Accountability in Government
Selected Performance Highlights
Second Quarter, Fiscal Year 2020

Background

Pursuant to the Accountability in Government Act (AGA), quarterly reports are required of key state agencies, including performance measures and targets approved for each fiscal year by the Department of Finance and Administration (DFA) in consultation with LFC, as well as other measures important to agency operations.

Since early 2019, LFC staff has worked together with DFA and agencies to help advance agency reporting. DFA Secretary Olivia Padilla-Jackson and her staff joined LFC management and staff for the initial review of draft second quarter FY20 report cards. DFA's early input has been useful for building a more collaborative approach to performance reporting, although the LFC retains responsibility for the content and format of the final report cards. DFA and LFC staff are focused on improving agency action plans this interim to strengthen the connection between performance reporting and corrective actions to improve outcomes.

Agency performance measures are listed in tables in the body of the report cards, along with a green, yellow, or red rating that indicates how well agencies are progressing in meeting performance targets. Where relevant and timely data is available, LFC analysts may add national or regional benchmarks to provide context for the state's outcomes. Yellow and red ratings indicate the data is insufficient for LFC analysts to readily recognize progress or problems or an early warning that an agency is not on track to meet a target by fiscal year end.

Though these report cards are a helpful oversight mechanism for the Legislature, performance measurement is most useful as a tool for agency decision-making. Each report card notes if the agency has an action plan to address performance. LFC staff are taking this idea a step further, working with the Center for Government Excellence (GovEx) at Johns Hopkins University and the secretaries of select agencies to develop strategies for using these reports for performance management in the following quarters of FY20.

Performance of note for the second quarter of FY20 by major area includes:

Higher Education *(page 61)*

The Legislature approved a major redesign of the performance measures framework for higher education institutions, creating more than 40 data reporting measures, of which six are included in the General Appropriations Act. The new framework shifts from minimal reporting to the Legislature – the largest investor in higher education in New Mexico – to robust data reporting on multiple enrollment metrics, workload and completion metrics, and cost efficiency metrics among the most important. Moreover, the Legislature is requiring data reporting on a semester basis to ensure policymakers receive current information about activity levels on college and universities. As college enrollments have declined in New Mexico, surrounding states have significantly increased enrollments and continue to outperform New Mexico institutions on student success measures.

Human Services and Medicaid *(page 35)*

The Human Services Department (HSD) did not report data on several measures, including the Medicaid program's prenatal care performance and outcomes for infants on Medicaid receiving six well-child visits during their first 15 months, given the emergency response to the COVID-19 pandemic. However, the department has volunteered to work with LFC, DFA, and GovEx on improving the use of performance data for management decisions moving ahead.

HSD implemented provider rate increases in FY20 for outpatient settings, dispensing fees to community-based pharmacies, long-term services and supports providers, and supportive housing benefits for people with serious mental illness. There also were increases in payment rates to governmental and investor-owned hospitals, and hospitals serving a high share of Native American members. HSD also implemented a minimum wage adjustment for personal care services providers for statewide and regional changes in minimum wage.

Behavioral Health *(page 33)*

New Mexico's alcohol-related death, suicide, drug overdose, and mental illness rates rank among the worst nationally, with the worst outcomes concentrated in specific geographical regions. However, according to the 2019 *State of Mental Health in America* report, New Mexico improved from 46th to 31st in the national overall adult behavioral health rankings between 2017 and 2018. New Mexico's drug overdose death rate has improved from 50th in the country to 32nd for multiple reasons, including a small but significant drop in the state's overdose death rates, while other states' overdose death rates have rapidly increased.

The Behavioral Health Services Division of the Human Services Department provided updated data for the number of individuals served in state-funded substance use or mental health programs. In calendar year (CY) 2019, 165.6 thousand individuals were served, almost the same as CY18 with 166.9 thousand individuals served. The non-Medicaid population served included 17.6 thousand members, a 24.4 percent increase over CY18, due to the movement into encounter-based claims for behavioral health services provided with grant funding. The Centennial Care program served 130.7 thousand members, a decrease of 3 percent from CY18. The Medicaid fee-for-service members served totaled 17.3 thousand indviduals, a 4.6 percent decrease from CY18.

Department of Health *(page 39)*

The Department of Health reported improvements in reducing the Developmental Disabilities waiting list, providing detoxification services for drugs or alcohol, and dispensing naloxone at retail pharmacies. The Public Health Program met or exceeded a majority of targeted performance in the second quarter, with the exception of some metrics relating to smoking cessation activities.

Public Education *(page 59)*

Statewide public school enrollment fell to 323 thousand students, a decline of 2,479 students (or 0.76 percent) from the prior year, and participation in K-5 Plus programs dropped by 3,312 students from estimates reported in the first quarter. Despite significant increases in teacher salaries in FY19 and FY20, New Mexico teacher salaries remain on par with neighboring states, which also raised teacher salaries in recent years. The Public Eduation Department's reimbursement and audit performance improved slightly but remains under target performance levels.

Economic Development and Tourism *(Tourism page 20, EDD page 22)*

The Economic Development Department (EDD) awarded four companies $5.15 million in Local Economic Development Act (LEDA) funds and created 855 jobs (for an average fo $6,029 per job) The funds matched for these LEDA projects totaled $201 million, contributing to a 39 to one ratio of private sector dollars invested per dollar of LEDA funds awarded. EDD created 90 rural jobs.

As of March 2020, EDD reported $67 million in general fund, other state funds, and severance tax bonds is unencumbered, while $57 million of the total is uncommitted and available for LEDA projects. The Job Training Incentive Program (JTIP) board approved 21 businesses in the second quarter, a total of $6.2 million in awards. As of March 2020, EDD reported $4.3 million in JTIP funds were available.

The Workforce Solutions Department job growth numbers show the leisure and hospitality industry had an increase of 0.6 percent in December 2019, compared to December 2018, a significant decrease compared to 7.3 percent growth in the first quarter. New Mexico Magazine missed its target for advertising revenue per issue, reaching an average of $58.8 thousand per issue for the second quarter.

Children, Youth and Families *(page 48)*

The Children, Youth and Families Department (CYFD) reported mixed performance. The Early Childhood Services program met a majority of performance targets, while the Protective Services program fell short across all performance measures. While still significantly above the target level and national benchmarks, the child repeat maltreatment rate this quarter fell by nearly 2 percent. More families are engaged in prevention services and monthly caseworker visits improved by more than 3 percent The Juvenile Justice Services program met half of its performance targets but fell short across performance measures related to recidivism. As the the overall number of youth incarcerated in juvenile facilities continues to decrease, the program is left managing a smaller group of the most serious and acute offenders.

Public Safety *(NMCD page 52, DPS page 55)*

The Corrections Department (NMCD) did not meet targets in the Inmate Management and Control Program, with the number of inmate assaults and release-eligible inmates still incarcerated beyond their release date exceeding annual targets and on track to exceed prior year levels. Recidivism rates declined slightly to 52 percent but continue to exceed targeted levels. NMCD's Community Offender Management Program decreased vacancy rates among probation and parole officers for the first time in over two years and significantly decreased the average standard caseload per probation and parole officer. However, vacancy rates for state-employed and privately-employed correctional officers remain high, at 29 percent and 45 percent, respectively.

The Department of Public Safety (DPS) met or exceeded the majority of its key performance measures this quarter. DWI arrests, saturation patrols, and alcohol-involved traffic fatalities are down, indicating efforts to preventing drunk driving are succeeding. However, violent crime rates continue to rise, exposing a disconnect between the issues prioritized by lawmakers and the measures used to assess the department's performance. In coming years, DPS should focus on collecting and reporting data focused on the state's overall crime rates, clearance rates for its cases, and the success of its targeted operations statewide.

Courts and Justice *(page 8)*

Average caseloads for prosecuting attorneys fell to, or below, the target statewide in every judicial district, with the exception of the fifth (Eddy, Lea and Chaves counties) due to increased activity from the oil boom. The second quarter includes the first drug court update of FY20, showing graduation rates for drug and DWI court increasing but enrollment declining. District courts did not report magistrate court measures for the second quarter, demonstrating a lack of communication between AOC and the districts on the new reporting requirements.

Natural Resources *(EMNRD page 24, OSE page 28, NMED page 44)*

In the Energy, Minerals and Natural Resources Department, the State Forestry Division's (SFD) work has been interrupted by an injunction that halted most forest thinning on National Forest System lands. SFD had planned to treat approximately 3,000 acres of federal lands in FY20, and is now redirecting funds to other projects.

The Oil Conservation Division (OCD) has not made progress towards its targets for oil and gas well inspections and compliance or abandoned well plugging due to compliance officer vacancies; currently half of OCD's compliance officer positions are vacant. OCD is engaged in a reorganization effort that will move many of the positions currently housed in the District Offices to Albuquerque with the goal of increasing the applicant pool, and is actively filling positions.

The Office of the State Engineer has not reduced the backlog of water rights applications and is not processing new applications in a timely manner. The agency is attempting to fill 30 vacancies in the Water Resources Allocation Program to address these issues.

The Environment Department reports fewer inspected large quantity hazardous waste generators are in compliance with permit requirements. In the second quarter, seven of the Hazardous Waste Bureau's 10 inspector positions were vacant. A significant number of the department's performance measures are explanatory, making agency performance difficult to assess.

Taxation and Revenue Department *(page 13)*

The Taxation and Revenue Department is on track to meets its annual target for collections of outstanding balances but is at risk of falling short of its target for collectible audit assessments. The department has made progress in reducing wait times at Motor Vehicle Division (MVD) offices, but MVD call center wait times remain high. The agency has reduced its vacancy rate to 22 percent, from a high of 29 percent in January 2019, which may help it to better meet targets.

