With available funds, DoIT also delivered an attack surface management program to assesses potential threats to assets and a penetration testing program to performs tests of a system's security. DoIT is preparing to close the project and transition to an operational cybersecurity program under the newly created Cybersecurity Office.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	Y	Y	Y	Y	G	G
Schedule	Y	Y	Y	G	G	G
Risk	R	Y	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	G

Budget

The total project budget is currently certified. DoIT plans to close the project during the second quarter of FY24 and reports all available funding has been spent. Other operational cybersecurity funding at DoIT will transition to the new Cybersecuirty Office, created by Senate Bill 280, including $4 million in the operating budget for recurring cybersecurity operations and a $19 million appropriation for cybersecurity made outside of this certfied project.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$7,000.0	$0.0	$6,951.1	$6,951.1	$0.0	100%

[1]$48,896 in prior funding was unused by June 2020 and was not reauthorized.

Schedule

The agency is on track to close the project in FY24 once the Cybersecurity Office is established. DoIT has fully implemented its security operations center for all executive agencies, a key deliverable of the project. The new office will operate the center and will continue to build upon the agency's cybersecurity programs.

Risk

The successful deployment of a security operations center highlights a key project milestone and provides the foundation for the agency's operational cybersecurity program, to be led by the new Cybersecurity Office. The agency will likely close this certified project in FY24.

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

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	R	R	R	Y	Y	Y
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	Y	Y	Y	R
Overall Rating	R	R	R	Y	Y	Y

Budget

The state is expected to receive $675 million through FY27 from federal Broadband Equity, Access and Deployment (BEAD) grant programs, requring a detailed spending plan. OBAE has fully spent/obligated appropriations for the Navajo Nation ($3 million), library expansions ($1 million), and expansion projects in Northern New Mexico and Rio Arriba/Santa Fe Counties ($372.9 thousand and $259.7 thousand). OBAE will have access to another $25 million from the 2023 legislative session in July, included in the budget table to reflect total available funding.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$137,680.6	$130,307.3	$267,987.9	$45,553.0	$222,434.9	17.0%

[1] State funding includes connect New Mexico and other DoIT funds. Federal funding includes $123 million from ARPA funds, $1.5 million in CARES Act funding, $5 million from the BEAD planning grant, and $741 thousand from Digital Equity grants.

Schedule

OBAE submitted its state digital equity plan and is on track to meet deadlines for federal spending plans due in December 2023. Managing a variety of appropriations with different expenditure and reporting deadlines poses risk, but OBAE is using a grant tracking system and hired grant and compliance managers to mitigate risk.

Risk

The agency is seeking to right size its operations in FY25 and become independent from DoIT. OBAE's growth has allowed the agency to make progress on awarding connect New Mexico fund dollars and developing needed plans to access new federal funds. However, OBAE expects several staff and leadership changes, which may affect the agency's capacity to administer funds in future quarters, posing risk.

OVERVIEW

Project Phase	Phase 2 - Initiation
Start Date	12/18/13
Est. End Date	6/30/19
Revised	6/28/27
Est. Total Cost	$65,581.9
Revised	$76,699.4

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 Replacement Project

Overall Status

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

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	Y	Y	Y	R	R	R
Schedule	Y	Y	Y	R	R	R
Risk	Y	Y	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	R

Budget

The agency did not request additional funds for FY24. The project continues to cite a total estimated cost of $76 million—up from $70 million—resulting from expanding the project timeline. The agency is on track to develop its advanced planning document by April 2024 for federal partners and anticipates requesting an additional $7.6 million in state funds and an estimated $14.8 million in federal funds for FY25.

Budget Status Overview
(in thousands)

State*	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$13,418.6	$19,448.0	$32,866.6	$14,773.8	$18,092.8	44.9%

*Includes $3.4 million from agency fund balances in FY16.