General Government *(GSD page 16, SPO page 19, DOT page 57)*

The State Personnel Office (SPO) reports the classified service vacancy rate is currently 21.7 percent, down slightly from the first quarter rate of 21.9 percent. The elevated vacancy rate comes despite SPO's renewed focus on rapid hire events and average salaries that have increased from $48 thousand in FY19 to $50.4 thousand in the second quarter of FY20. The state continues to have low employee retention, with only 65 percent of new hires completing their one-year probationary period.

The General Services Department improved the usefulness of its quarterly reporting from the first quarter of FY20, with more robust descriptions of performance. While the public liability fund increased its balances, with declining losses, additional transparency will allow for a better understanding of loss estimates. The Group Health Benefits Program projected an FY20 deficit of $9 million, increasing to $20 million in FY21, and a lack of consistent financial reporting has obscured the severity of the shortfall. Supplemental funding of $10 million was appropriated by the Legislature during the 2020 session to address the shortfall.

The Department of Transportation reports no change to the 18 percent vacancy rate between the first and second quarter. Despite the high vacancy rate, the department continued to perform well with 92 percent of projects completed according to schedule and a final cost-over-bid amount of 1 percent for the quarter. Additionally, the department made significant progress in putting projects out to bid on schedule; all 19 projects scheduled were put to bid on time in the second quarter, up from 31 percent in the first quarter.

Information Technology Projects *(page 64)*

The estimated cost for the 12 key projects included in the IT status report is over $400 million, including the state's largest current IT project, HSD's Medicaid Management Information System Replacement (MMISR) project, which has an estimated total cost of $201.4 million (90:10 federal match). The MMISR project continues to have issues with deliverables and extended deadlines, project schedules, and staffing, all of which pose risks to successful completion of the project.

Other projects of concern include: CYFD's Comprehensive Child Welfare Information System project, where the department has not progressed past the planning phase and has yet to execute any contracts; the Department of Information Technology's (DoIT) P25 Digital Statewide Public Safety Radio System Upgrade, which is moving forward without a detailed project implementation plan; and DoIT's $7 million Enterprise Cybersecurity Upgrade project, in progress without a project manager.

Investments *(page 72)*

During CY19, the value of New Mexico's combined investment holdings for the pension and permanent funds grew by $6.0 billion, or 12.3 percent, to end the year at $55.1 billion. Over the last five years, the state's combined investment holdings grew $10.3 billion, or 22.9 percent. One-year returns ranged from 12.75 percent

(STPF) to 14.69 percent (PERA). Over the last 10 years, average investment returns ranged from 7.86 percent (PERA and STPF) to 9.34 percent (ERB).

When comparing to peer funds greater than $1 billion on a net of fees basis, all funds performed in the lowest quartile for the one-year and quarterly period, largely due to the high performance of public equity markets during this timeframe and the pension and permanent funds' lower risk positions (e.g. less exposure to public equity investments) relative to others in the peer group. Both ERB and LGPF performed above the median for the three-, five-, and ten-year periods, while PERA and STPF performed below the median for the same periods.

Returns are expected to fall in 2020, as interest rates are near zero and equity markets turned bearish. The new challenging environment will strain state investment growth, deviating from the recent trend.

Workforce Solutions

At the time of this report, LFC had not received the Workforce Solutions performance report for the first quarter of FY20. The majority of the data used to measure the agency's performance is reported through the U.S. Department of Labor, and is not released until 30 to 60 days after the end of the quarter. When the agency performance report is received, the WSD first quarter report card will be posted at https://www.nmlegis.gov/Entity/LFC/Performance Dashboard.

ACTION PLAN

Submitted by agency? PDD and AOC only

Timeline assigned? PDD and AOC only

Responsibility assigned? PDD and AOC only

Additional Measures Suggested for AOC

- Appearance rate: percentage of supervised defendants who make all scheduled court appearances.
- Reoffenders: number (or percentage) of supervised defendants who are not charged with a new offense during the pretrial stage.
- Drug and DWI court enrollment: Number of defendants referred to and enrolled in DWI or Drug court.
- Number of desk audits completed for magistrate courts
- Average cost-per-square-foot for magistrate court leases

Courts and Justice

Beginning in FY18, all justice partners began reporting quarterly. Since the district attorneys and the Public Defender Department joined the Administrative Office of the Courts in comprehensive report card format, the unequal reporting of data across the criminal justice system has become apparent. The courts have transitioned many measures to semi-annual reporting, reducing their reliability and value. District attorneys have improved reliability of reporting, but lack critical performance measurements. The Public Defender Department has improved dramatically in the quality and consistency of reporting for in-house attorneys, but continues to struggle with contract attorney reporting and outcomes.

Courts

Administrative Support. The average cost per juror increased by about $5.00 per juror from quarter one to quarter two, but has remained below the target for the last 3 years, in part because of a new jury management tool, indicating that AOC, the executive, and LFC may need to consider lowering the target. Despite the progress made for jurors, average interpreter cost-per-session remained above the target for the first quarter of FY20 and further increased in the second quarter. One agency explanation for the rising interpreter costs is an increased demand for interpreter services, especially in the border region. AOC plans to address rising interpreter costs through centralizing services to cut back on travel, and has requested the target for average cost per interpreter be raised to $185.

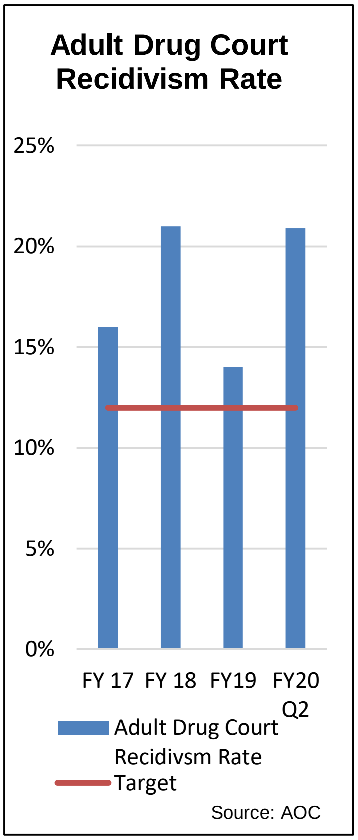
Budget: $13,169.1 **FTE:** 49.8

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Rating
Average cost per juror	$44.65	$41.41	$50.00	$37.32	$42.70	G
Number of jury trials for district, magistrate, and metro court*	902	955	N/A	237	225	
Average interpreter cost per session	$154.74	$157.47	$100.00	$123.60	$172.82	R
Program Rating						Y

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

Special Court Services. According to AOC, the funding formula used to allocate funds for the Court Appointed Special Advocates (CASA) program across the state may have underfunded areas with greater need for services, resulting in a sharp decrease in number of cases to which CASA volunteers are assigned. The agency plans to fix this issue by collaborating with NMCAN, the organization that monitors data collection for CASA. Though this measure is explanatory, it received a “red” rating, because if low referrals to CASA volunteers continue, the program will receive less than half the cases it has in previous years, despite increased funding from the legislature.

Similar issues face the drug and DWI court initiatives. Though the quarterly report showed reduced recidivism rates in DWI court, agency data suggests that enrollment decreased over the last three years, and recidivism rates for drug-court rose 7 percent from FY19. Additionally, AOC has consistently failed to provide quarterly reporting on drug-court measures, making it impossible to track recidivism trends throughout a fiscal year. Drug court programs are a national best practice, but to truly utilize the tool in New Mexico, AOC must focus not only on improving graduation rates, but increasing enrollment, reducing recidivism, and committing to accurate and timely reporting. The agency received $400 thousand in the 2020 legislative session for a new reporting tool for drug and DWI courts, which should improve reporting quality and consistency.



Budget: $12,183.1 **FTE:** 6.5

Measure	FY18 Actual	FY18 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Cases to which CASA volunteers are assigned*	2,668	2,413	N/A	751	112	R
Monthly supervised child visitations and exchanges conducted	14,094	11,698	1,000	3,524	2,988	G
Average time to completed disposition in abuse and neglect cases, in days.*	84	85	N/A	No Report	84	
Recidivism rate for drug-court participants	21%	14%	12%	No Report	20.9%	R
Recidivism rate for DWI-court participants	6%	6%	12%	No Report	7%	G
Graduation rate for drug-court participants*	57%	51%	N/A	No Report	50%	
Graduation rate for DWI-court participants*	70%	76%	N/A	No Report	80%	
Cost per client per day for all drug-court participants*	$23.25	$25.39	N/A	No Report	$25.09	
Program Rating						R

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

Since 2018, AOC has received $850 thousand in special appropriations for the Online Dispute resolution program, which allows defendants to resolve traffic tickets and debt and money due cases remotely.

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

Budget: $10,097.2 **FTE:** 53.5

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Average time to resolve calls for assistance, in days	NEW	NEW	1	0.5	0.7	G
Average time to resolve customer service requests, in days	NEW	NEW	10	2.5	0.8	G
Program Rating						G

Magistrate Court. As a part of the district and magistrate court consolidation, local district courts are now responsible for reporting measures formerly reported by AOC. The agency is attempting to officially change the magistrate court program to the "court operations division," which will be responsible for all magistrate court building functions and leases, administering pretrial services state-wide, and answering questions or concerns magistrate judges may have. The "court operations division" will require updated measures appropriate for this new role.

The magistrate courts did not submit a report for number of active cases pending, indicating there is a lack of coordination between AOC and the district courts for the new reporting format.

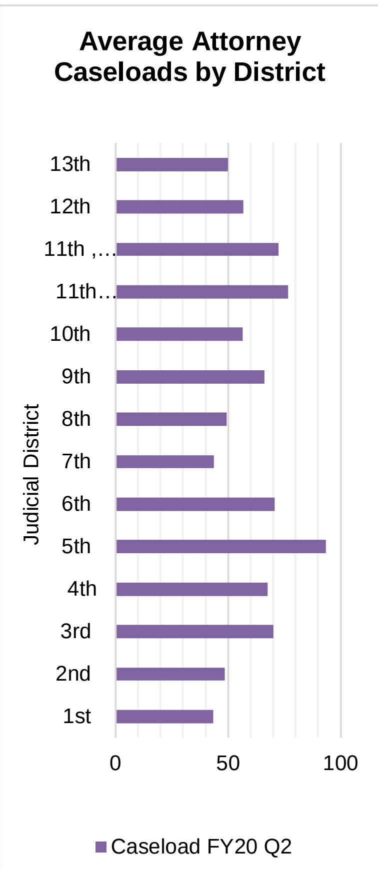
Budget: $33,465.3 **FTE:** 344.5 **Measure**	**FY17 Actual**	**FY18 Actual**	**FY19 Target**	**Q1**	**Q2**	**Rating**
Number of active cases pending*	NEW	17,794	N/A	No Report	No Report	R
Cases disposed as a percentage of cases filed	101%	100%	100%	No Report	110%	G
Program Rating						R

District Attorneys

The district attorneys submitted a *unified priorities* budget for the 2019 legislative session, highlighting common needs in prosecution offices across the state, which the legislature largely funded. Despite the previous year's success, the association of district attorneys chose not to submit district budgets in the unified priorities format for FY21, resulting in widely ranging budget requests.

The second quarter of FY20 saw a reduction in cases referred for screening, leading to a dramatic reduction in attorney caseloads. The weighted average attorney case load was 69 cases per attorney, just below the national benchmark of 70 cases per attorney. The second judicial district, accounting for about one-third of the cases in the state, had the second-lowest attorney caseload, at 48 cases per attorney.

The district attorneys adopted new performance measures for FY21 that examine elements of the agency's work outside of prosecution, such as pretrial detention motions and referrals to alternative sentencing treatments. The new measures will allow the Legislature to track how criminal justice reform and innovation are being implemented.



Budget: $73,059.8 **FTE:** 954

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**Q1**	**Q2**	**Rating**
Number of Cases Referred for Screening*	73,256	69,564	N/A	18,146	16,165	
1st District	6,353	5,888	N/A	1,441	1,149	
2nd District	23,193	24,859	N/A	6,156	5,230	
3rd District	5,688	1,878	N/A	1,398	1,367	
4th District	1,888	1,888	N/A	461	439	
5th District	7,748	7,510	N/A	1,779	1,822	
6th District	2,839	2,737	N/A	738	600	
7th District	2,161	2,107	N/A	462	415	
8th District	2,080	2,005	N/A	489	396	
9th District	3,217	3,150	N/A	868	629	
10th District	838	902	N/A	179	141	
11th District Div. I	5,164	5,298	N/A	1,333	1,225	
11th District Div. II	2,542	2,603	N/A	656	542	
12th District	3,831	2,936	N/A	796	738	
13th District	5,714	5,803	N/A	1,390	1,472	

Average Attorney Caseload	309	287	70	73	69	Y
1st District	315	210	70	51	43	G
2nd District	255	239	70	57	49	G
3rd District	264	346	70	68	70	G
4th District	349	376	70	92	67	G
5th District	312	319	70	91	93	R
6th District	346	288	70	113	71	Y
7th District	318	221	70	48	43	G
8th District	206	286	70	69	50	G
9th District	358	331	70	91	66	G
10th District	363	360	70	71	56	G
11th District Div. I	366	294	70	78	76	Y
11th District Div. II	328	274	70	100	72	Y
12th District	315	244	70	56	56	G
13th District	233	232	70	45	49	G

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

Additional Measures added for the district attorneys (reporting begins in FY21)

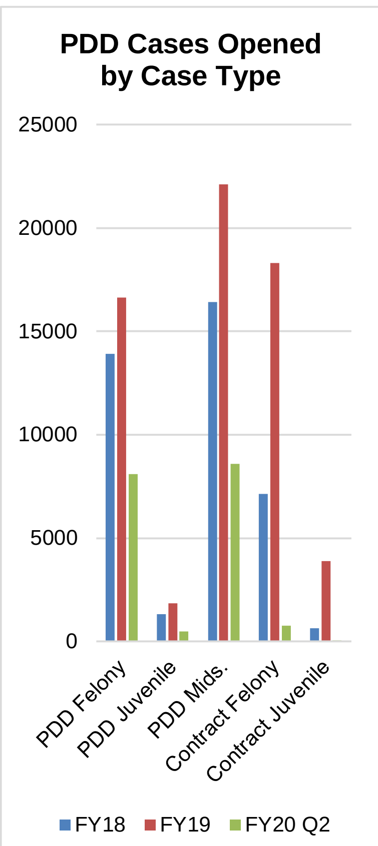
- Percent of pretrial detention motions granted: explanatory
- Percent of cases diverted to alternative sentencing treatment: explanatory

Public Defender

The Public Defender Department (PDD) transitioned to a new case management system at the end of FY19, which allows the agency to continue providing robust quarterly reports, especially for in-house attorneys. Like other criminal justice partners, PDD has difficulties recruiting and retaining legal professionals in rural areas. PDD implemented geographical pay differentials and expanded recruitment tactics, significantly decreasing the agency vacancy rate from 21 percent in FY17 to just under 10 percent for the second quarter of FY20, reducing attorney caseloads.

PDD did not meet the target for reduced charges in felony, misdemeanor, and juvenile cases for either in-house or contract attorneys. According to the agency, this may be in part due to a seasonal increase in cases as well as a lack of social workers in the state, who have the most direct-contact with clients. The agency plans on directing more funds towards social worker contracts to improve outcomes.

PDD currently does not require contract attorneys to regularly close cases in the case management system, likely resulting in underreporting contributing to the low outcomes for contract attorneys. PDD began a pilot program in 2019 to compensate contract attorneys hourly, and received additional funds, as well as increased flexibility to use the funds, for the same purpose in the 2020 legislative session. Many of those early pilot cases will be resolved by the third quarter of FY20, and will provide data linking the compensation rate for contract attorneys and case outcomes. This data will be critical to the agency, as 18 counties with no public defender office rely solely on contract attorneys.



Budget: $55,488.0 **FTE:** 439

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	75%	72%	70%	70%	59%	G
In-house attorneys	83%	84%	70%	85%	63%	Y
Contract attorneys	43%	31%	70%	23%	21%	R

Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	11,548	13,990	5,000	2,397	4,390	G
In-house attorneys	10,130	12,281	4,000	2,100	3,870	G
Contract attorneys	1,454	1,169	1,000	297	520	G
Cases assigned to contract attorneys*	31%	34%	N/A	33%	33%	
Average time to disposition for felonies, in days*	261	326	N/A	167		
In-house attorneys*	256	291	N/A	240	210	
Contract attorneys*	247	326	N/A	255	300	
Cases opened by the Public Defender Department *	45,237	63,292	N/A	17,440	15,485	
In-house attorneys*	31,660	40,628	N/A	11,675	9,726	
Contract attorneys*	13,577	22,664	N/A	5,765	3,424	
Program Rating						Y

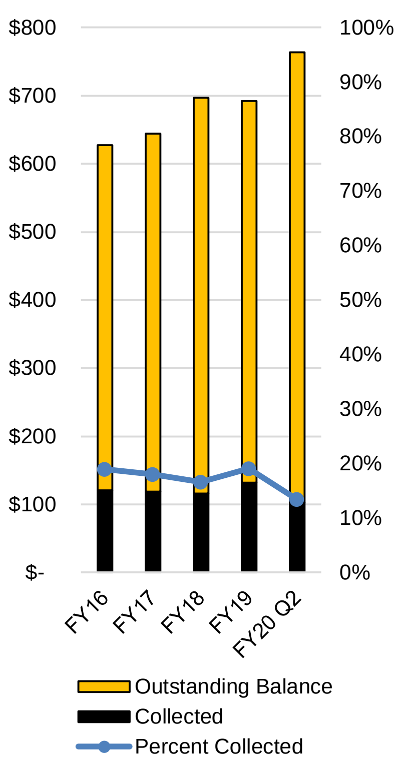
*Measures are classified as explanatory, and do not have targets

ACTION PLAN

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

In 2019, the governor directed TRD to lead two expert tax committees – a Tax Policy Advisory Committee to study strengths and weaknesses of the state's tax system and a Tax Practitioner Advisory Committee to advise on administration and enforcement of the tax code.

Collection of Outstanding Balances from the End of the Prior Fiscal year
(millions)



Source: TRD

Taxation and Revenue Department

The Taxation and Revenue Department (TRD) is on track to meet its annual target for collections of outstanding balances, but is at risk of falling short of its target for collectible audit assessments. While the department made progress in reducing wait times at Motor Vehicle Division (MVD) offices, call center wait times remain high.

The agency reduced vacancy rates, which has impacted its ability to meet performance targets in the past. The agency vacancy rate in March 2020 was 22 percent, down from a high of 29 percent in January 2019. However, this rate is still higher than the overall state agency vacancy rate of 13 percent. The FY21 budget for TRD included salary increases for MVD call center and office employees. TRD continues to implement significant changes to processes and information technology (IT) infrastructure as a result of 2019 legislation authorizing numerous tax code changes.

TRD's performance report for the second quarter of FY20 includes a number of strategic initiatives, including reviewing and implementing best practice tools for MVD operations, and increased coordination between TRD's IT department and the Department of Information Technology. Prioritizing focused initiatives, with clear timelines and responsibilities, could help the agency to address ongoing challenges, such as MVD wait times and collections targets. Refocusing the work of the agency's internal audit division, which had been developing internal controls during the past year, could also support efforts to address these challenges.