Schedule

The project was expected to be completed in August 2026 but is now expected to be completed in June 2027—a change that was approved by the executive steering committee in April 2023. HSD has developed an initial timeline for planning processes, a request for proposal (RFP) for implementation services, and completion of a feasibility study—required by federal partners—through the next fiscal year. The agency should ensure its proposed timelines allow for adequate time for RFP development and award prior to its projected 2027 completion date.

Risk

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Human Services Department
Fourth Quarter, Fiscal Year 2023

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
Revised	$389,758.7
Revised	$418,317.6

Project Description:

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

Medicaid Management Information System Replacement Project

Overall Status

The project has experienced several substantial delays and increases to the project budget. The Human Services Department's (HSD) is hiring key staff and has made progress on receiving approvals for federal funding. After several vendor changes and delays, the agency has deployed its system integration platform, currently used for transfering files and other data from the agency's ASPEN system. HSD has also submitted its most recent federal advanced planning update.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	R	Y	Y	Y	Y	Y
Schedule	R	R	R	R	R	R
Risk	R	Y	Y	Y	R	R
Overall Rating	R	Y	Y	Y	R	R

Budget

HSD was approved for its advanced planning update for FFY23 and is awaiting a response on its FFY24 update. The agency was appropriated $7.4 million in state funds for FY24, with an associated $67.5 million federal match. HSD has received $331.9 million from federal partners for project costs so far. However, the agency submitted a new overall project budget totaling $418.3 million—an increase of $28.5 million, or 7.3 percent—posing substantial risk given the continued escalation of costs.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$37,757.6	$331,864.5	$369,480.9	$198,893.8	$170,587.1	53.8%

Schedule

Prior substantial delays in the project and the need for integration with various other agency systems has posed moderate risk. However, the agency is making progress on its planned module deployment schedule and successfully submitted its July 2023 federal planning update, with a response expected in September.

Risk

HSD is making progress replacing key project and agency staff, including a project director, Chief Information Officer, Chief Information Security Officer, and an operations manager in the next quarter. The first use case for the system integration platform—file transfers—is currently in place and the unified portal design is completed. The agency has deployment plans in place for its other modules, but additional cost increases continue to pose a substantial risk to the project.

OVERVIEW

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

Project Description:

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

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

Comprehensive Child Welfare Information System Replacement/New Mexico Impact Project

Overall Status

The Children, Youth and Families Department (CYFD) and other stakeholders are now referring to the comprehensive child welfare information system (CCWIS) replacement project as the New Mexico Impact Project. CYFD obtained approval for a simplified cost allocation, reducing risk. However, risk remains moderate given prior delays and leadership changes, but CYFD is completing its procurement, which should provide greater clarity on the overall project budget and timeline once completed.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	R	Y	R	R	R	R
Schedule	R	R	R	R	R	R
Risk	R	Y	Y	Y	Y	Y
Overall Rating	R	Y	Y	Y	Y	Y

Budget

CYFD is receiving new state and federal funds for FY24 and was approved for a simplified federal cost allocation methodology. An updated project budget is under executive review, which will provide greater budget clarity following the closing of the agency's procurement. However, budgetary risk remains high pending release of new budget estimates, as the overall project cost could still increase based on those new estimates. CYFD expects approval of the new budget in the next quarter.

Budget Status Overview
(in thousands)

State	Federal (ACF)	Medicaid Revenue from HSD	Total Funding*	Spent to Date	Balance	% of Appropriations Spent
$34,963.1	$3,549.8	$4,899.4	$43,412.3	$12,779.0	$30,663.3	29.4%

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

Schedule

Procurement delays have pushed implementation of the vendor contract beyond the expected July 2023 date, which may contribute to subsequent delays for other contractors. However, the agency has completed its installation of county network hardware, and the statewide Wi-Fi installation and security updates are in progress.

Risk

The simplified cost allocations should significantly improve budget and schedule risks for the project in future quarters, as pending federal approvals have been the primary impetus behind prior schedule delays. However, procurement delays contribute to project risk as well as uncertainty surrounding the total expected project cost. Updated budget estimates following the procurement could either improve or escalate project risk, depending on whether the estimates are similar or larger than the initial cost.