Tax Administration

The Tax Administration Program is on track to meet its annual target for collections of outstanding balances. At the end of the second quarter, the program collected $102.7 million, or 13.4 percent, of the $763.8 million collectible outstanding balance, over half of its cumulative target for FY19. However, the program only collected $21.7 million, or 21 percent, of $106.3 million in collectible audit assessments, short of the department's goal of maintaining collections at 60 percent of collectible audit assessments.

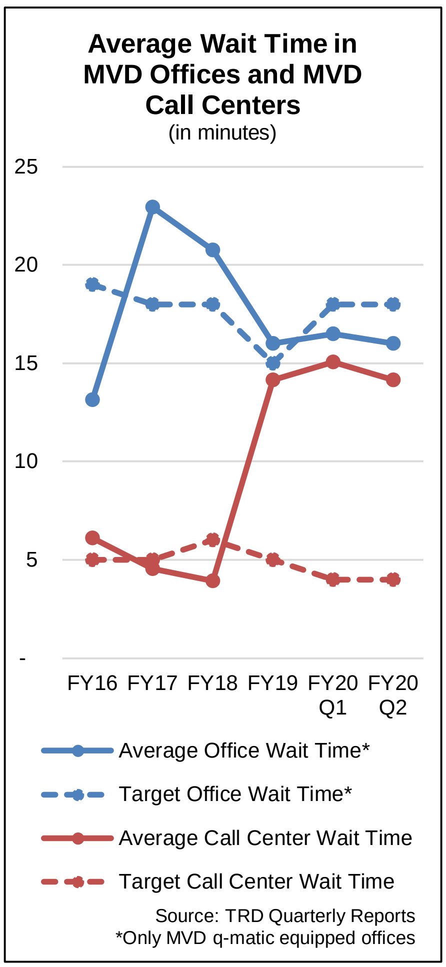
In FY20, the Audit and Compliance Division (ACD) began using a new data analytics tool that, among other functions, helps to identify the most collectible audits. TRD continues to reevaluate its collections strategy, focusing on the most collectible assessments. However, ACD could benefit from a more targeted action plan to address collectible audits.

Budget: $32,207 **FTE:** 491

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year	17%	19%	23%	9%	13%		G
Collections as a percent of collectible audit assessments generated in the current fiscal year plus assessments generated in the last quarter of the prior fiscal year*	50%	49%	60%	22%	21%		Y
Program Rating	Y	Y					Y

*For FY21, measure was changed to "Collections as a percent of collectible audit assessments generated in the previous fiscal year." TRD believes that the revised measure will help them to achieve targets.

Motor Vehicle



The Motor Vehicle Program made improvements to wait times at MVD offices, achieving an average field office wait time of 16 minutes, below target wait times for the first time since FY16. Field offices served nearly 304 thousand customers in the second quarter. MVD has made improvements to wait times in part by categorizing transaction types upon customer arrival at the field office, allowing for more efficient channeling to agents. MVD is assessing further efficiencies for the queuing system.

However, wait times for MVD call centers continue to be significantly above targets, with average waits of over 14 minutes. MVD attributes increases since FY18 in part to increased call volume due to Real ID conversion requirements, as well as inadequate staffing. A Real ID-compliant license is required for air travel and entry into federal buildings beginning October 2020, meaning that calls related to new license requirements will likely decrease by the end the year. MVD has implemented new tools, including cloud-based queuing and call-back capability, that are intended to reduce wait times.

The share of registered vehicles with liability insurance was slightly below the target of 93 percent. As in previous quarters, MVD continues to make corrections to the number of vehicles it tracks, and is working with the Office of the Superintendent of Insurance (OSI) to address late and erroneous reporting by insurance companies. MVD should develop a clear action plan, in conjunction with OSI, to mitigate this ongoing issue.

Budget: $32,892 **FTE:** 338

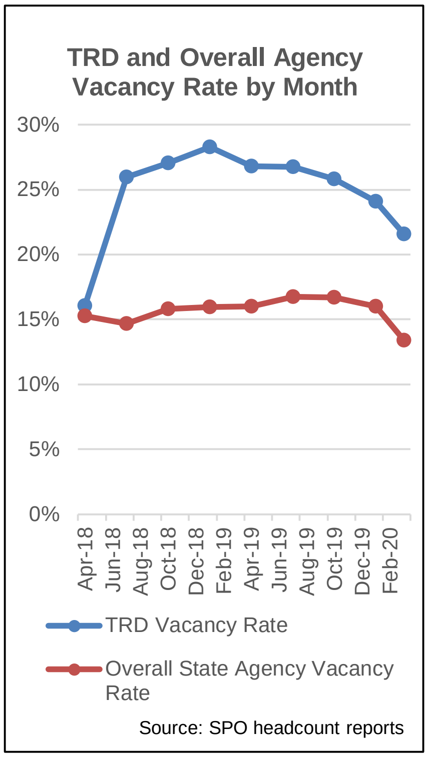
Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Registered vehicles with liability insurance	90%	90%	93%	90%	91%		G
Average wait time in "q-matic" equipped offices, in minutes	20:45	16:01	<18:00	16:29	16:00		G
Average call center wait time to reach an agent, in minutes	3:55	14:09	<4:00	15:03	14:08		R
Program Rating	Y	Y					Y

Compliance Enforcement

The agency is on track to meet its target for referral of tax investigations to prosecutors. To date in FY20, TRD has referred 75 percent of investigations to prosecutors. The number of tax investigations opened annually is small, causing this measure to fluctuate significantly between each quarter. In the second quarter of FY20, one new case was opened and two existing cases were referred to prosecutors.

Budget: $1,613 **FTE:** 21

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	113%	61%	85%	33%	200%		G
Program Rating	G	R					G



In the first quarter of FY20, the total amount of tax protests was $816 million. The largest protest, related to the High Wage Jobs Tax Credit, was $200 million.

Program Support

The department is on track to meet its performance target for the number of tax protest cases resolved, resolving a total of 882 cases by the end of the second quarter, or over half of its total target number of cases for FY20.

The department has resolved 61 percent of internal audit recommendations, on track to meet its goal of 92 percent for FY20. However, during FY19 and the beginning of FY20, the internal audit division was largely focused on developing internal controls for all of TRD, impacting their ability to perform audits and assessments. TRD is measuring completed internal controls as part of the measure on recommendation implementation, which may not be a good measure of the audit division's efficacy. No new audits were completed in the second quarter, and one audit remains on hold.

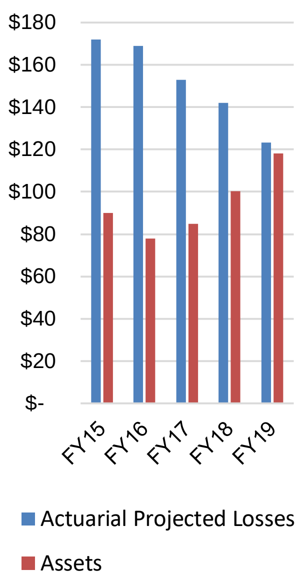
Budget: $32,200 **FTE:** 338

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Tax protest cases resolved	1,315	1,003	1,500	472	410		G
Internal audit recommendations implemented	94%	61%	92%	25%	36%		Y
Program Rating	G	R					Y

ACTION PLAN

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

Assets vs. Actuarial Projected Losses for Major Risk Funds
(in millions)



Source: GSD and LFC Files

The Risk Management Advisory Board, which is tasked with reviewing all insurance policies to be purchased by the Risk Management Division, has not met since 2015. Performance may be improved with the additional transparency required by regular financial reporting.

General Services Department

The General Services Department (GSD) dramatically improved quarterly performance reports between the first and second quarters. The new report format includes more robust narrative descriptions of the measures, and in some cases, improvement plans. While the progress made by the department is commendable, additional work must be done to develop a suite of performance measures to improve cost containment efforts in the group health benefits program and determine how effectively the Facilities Management Division is using state-owned space.

Risk Management

The property, liability, and workers' compensation funds had a combined balance of $118 million at the close of FY19, up from $100 million in FY18. The Risk Management Program has a goal of maintaining a fund balance sufficient to cover 50 percent of liability losses. The public liability fund has increased its balance consistently over the past several years. The financial position of the funds is related to both revenue to the fund and anticipated losses. Anticipated losses have declined significantly over the past several years, though the reason for the decline is not known. Additional transparency in the program will allow a better understanding of the loss estimates.

Budget: $8,870.7 **FTE:** 59

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Projected financial position of the public property fund*	697%	581%	N/A	581%	582%		G
Projected financial position of the workers' compensation fund*	54%	52%	N/A	51%	51%		Y
Projected financial position of the public liability fund*	51%	89%	N/A	93%	91%		G
Program Rating							G

*Measures are classified as explanatory and do not have a target. Rating is based on comparison with prior years

Group Health Benefits

In August 2019, The Group Health Benefits Program projected an FY20 deficit of $9 million, increasing to $20 million in FY21. For several years, the program has imposed minimal increases to health insurance rates resulting in medical costs growing faster than premium revenue. Worse, the general fund is subsidizing losses from non-general fund users such as local governments and agencies receiving federal funds. A lack of consistent financial reporting has obscured the severity of the shortfall. Additionally, it is unclear if programs such as the Stay Well Health Center are reducing or increasing program costs. Program performance would likely improve with increased transparency and regular financial reporting of the sort done by other health care purchasing agencies in the state.

Budget: $385,147 **FTE:** 0

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
State group prescriptions filled with generic drugs	89%	88%	90%	91%	85%		Y

Change in premium	4%	4%	4%		Annual		
Change in average per member per month total healthcare cost	2%	0.4%	<5%	17.8%	1.6%		R
Increase in the number of members designating the Stay Well Health Center as their primary care provider	NEW	2.7%	≥3%	4.8%	7.2%		G
Program Rating							R

Facilities Management

The Facilities Management Division (FMD) is responsible for property management for facilities statewide, in addition to having authority over lease approval and central planning. The most pressing challenge faced by FMD is how to plan facilities to efficiently house a smaller state workforce. Measures such as square footage per employee for state-owned and leased office space would provide context necessary to determine need for additional facilities. Additionally, FMD should consider tracking cost-over-bid amounts for state projects to ensure efficient use of capital outlay funds.

Six of the seven new office space leases approved by GSD met the 215 square foot per FTE space standard set by GSD.

Appropriations to GSD for Building Repair and Maintenance

2019	$1,500,000
2018	$0
2017	$4,000,000
2016	$2,000,000
2015	$ 0
2014	$4,500,000
2013	$500,000

Source: LFC Files

Budget: $13,970.9 **FTE:** 142

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Capital projects completed on schedule	97%	98%	97%	100%	TBD		
Preventive maintenance completed on time	92%	57%	95%	85%	52%		R
New office leases meeting space standards	64%	86%	75%	86%	86%		G
Program Rating							Y

FY20 Leased and State-Owned Office Space by Square Foot and FTE

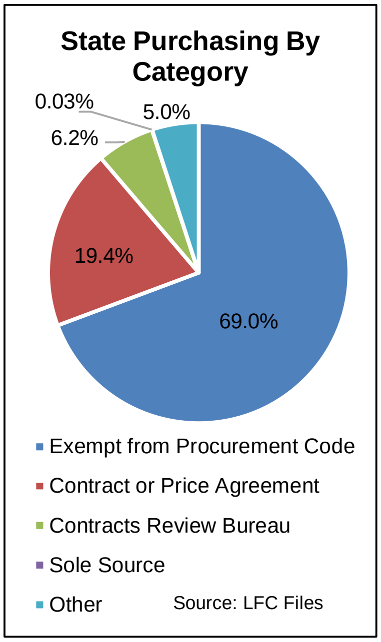
Department	Leased Space	State-Owned Space	Total Space	Total FTE	Sq. Ft. Per FTE
Aging and Long-Term Services	38,780	32,403	71,183	196	363
Department of Environment	123,659	67,822	191,481	515	372
Department of Health	284,734	1,230,263	1,514,997	3,067	494
Human Services Department	677,575	115,720	793,295	1,705	465
Public Education Department	13,407	61,613	75,020	219	343
Regulation and Licensing Department	24,188	58,473	82,661	247	335
State Engineer	63,251	89,967	153,218	271	565
Superintendent of Insurance	7,270	26,918	34,188	85	402
Taxation and Revenue Department	207,582	171,526	379,108	808	469
Workers Compensation Administration	9,865	44,886	54,751	108	507
Other	649,979	3,279,802	3,929,781	5,450	721
Total	**2,100,290**	**5,179,393**	**7,279,683**	**12,671**	**575**

Source: LFC Files and GSD

State Purchasing

Many of GSD's performance measures are relative to prior fiscal years resulting in the measures targets becoming unattainable over time. For example, requiring 20 percent year-over-year growth in best value procurements requires aggressive increases in the use of requests for proposals (RFP) which are unsustainable long term. GSD should consider other metrics that would better capture program efficiency and effectiveness.

Sixty procurements were completed in the second quarter of which five, or 8 percent, were best value, or based on an RFP. There were 6 procurement code violations in the second quarter and 15 employees received training related to the violations.



Budget: $2,351.1 **FTE:** 28

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Procurement code violators receiving procurement code training, as compared to previous fiscal year	TBD	99%	90%	100%	100%		G
Agencies with certified procurement officers	97%	91%	95%	72%	80%		Y
Percent increase in best value procurements, as compared to the previous fiscal year	23%	2.3%	20%	13%	8%		R
Program Rating							Y

Transportation Services

Of the 1,941 vehicles in the GSD fleet, 1,393 met or exceeded the 750 mile per month target, and 243 vehicles were used daily. The 2020 General Appropriations Act included $3 million to purchase vehicles.

Budget: $8,866.4 **FTE:** 33

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Vehicle operational cost per mile	$0.46	$0.49	<$0.59		Annual		
Vehicles used 750 miles per month	61%	65%	70%	74%	72%		G
Program Rating							G

State Printing

Reporting on revenue exceeding expenditures will be delayed due to the legislative session.

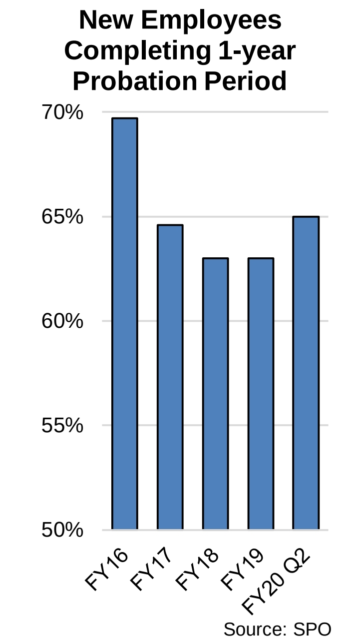
Budget: $1,750.3 **FTE:** 9

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Revenue exceeding expenditures	NEW	NEW	5%	16%	No Report		
Sales growth in revenue	36%	31%	15%	14%	15%		G
Program Rating							G

PERFORMANCE REPORT CARD
State Personnel Office
Second Quarter, Fiscal Year 2020

ACTION PLAN

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



Second Quarter New Hire Demographics		
Ethnicity	**Female**	**Male**
African American	13	7
American Indian	25	27
Asian	6	6
Caucasian	143	91
Hispanic	282	163
Not Specified	36	33
Total	**505**	**327**

Source: SPO

State Personnel Office

The State Personnel Office (SPO) reports a slight decrease in the statewide vacancy rate for the second quarter. The reduction is likely driven by both a focus on rapid hire events and by the continuation of a reduced time to fill vacant positions. The monthly LFC headcount report shows overall employment increased 2.8 percent between January 1, 2019, and January 1, 2020. The increase in employment marks a departure from the generally declining state employment levels experienced since late 2015. The high vacancy rate likely includes positions on the state payroll that are no longer necessary and should be removed from the count.

SPO reports the average state salary is now $50.4 thousand, up from the $48 thousand reported for FY19. The Legislature appropriated funding for a 4 percent salary increase for FY20. SPO reports that in addition to the across-the-board increase, 846 employees have received additional salary increases through the second quarter of FY20. Furthermore, the cost of state-purchased benefits increased from $34.5 thousand to $37.8 thousand, or 10 percent, on average. Despite increased salaries and benefit packages, the state continues to have difficulty retaining employees; only 65 percent of new hires complete their one-year probationary period.

SPO reports the average turnover rate is 8.4 percent year-to-date. The Department of Transportation and the Human Services Department had turnover rates over 10 percent, the Department of Health and the Children, Youth and Families Department had 8.4 percent and 8.6 percent turnover rates respectively, and the Department of Cultural Affairs had a 3 percent turnover rate, the lowest of the large agencies.

Budget: $4,252.4 **FTE:** 47

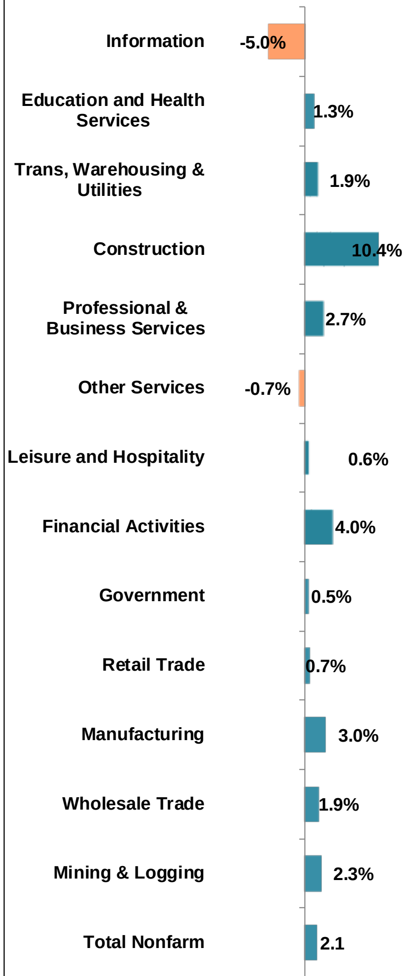
Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Classified service vacancy rate	18%	19%	13%	21.9%	21.7%		R
Average days to fill a position from the date of posting	71	50	55	50	50		G
Average state classified employee compa-ratio	101%	103%	100%	107%	103%		Y
Average state classified employee new-hire compa-ratio	100%	99%	95%	102%	99%		Y
New employees who complete their probationary period	63%	63%	75%	65%	65%		R
Classified employees voluntarily leaving state service	14%	14%	15%	3.6%	4.6%		G
Classified employees involuntarily leaving state service	2%	2%	5%	0.4%	0.4%		G
State employee average overtime usage per month*	15.0 hours	15.3 hours	N/A	15.4 hours	15.1 hours		
State employees receiving overtime*	18%	18%	N/A	18%	20%		
Program Rating							Y

*Measures are classified as explanatory and do not have a target.

ACTION PLAN

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

December 2019 Year-Over-Year Job Growth by Industry



Source: Workforce Solutions Department

Tourism Department

The Workforce Solutions Department job growth numbers show the leisure and hospitality industry had an increase of 0.6 percent in December 2019, compared to December 2018, a significant decrease compared to 7.3 percent growth in the first quarter. The agency is focusing its efforts on local advertising initiatives. The Tourism Department met or exceeded targets for two performance measures in the Marketing and Promotion Program, while missing the target for the *New Mexico Magazine*'s advertising revenue for the second quarter in a row in FY20.