INFORMATION TECHNOLOGY REPORT CARD
Corrections Department
Fourth Quarter, Fiscal Year 2023

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

OVERVIEW

Project Phase	Implementation
Start Date	5/1/15
Est. End Date	6/30/19
Revised	12/31/22
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

Offender Management System Replacement Project

Overall Status

The Corrections Department (NMCD) went live with its offender management system shortly after the close of the fiscal year, providing automated and streamlined operations for corrections and other staff within the anticipated budget. The agency has completed training prior to system go live to ensure business users were prepared for the deployment of the system and will undergo lessons learned closer to the six-month evaluation of the system.

Measure	FY21 Rating	FY22 Rating	FY23 Rating	FY23 Q2	FY23 Q3	FY23 Rating
Budget	G	G	G	G	G	G
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	G	G	G	G
Overall Rating	Y	Y	Y	Y	Y	G

Budget

The project spent nearly all available appropriations except for $10,852 that was reverted from the state computer systems enhancement fund appropriation. NMCD expects the system to cost around $500 thousand per year to operate and maintain, with a 2.5 percent cap on cost increases through at least 2028.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$14,230.2		$16,570.7	$16,559.9	$10.8	99.9%

[1]Amount includes $2.3 million contributed from business areas and the agency operating budget.

Schedule

The agency completed training and testing, with a final go live completed at the end of July 2023, as NMCD decided to align the release of the system with the start of the new fiscal year. The agency is starting to see a decrease in the number of help desk tickets needing resolution and has planned for a six-month evaluation of the system, along with lessons learned.

Risk

System functionalities include modules for accessing offender demographics and personal information, court and disposition information, offender relationships, good-time calculations, and docket assignments in one unified system. The agency successfully implemented the system within budget, with small contributions from the agency operating budget, and largely within schedule, with only minor delays due to testing and training. Train-the-trainer models implemented at the agency contribute to NMCD's capacity to provide internal maintenance and operations of the system.

INFORMATION TECHNOLOGY REPORT CARD
Corrections Department
Fourth Quarter, Fiscal Year 2023

OVERVIEW

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

Project Description:

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

Electronic Health Records Project

Overall Status

The Corrections Department (NMCD) is currently in the planning phase for the electronic health records (EHR) project but is planning to pursue implementation certification in August 2023 as well as certification of remaining budget balances ($2.7 million). However, the agency is pushing the project completion date to October 2024, originally June 2024, now that the vendor has developed an initial project schedule.

Measure	FY21 Rating	FY22 Rating	FY23 Rating	FY23 Q2	FY23 Q3	FY23 Rating
Budget	NEW	NEW	G	G	G	G
Schedule	NEW	NEW	G	G	G	G
Risk	NEW	NEW	G	G	G	G
Overall Rating	NEW	NEW	G	G	G	G

Budget

In FY20, $750 thousand was appropriated to the agency to begin the project. However, during a special Legislative session, the monies appropriated for the project were recouped. During the FY21 funding cycle, NMCD was appropriated $500 thousand to initiate planning and an additional $6.2 million to continue the project in FY22. The agency continues to spend funds and is seeking reauthorization of balances in FY25.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$6,738.0		$6,738.0	$2,615.4	$4,122.6	38.8%

Schedule

NMCD completed a sole source procurement for the professional services component of the project and is holding kickoff meetings with the vendor in July 2023. The agency faced risk of delays but is intending to increase staff augmentation to meet the original timeline of June 2024. Continued progress on meeting new deadlines will help mitigate any schedule risks in future quarters.

Risk

The agency continues to make progress on contracting and vendor onboarding, with meetings and bootcamps being held with the vendor in the following quarter. The agency's IT vacancy rates continue to pose some level of risk, but the project is adequately funded at this time and NMCD is working with additional contractors to interface with the Health Information Exchange and possibly the Department of Health's eHR system, once built.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Public Safety
Fourth Quarter, Fiscal Year 2023

OVERVIEW

RMS

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

CAD

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

Project Description:

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

The computer aided dispatch (CAD) project will implement a new dispatch system because the current system is no longer supported.

Records Management System/Computer-Aided Dispatch Projects

Overall Status

The Department of Public Safety (DPS) is pursuing both the records management system (RMS) and computer-aided dispatch (CAD) projects simultaneously, but the agency has divorced the project timelines after going live with RMS in April 2023. NMCD continues to refine interfaces for RMS and, for CAD, continues with geographic information system upgrades through the University of New Mexico's Earth Data Analysis Center. However, delays to these upgrades resulted in a postponed go-live date for CAD, now expected in October 2023.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	G	G	G	G	G	G
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	G	G	Y	Y	Y
Overall Rating	Y	G	G	Y	Y	Y

Budget

The agency did not request additional funds to support the projects for FY24. The agency reported no additional spending on CAD in the fourth quarter due to delays in invoicing but continues to spend available funds on enhancements and refinements to the RMS from the available balance. DPS expects an addiitonal $2.6 million to be billed for the project after going live with CAD.

Budget Status Overview
(in thousands)

	State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
RMS	$7,381.3		$7,381.3	$4,116.7	$3,005.3	55.8%
CAD	$3,000.0		$3,000.0	$1,309.6	$1,690.4	43.7%

Schedule

DPS went live with RMS but has delayed the go-live of CAD. The agency's schedule risk remains moderate given these delays, but RMS project activities remain low risk as the agency continues to refine its interfaces. The agency is moving CAD implementation to October due to outstanding issues and conflicts with the state fair and balloon fiesta since state police need to be available for training.

Risk

Since RMS has been implemented, the risk for that project is low, but the continued delays for CAD contribute to project risk. DPS will undergo a secondary review of RMS processes and complete first responder training and warrants testing in the coming months. Complex geographic information system enhancements for CAD are still underway, posing risk.

OVERVIEW

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

Project Description:

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

Intelligence-Led Policing Project

Overall Status

The Department of Public Safety (DPS) is contracting the New Mexico Insitute of Mining and Technology Institute for Complex Additive Systems Analysis (ICASA) and Amazon Web Services, through Carahsoft, for its intelligence-led policing project and has completed vendor kickoff in June. The vendors will also complete assessments on data governance needs and archictural needs for the data repository. Then, the agency will implement a proof of concept and create the data repository for DPS data, Albuquerque Police Department, and Eddy County initially.

Measure	FY21 Rating	FY22 Rating	FY23 Rating	FY23 Q2	FY23 Q3	Rating
Budget	NEW	NEW	G	G	G	G
Schedule	NEW	NEW	G	G	Y	Y
Risk	NEW	NEW	G	G	G	G
Overall Rating	NEW	NEW	G	G	G	G

Budget

The agency is receiving an additional $2.2 million in FY24 to continue the planning and implementation phases. The agency reports an anticipated non-recurring cost of $6.2 million and recurring costs over the first five years of $15.9 million. The agency also reports additional spending in the fourth quarter of $162.1 thousand.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$5,585.0		$5,585.0	$429.6	$3,112.5	7.7%

Schedule

DPS is planning for a data repository to be rolled out at the agency by 2024 with an overall expected completion date of June 2025. The system will be hosted at DPS, but individual users and agencies can utilize their own data analytics and visualization tools using the data. The agency continues to make progress on the needed assessments and is planning to review other state systems, such as New Jersey.