Marketing and Promotion

According to the Tourism Department, the change in employment in the leisure and hospitality industry met the target, with a 1.8 percent increase. The percentages vary because the Workforce Solutions Department calculates a year over year change by month, while the Tourism Department averages the three months of the quarter and then compares that to the same quarter last year. The Marketing and Promotion Program continues to focus advertising funds on current markets and collaborate with local communities for New Mexico True advertising.

The department relies on a third-party survey company, Longwoods International, to provide data on New Mexico trips. This survey, however, only provides calendar year data, meaning that FY20 results will not be available until the summer of 2021, resulting in yellow ratings for two performance measures. The department plans to continue using data-based decision-making to drive visitation and social media engagement.

Budget: $14,556.1 **FTE:** 27

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Change in New Mexico leisure and hospitality employment	3%	5%	3%	6.2%	1.8%	G
Dollar amount spent per visit per day	No Report	$76.25	$80	No Report	No Report	Y
New Mexico's domestic overnight visitor market share	No Report	1.1%	1.1%	No Report	No Report	Y
Referrals from newmexico.org to partner websites	188,921	188,921	170,000	65,988	62,485	G
Program Rating						Y

New Mexico Magazine

New Mexico Magazine missed its target for advertising revenue per issue, reaching an average of $58.8 thousand in the second quarter. First and second quarter results have been adjusted down from the original reporting to reflect the absence of True Adventure Guide revenue. Past reporting has included advertising revenue from the True Adventure Guide, as it falls under the magazine's department code. However, the Department has decided that the language of the performance measure seems to be limited only to monthly additions of the magazine itself. For that reason, advertising revenue has seen a decrease in FY20.

The *New Mexico Magazine* has a circulation of approximately 68 thousand customers. The magazine's digital engagement reaches more than 200 thousand visitors per month across various platforms.

Budget: $3,224.3 **FTE:** 13

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Advertising revenue per issue, in thousands	$69	$73	$75	$68.9	$58.8	Y
Program Rating						Y

Tourism Development Program

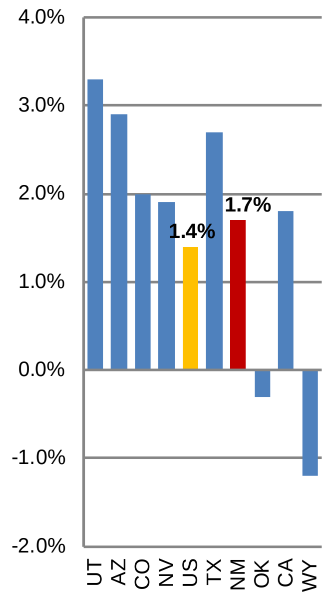
The Tourism Development Program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants. The agency is unable to provide quarterly data for the number of communities that have been assisted in the co-op marketing grant program, causing a yellow rating for the second quarter.

Budget: $2,281.6 **FTE:** 5

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Combined advertising spending of communities and entities using the Tourism Department's current approved brand, in thousands	$1,464	$1,100	$2,200	No Report	No Report	Y
Program Rating						Y

ACTION PLAN

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



Source: Workforce Solutions Department

Fiscal Year	JTIP Cost Per Job	LEDA Cost per Job
FY15	$ 5,300	$ 5,000
FY16	$ 6,000	$ 10,400
FY17	$ 12,563	$ 29,200
FY18	$ 8,839	$ 4,025
FY19	$ 8,144	$ 13,272
FY20	$ 6,392	$ 6,029

*FY20 as of Q2 Source: EDD and LFC Files

Economic Development Department

Economic Development

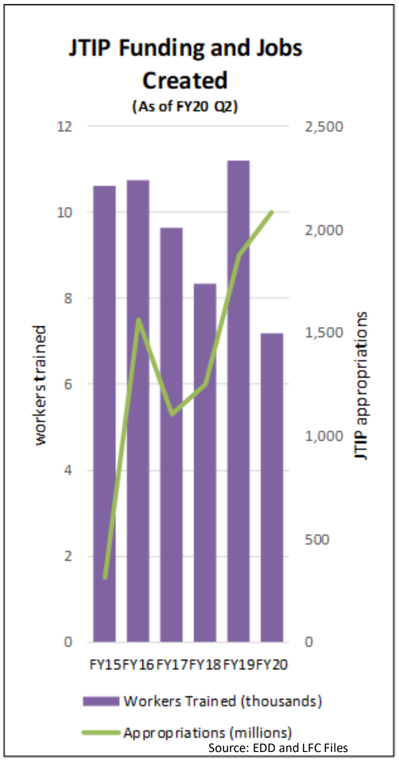
The Economic Development Division awarded four companies $5.15 million in LEDA funds in the second quarter of FY20 and created 855 jobs. Kairos Power, a clean energy technology engineering company in Albuquerque, was awarded $4 million for 65 high-wage jobs. 420 Valley LLC, a hemp production company in Las Cruces, was awarded $400 thousand for 55 jobs. Faneuil Inc., a customer service center in Albuquerque, was awarded $400 thousand for 700 new jobs. Lance Forest Products relocated a saw mill from northern California to Cimarron and was awarded $350 thousand for 40 new jobs. The funds matched for these LEDA projects totaled $201 million, contributing to a 39 to one ratio of private sector dollars invested per dollar of LEDA funds awarded. EDD created 90 rural jobs in the second quarter.

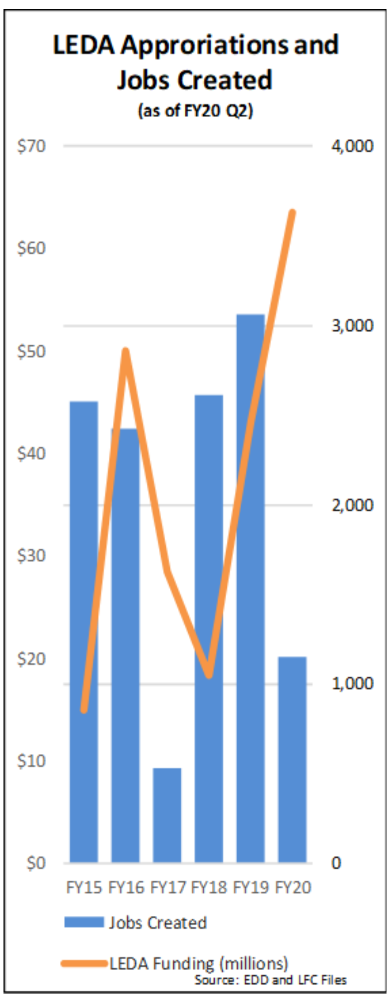
Legislators have appropriated $146 million over the last six years for the LEDA fund, including the $60 million special appropriation received during the 2019 legislative session. As of March 2020, EDD reported $67 million in general fund, other state funds, and severance tax bonds is unencumbered, while $57 million of the total is uncommitted and available for LEDA projects.

Overall, $8.8 million in private sector reinvestment in MainStreet was reported for the second quarter. Los Alamos MainStreet reported six private rehabilitations in their district (Comfort Inn & Suites; Sunflower Bank; Unquarked; Nambe Drugs Los Alamos; Century Bank; CEM Enterprises, Inc.; and CBS Fox, Inc.) with a total investment of $560.2 thousand. Roswell MainStreet had five private building rehabilitations with a total investment of $307.5 thousand, leading to the opening of six new businesses (Lava2Shop; A&W Restaurant; Downtown Chic Boutique; Sweet Baby J's Bakery; Desert Rose Soaps; and Red Door Brewing) and the creation of 55 new jobs. Artesia MainStreet had four building improvements (World Finance; Western Bank; Red Point Resources; and Guy Chevrolet) for a total investment of $250.6 thousand.

Budget: $10,277 **FTE:** 25

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Jobs created due to economic development department efforts	3.994	3,840	4,500	427	1,196	Y
Rural jobs created	2,414	1,376	1,750	22	90	R
Jobs created through business relocations and competitive expansions facilitated by the economic development partnership	1,415	617	2,250	0	770	Y
Potential recruitment opportunities generated by the New Mexico Partnership marketing and sales activities	52	53	84	9	7	R
Private sector investment in mainstreet districts, in millions	$53.9	$30.7	$11	$6.1	$8.8	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	36:1	32:1	12:1	20:1	39:1	G





Jobs created through the use of Local Economic Development Act funds	2,613	3,586	2,500	295	855	G
Workers trained by Job Training Incentive Program	1,736	2,326	2,050	473	1,023	G
Program Rating						Y

The Job Training Incentive Program (JTIP) board approved 21 businesses in the second quarter, eight of which were new to the JTIP program. JTIP awards reached a total of $6.2 million in awards. During the second quarter, 970 new jobs were approved at an average wage of $17.47. Two internships were approved at an average wage of $12.00 per hour. Of the new jobs created, 69 were in rural areas such as Carlsbad, Taos, Santa Teresa, Bernalillo, and Santa Rosa. The average hourly wage of jobs approved in rural areas was $19.74.

The Legislature increased recurring appropriations for JTIP in the FY20 session by $1 million, totaling $5 million in recurring operating budget. JTIP funds over the past six years, including a FY20 recurring appropriation of $5 million and $5 million special appropriation, total $45 million. As of March 2020, EDD reported $4.3 million in JTIP funds were available.

New Mexico Film Office

The New Mexico Film Office's purpose is to market the state to the industry, service the productions, and promote jobs for New Mexicans. The division offers resources to producers, crew and local filmmakers and assist with the scouting of potential filming locations. The film office consults with productions regarding the financial aspects of their projects, guiding them through the incentives such as the Film Production Tax Credit and the Job Training Incentive Program for Film & Multimedia. The division also connects productions with crew, vendor services and film liaisons throughout the state.