Risk

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

OVERVIEW

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

Project Description:

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

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

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

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

New Mexico Longitudinal Data System Project

Overall Status

The Higher Education Department (HED) is citing a new budget and schedule changes to accommodate the other project phases, posing risk. HED is nearing the end of phase one and has ingested all 11 data sets from partner agencies. The agency reported small delays in deploying the master unique identifier and issues with data cleanup that will be resolved next quarter. The agency plans to release initial visualizations in August 2023 to cover wage data, kindergarten readiness, and postsecondary progression.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	NEW	G	G	G	Y	R
Schedule	NEW	G	Y	Y	Y	R
Risk	NEW	Y	Y	Y	Y	Y
Overall Rating	NEW	G	G	G	Y	R

Budget

HED is now citing total project costs of $14.1 million—a $4.1 million increase—posing increased risk. The initial budget of $9.9 million is now being reported as phase one costs only. The agency was budgeted $2.5 million in federal funds in 2023 but will only receive around $1.5 million from the federal grant program in the fall. The Public Education Department is using $2.5 million from the grant to create a new K-12 Common Education Data Standards longitudinal data system to serve as the primary source of K-12 data source for the NMLDS. The agency is nearly fully funded for phase one but will request additional state funds in FY25 for phase two.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$3,954.3	$3,500.0	$7,454.3	$3,251.0	$4,203.3	43.6%

[1]Amount includes $5.6 thousand from WSD and $23.7 thousand from HED. Federal amount includes $500 thousand from ECECD and $559 thousand from the Bill and Melinda Gates Foundation.

Schedule

Although expected July 2023, data visualizations will not be ready until August 2023 due to data discrepancies and needed data cleanup activities. Further, to accommodate the other project phases, HED extended the completion date to September 2026, resulting in increased schedule risk this quarter.

Risk

Project delays continue to impact the timelines for delivering initial visualizations, and the agency has increased the budget and expanded the timeline, posing substantial risk. The new project management team of both internal and external project management staff continue to support project development activities.

OVERVIEW

Project Phase	Implementation
Start Date	5/23/18
Est. End Date	9/30/23
Est. Total Cost	$7,297.0 – BCD Phase

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) completed several boards as part of its certified project and is implementing 17 other boards to finish the modernization in the coming quarter. While the project began in 2018, the project timeline was significantly shortened due to a cyber-attack in October 2022 that compromised the legacy renewal process. The agency plans to pursue additional phases for alcoholic beverage and cannabis licensing outside this certified project.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Rating
Budget	G	G	G	Y	G	G
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	G	G	G	Y	Y
Overall Rating	Y	G	G	Y	Y	Y

Budget

Although funds are not available until the following quarter, and therefore will not be reported in the budget table, RLD completed the additional 17 boards and is pursuing additional refinements to its initial set of six boards through a $5 million special appropriation. This phase of the project is expected to close under budget from initial estimates. RLD reconciled spending this quarter, which improves budget risk.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding*	Spent to Date	Balance	% of Appropriations Spent
$7,297.0		$7,297.0	$6,501.2	$795.8	89.1%

*$4.4 million is from various RLD fund balances. Includes a $5 million special appropriation to implement additional boards.

Schedule

All planned boards for this phase are live for renewals and new applications in Salesforce, including four new boards implemented in June: home inspectors, landscape architect, nutrition, and chiropractor. In addition, in the first quarter of FY24, RLD is completing the remaining 17 boards and is planning enhancements and maintenance of the system that will be ongoing beyond this certified project phase.

Risk

RLD's accelerated timeline has posed risk to the project. However, the agency has managed budgetary risks and continues to successfully implement additional boards in line with projected timelines. Invoicing for the last set of six boards was completed, so spending figures are up to date. RLD updates the project certification committee on the status of the special appropriation every quarter, also helping mitigate risk.

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

Investment Performance Quarterly Report, Fourth Quarter, FY23

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

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

State investments gained value in the fourth quarter of FY23, benefiting from the continued market rally. Moderating inflation, strong corporate earnings, and an improving economic outlook contributed to the healthy growth. Forecasters are much more optimistic of a "soft landing," where inflation eases without the economy tipping into recession. One-year returns were strong for all funds, a notable improvement from the challenging environment in 2022. The state's risk-averse investments generally performed worse than peer funds in the quarter and one-year period amid strong markets.

Investment Performance Highlights

- The value of New Mexico's combined investment holdings grew by $1.07 billion quarter-over-quarter, to an ending balance of $71.94 billion, with across-the-board gains bolstered further by distributions to the ECTF and the STPF. For the year, funds gained $9 billion, or 14.3 percent. Over the last five years, the state's combined investment holdings grew $20.7 billion, or 40.5 percent.
- One-year returns were strong for all funds, ranging from 4.23 percent (PERA) to 7.07 percent (LGPF). Average investment returns over the last 10 years ranged from 6.60 percent (PERA) to 7.98 percent (ERB).
- The LGPF, STPF, and ECTF benefited from distributions from oil and gas taxes and royalties which bolstered their earnings. ERB and PERA earnings were moderated by benefit payments that were greater than contributions. STPF performance is moderated by the allocation to differential rate New Mexico investments.
- Only the LGPF met its return targets for the one-year period, but most funds hit their targets in out-periods, when annualized.[1] Most funds outperformed their policy indices for multiple periods due to a diversified portfolio stack that leans toward private equity and other alternative assets, such as real estate.
- When compared with peer funds greater than $1 billion on a net-of-fee basis, ERB performance was in the top 10 for the three-year, and five-year periods and at 12 for the 10-year period. The LGPF ranked in the middle quintile—around the median—for the three-year, five-year, and 10-year periods. PERA's one-year performance was in the bottom ten of comparison funds, but it ranked in the middle quintile in the out years.

Returns as of June 30, 2023 (Net of Fees)[1]

	PERA		ERB		LGPF		STPF		ECTF	
Returns (%)	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**
Quarter	1.42	2.30	2.64	**2.63**	2.14	**2.03**	1.92	2.03	1.09	0.74
1-Year	4.23	6.89	5.62	6.51	**7.07**	**6.58**	5.86	**5.68**	5.00	**3.12**
3-Year	**8.33**	**5.76**	**11.14**	**9.05**	**9.59**	**9.49**	**7.39**	8.03		
5-Year	5.90	**4.51**	**7.84**	**7.26**	6.88	7.03	5.34	6.20		
10-Year	6.60	**5.91**	**7.98**	**7.40**	**7.40**	7.56	6.61	7.17		

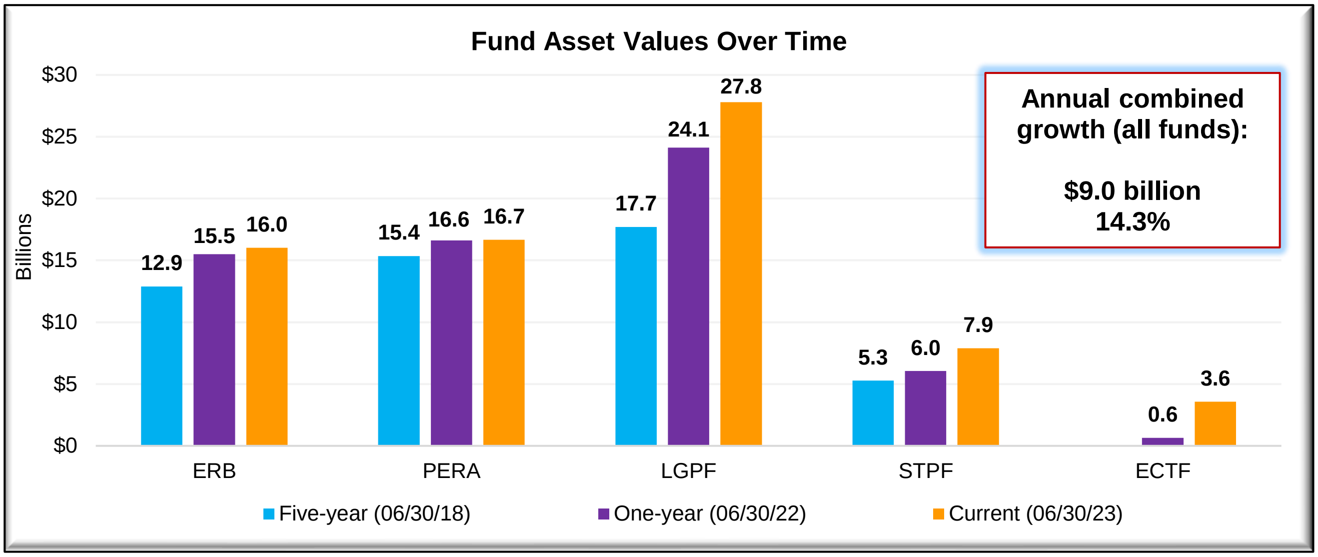
Note: A bolded fund value indicates returns that exceed the fund's long-term target. A bolded policy index value indicates returns that exceed the policy index. Quarterly data is not annualized.