Direct spending by the film industry reached $21.6 million for the second quarter, and the number of worker days reached 29 thousand. The lower amounts in the second quarter are attributed to the traditional decline of production during the holiday seasons. Productions usually wrap up before the Christmas holiday or start a new project after the first of the year. In addition, productions go on hiatus for approximately 2 weeks during the same holiday season. The film division collects this data from productions and the data is submitted to the Taxation and Revenue Department to verify that the expenditures are purchased from New Mexico vendors and that gross receipt taxes were paid.

Budget: $747.1 **FTE:** 8

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Direct spending by film industry productions, in millions	$234	$525.5	$330	$48	$22	Y
Film and media worker days	259,961	319,814	209,000	41,705	29,275	G
Program Rating						G

ACTION PLAN

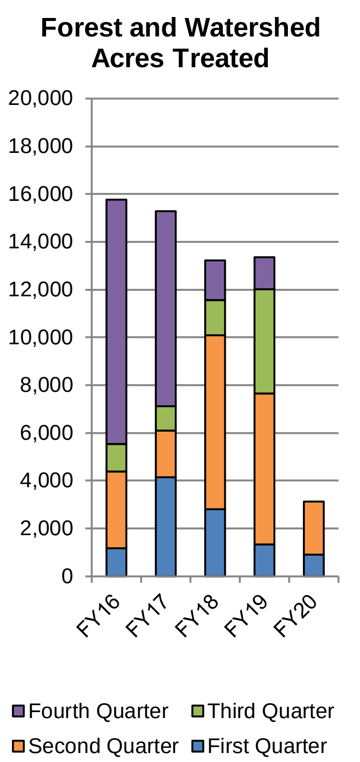
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	Yes

Energy, Minerals and Natural Resources Department

The Energy, Minerals and Natural Resources Department (EMNRD) is pursuing initiatives in FY20 to improve performance in key areas, such as a modernization and marketing plan to increase State Parks visitation and a reorganization of the Oil and Gas Conservation Division (OCD) that aims to address the agency's need to pay competitive salaries. In 2019, the governor signed a bill to allow OCD to assess industry fees, as other states are doing, to help cover the cost of its operations. OCD's FY21 budget includes $1.2 million from this revenue source.

EMNRD proposed adding performance measures in FY21 that will capture data on waste created by oil and gas activity as well as the complexity of the drilling permit application process. The agency should also consider adding key measures in the Renewable Energy and Energy Efficiency Program to reflect the goals of the $20 million capital appropriation made in FY20.

Healthy Forests



Source: EMNRD

The State Forestry Division (SFD) reports a slow fire season in New Mexico and around the country meant fewer opportunities for firefighters to be deployed in or out of state, which in turn meant interest in training was low at the beginning of the fiscal year. The agency expected and reported an increase in the number of non-federal firefighters trained in the second quarter due to trainings for employees of the Department of Transportation (DOT) under a new DOT-EMNRD memorandum of understanding to share resources in rural areas. In FY19, SFD reported that New Mexico is experiencing a decline in rural fire department recruitment and volunteer retention.

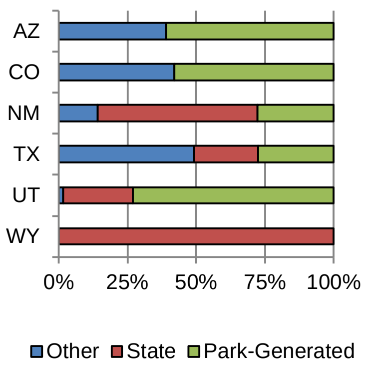
The division treated 13.4 thousand acres of overgrown forests and watersheds to increase resilience to fire, drought, insects, and disease in FY19, more than 2,000 acres below the target. For FY20, the Legislature appropriated $2 million annually to a new forest land protection revolving fund to administer forest and watershed management projects. State Forestry has a list of planned projects to be completed with this funding, but weather conditions such as early snowfall may prevent some from being started until the fourth quarter. Furthermore, the agency states more acres would have been treated in Q2 if not for the Mexican spotted owl injunction that required most forest thinning on National Forest System lands to cease on November 1, 2019. At the start of FY20, SFD had plans to partner with the National Forest System to treat approximately 3,000 acres. Funds have been redirected to other projects that can begin this fiscal year.

Budget: $13,828.8 **FTE:** 78

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Nonfederal wildland firefighters provided training	1,205	1,454	1,500	40	191	Y
Acres treated in New Mexico's forest and watersheds	13,226	13,358	15,500	913	2,223	Y
Program Rating						Y

State Parks

Percent of State Park Revenues, by Source



Source: EMNRD and LFC Files

As is typical, visitation to state parks was low in the second quarter due to winter weather conditions. In FY20, the State Parks program is pursuing a modernization plan and promotional campaign called "Next Generation of Adventure" to reduce cash management, improve visitor experience through facilities upgrades and new amenities, and increase park visitation. The new Pecos Canyon State Park, scheduled to open in early summer 2020, will implement some of the planned improvements such as self-pay kiosks and WiFi allowing for financial card payments.

Self-generated revenue per visitor represents the total revenue collected from day-use and overnight camping fees divided by the number of parks visitors. State Park program fees for day-use, camping, and facilities are some of the lowest in the country. EMNRD has undertaken a fee study and is considering changes to the State Parks fee structure, as well as the previously mentioned payment upgrades to improve revenue collection and modernize and enhance the visitor experience.

Budget: $26,609.9 **FTE:** 241.4

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Visitors to state parks, in millions	4.7	4.5	4	2	0.7	Y
Self-generated revenue per visitor, in dollars	1.06	1.02	0.94	0.84	0.89	Y
Program Rating						Y

Mine Reclamation

The Mining Act and the Surface Mining Act require that mines obtain a permit including an approved reclamation plan and financial assurance that would allow the State to complete the reclamation if the company owning the mine fails to do so. So far in FY20, all permitted mines are in compliance with this requirement.

Budget: $8,120 **FTE:** 32

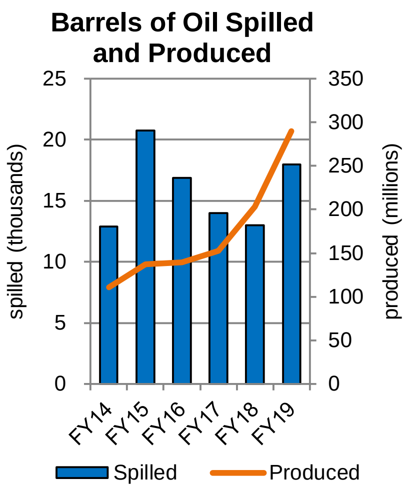
Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	99%	100%	98%	100%	100%	G
Program Rating						G

Oil and Gas Conservation

The Oil and Gas Conservation Division (OCD) attributes fewer inspections and a lack of compliance with permits and regulations to compliance officer vacancies; currently half of OCD's compliance officer positions are vacant. These positions are located in the department's various field offices, which increases the difficulty of hiring. OCD is engaged in a reorganization effort that will move many of the positions currently housed in the District Offices to Albuquerque with the goal of increasing the applicant pool, and is actively filling positions. However, the effectiveness of this centralization has yet to be determined.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Energy, Minerals and Natural Resources Department
Second Quarter, Fiscal Year 2020



Source: EMNRD and LFC Files

The division continues to process most approved drilling permits within 10 business days. No abandoned wells were plugged by the end of the second quarter due to timing conflicts with the approved plugging contractor. The division issued 1,620 violations in FY19, 78 percent of the number issued in FY18 despite significantly increased oil and gas production activity. So far in FY20 this trend has continued, with OCD issuing only a total of 781 violations by the end of the second quarter. OCD reports that this reduction is related to the decrease in number of inspections and vacancies in compliance officer and environmental tech positions.

OCD is working alongside the Environment Department to develop a methane emissions reduction strategy in accordance with the governor's executive order on addressing climate change and energy waste prevention. OCD's goal will be to prevent the waste of methane and other natural gas in the oil industry. In FY21, OCD will start reporting on the volume of natural gas vented and flared.

The Environmental Bureau of OCD has the additional responsibility of overseeing the Carlsbad brine well remediation project, which is not captured in the division's performance measures. Well drilling and grout and sand injection began in the fall; thirteen wells have been drilled and grouting is complete in four wells. 170 days of site work have been completed without a lost time injury.

In 2018, 3.5 billion standard cubic feet (scf) of natural gas was vented and 32.7 billion scf was flared in New Mexico, according to data provided to EMNRD from oil and gas operators. For comparison, in 2017 operators reported that the combined total of vented and flared gas was 17 billion scf.

OCD proposed a new performance measure for FY21 to track vented and flared gas. The Governmental Accountability Office reports 40 percent of gas lost through venting and flaring on public lands could be captured economically.

Budget: $11,238.1 **FTE:** 70

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Inspections of oil and gas wells and associated facilities demonstrating permit and regulatory compliance	42,800	31,043	42,000	10,040	6,264	R
Application to drill permits approved within 10 business days	99.8%	92.9%	95%	98.9%	96.3%	G
Abandoned oil and gas wells properly plugged	41	31	50	0	0	R
Violations issued*	2,081	1,620	N/A	580	201	Y
Program Rating						Y

*Measure is classified as explanatory and does not have a target. Rating is based on comparison with past year performance.