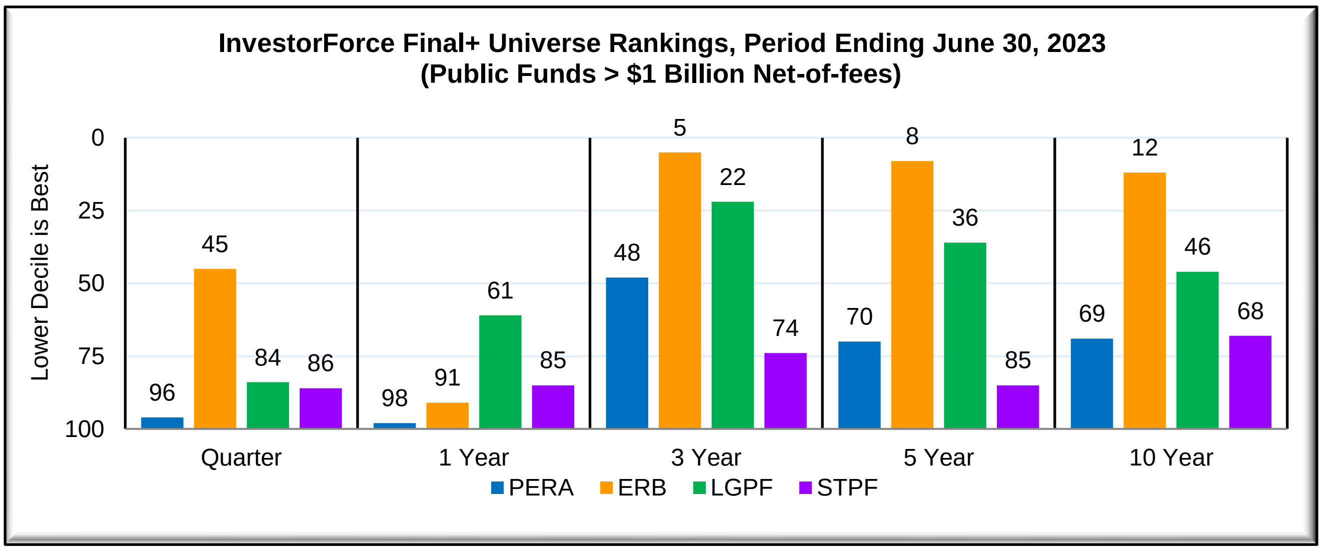
[1] The funds' long-term return targets are 7.25 percent (PERA), 7 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

Investment Agency Performance Dashboard

Quarter Ending June 30, 2023

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





Risk Profiles, Five Years Ending 6/30/23, Net of Fees				
Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	7.1	8.1	9.4	9.2
Sharpe Ratio**	0.9	0.6	0.6	0.4
Beta***	0.3	0.4	0.4	0.4

Aggregate Value of New Mexico Investment Holdings

$71.9 billion

*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.

Source: Agency Investment Reports

Note: ECTF not included in some metrics due to insufficent investment duration