Renewable Energy and Energy Efficiency

The Renewable Energy and Energy Efficiency program, or Energy Conservation and Management Division (ECMD), provides technical assistance and information to the renewable energy industry for ongoing, potential and proposed projects. ECMD operates the Energy Savings Performance Contracting program, which implements energy efficient facility improvements without the need for upfront capital funding from state agencies. ECMD monitors, verifies, and guarantees the annual energy savings of these projects, which are used to finance the construction costs. In the first quarter of FY20, ECMD approved four projects at a total cost of $47.9 million with guaranteed annual savings of $787.6 thousand. LFC recommends EMNRD add performance measures to capture the energy and financial savings created by this program and demonstrate compliance with best practices.

The agency reported that it reviewed 90 percent of applications for clean energy tax credits within 30 days. The agency reported 85 waste-isolation-pilot-plant emergency responder and shipment inspection trainings and practice exercises, improving upon the 79 trainings in FY18. Fiscal year 2020 is the first year the program is reporting on technical assistance provided to clean energy projects. Expanding the measures in this program will be key to monitoring progress towards the administration's renewable energy goals and the Legislature's investments in this area.

Budget: $3,009.4 **FTE:** 17

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Applications for clean energy tax credits reviewed within 30 days	90%	90%	90%	90%	90%	G
Clean energy projects to which the division provided information and technical assistance*	NEW	NEW	N/A	26	28	
Program Rating						G

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

ACTION PLAN

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

The Dam Safety Bureau of the Office of the State Engineer (OSE) keeps a list of publicly owned dams in need of rehabilitation, ranked in priority order based on several factors. The list consists of 66 dams that are publicly owned, are of sufficient size to be regulated by OSE, are considered high-hazard potential dams, have auxiliary spillway capacity that is less than 70 percent of the regulatory requirement, and are deficient based on safety criteria with a condition rating of unsatisfactory, poor, or fair.

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

Dam Name	Purpose	Estimated Rehab Cost
Santa Cruz Site 1	Flood Control	$6M or more
Lake Maloya Dam	Water Supply	over $30M
Bear Canyon Dam	Irrigation, Recreation	$6M or more
San Mateo Dam	Irrigation	$3M or more
Nichols Dam	Water Supply	$3M
McClure Dam	Water Supply	$3M
Lower Vallecito Dam	Irrigation	$7M-$8M
Bonito Lake	Water Supply	$10M or more
Alto Lake Dam	Water Supply	$10M or more
Cimarroncito Dam	Water Supply	$10M or more

Source: OSE

Office of the State Engineer

Equitably apportioning limited water is increasingly complex, and vacancies constrain the Office of the State Engineer's (OSE) progress on some key measures. Ongoing interstate stream conflicts not only consume time and resources, but also threaten the state's sovereign authority to manage its waters and may place restrictions on water use. The most significant of these conflicts is Texas' claim in the U.S. Supreme Court that pumping by New Mexicans from groundwater wells downstream of Elephant Butte Reservoir reduced the amount of water delivered to Texas by the Rio Grande Project. The federal government joined the suit, claiming New Mexico harmed its ability to deliver water as required under its international treaty with Mexico. The Interstate Stream Commission and the Litigation and Adjudication Program generally met targets, but the Water Resource Allocation Program has backlogs and difficulty meeting some targets due to vacancies and increasing workload.

As required by the 2019 General Appropriations Act, OSE submitted a five-year plan for reducing operating expenditures from its trust funds. The General Appropriation Act of 2020 includes a general fund increase of $500 thousand in Program Support and a corresponding decrease in expenditures from the trust funds.

Water Resource Allocation

In the second quarter of FY20, the number of backlogged water rights applications dropped just below the program's informal target of a backlog of under 500 applications. The program did not meet the target for water rights applications processed per month, reportedly due to 31 vacant positions in the Water Rights Division and the need to investigate complaints of illegal water use that are higher due to limited water resources. The number of transactions abstracted in the water administration resource system has increased with the program's recent efforts, which include hiring and training staff.

Given ongoing concern about statewide dam safety, OSE should consider revising the performance measure related to dam deficiencies. The current measure reports the number of notices for deficient dams issued each quarter, but this does not provide information on the actual number of dams with deficiencies or what proportion of all dams in the state that number represents. The ten dams shown on the left are currently undergoing rehabilitation work, and FY20 state capital outlay funds are being used for four.

Budget: $14,650.9 **FTE**: 182

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Unprotested and unaggrieved water rights applications backlogged*	451	547	N/A	535	494	Y
Unprotested water rights applications processed, per month	27	30	50	39	39	R
Transactions abstracted annually into the water administration resource system database	15,612	24,946	20,000	5,659	5,099	G

Notices issued to owners of publicly-owned dams notifying them of deficiencies or issues	NEW	84	45	0	24	G
Program Rating						Y

*Measure is classified as explanatory and does not have a target. Rating is based on comparison with past year performance.

Interstate Stream Commission

New Mexico's cumulative Pecos River compact credit continues to be positive. The U.S. Supreme Court's Pecos River Master issued his report for Water Year 2018 on June 24, 2019. In Water Year 2018, New Mexico accrued an annual water delivery credit of 5,300 acre-feet, resulting in a cumulative Pecos River compact credit of 176,100 acre-feet. Accounting for Water Year 2019 will be completed in June 2020, and New Mexico is currently projected to incur an under-delivery.

Reservoir Capacity New Mexico Statewide

Reservoir	2018	2019	2020 YTD (as of Mar. 1)
Abiquiu Reservoir	10%	6%	7%
Bluewater Lake	15%	11%	17%
Brantley Lake	3%	3%	4%
Caballo Reservoir	14%	8%	11%
Cochiti Lake	10%	9%	9%
Conchas Lake	79%	51%	29%
Costilla Reservoir	78%	23%	42%
Eagle Nest Lake	54%	43%	58%
El Vado Reservoir	43%	8%	15%
Elephant Butte Reservoir	18%	8%	28%
Heron Reservoir	38%	14%	26%
Lake Avalon	65%	33%	90%
Lake Sumner	28%	33%	26%
Navajo Reservoir	72%	51%	76%
Santa Rosa Reservoir	21%	12%	6%

Note: Annual reservoir capacity is reported as of December 31 each year.

Source: Natural Resources Conservation Service

The River Master's calculation in 2019 of New Mexico's cumulative compact credit includes a credit to New Mexico of approximately 16,600 acre-feet associated with evaporation from water held for Texas in Brantley Reservoir over the period from September 2014 to September 2015. That credit is currently disputed in the U.S. Supreme Court. In December 2019, the U.S. Solicitor General's Office filed a brief with the Court largely in support of New Mexico's position and the Court is scheduled to hear oral arguments on April 21, 2020, although that date may change due to COVID-19 precautions.

Consensus on accounting of the Bureau of Reclamation's unilateral release of credit water from Elephant Butte Reservoir in 2011 is part of the U.S. Supreme Court Rio Grande litigation. The New Mexico Engineer Adviser's accounting of New Mexico's Compact status for calendar year 2019 was an accrued credit of 5,400 acre-feet, but provisional accounting for calendar year 2019 indicates the state under-delivered by approximately 43,000 acre-feet, which will result in an accrued debit of 38,000 acre-feet for calendar year 2020. The above average snowmelt runoff for 2019, river sediment plugs that blocked the river channel after the runoff, and the associated very high delivery obligations under the Compact made it more challenging for New Mexico to make compact deliveries.

Two sediment plugs, one at Bosque del Apache and the other in the Elephant Butte Delta, required excavation during the first quarter of FY20, and ongoing river channel maintenance was completed in the second quarter. Article VII storage restrictions were lifted in May 2019, allowing the Middle Rio Grande Conservancy District to store more than 80 thousand acre-feet in El Vado Reservoir for 2019 irrigation supply. The majority of the stored water not needed in 2019 was released for delivery to Elephant Butte Reservoir to reduce the expected compact under-delivery. Staff anticipate Article VII restrictions will remain lifted during the 2020 snowmelt runoff.

The 2020 General Appropriation Act includes a special appropriation of $17 million for expenditure through FY23 to develop and implement a water management pilot project for the Lower Rio Grande to address intrastate surface and ground water administration issues and to ensure Rio Grande compact compliance. Local entities will be responsible for cost-share contributions beginning in FY21.

The New Mexico unit fund measure tracks total expenses and is reported annually. Total unit fund expenditures for FY20 are $20.1 million.

Budget: 13,563.5 **FTE:** 46

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	137.9	170.8	> 0	176.1	176.1	G
Cumulative state-line delivery credit per the Rio Grande Compact, in thousand acre feet	-0.7	5.4	> 0	5.4	5.4	G
Cumulative New Mexico unit fund expenditures, in millions*	$9.02	$14.83	N/A	N/A	$20.09	
Program Rating						G

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

Litigation and Adjudication

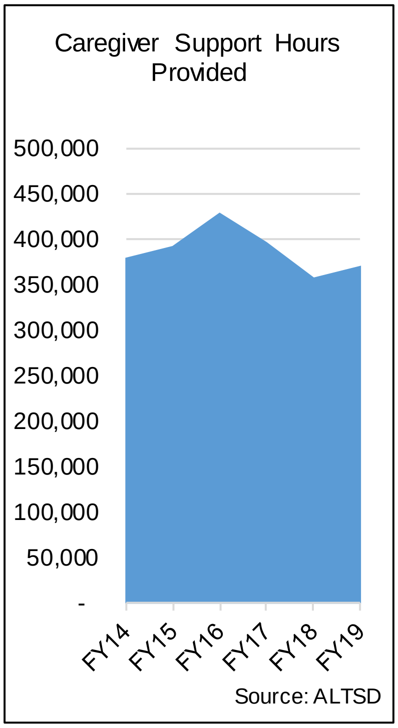
These two measures track progress toward the completion of the adjudication of all water rights in New Mexico. The number of offers to defendants in adjudications for FY20 reflects subfile activity in the Lower Rio Grande and Animas water rights adjudications. For FY20, the program included water rights with judicial determinations in both closed and active adjudications to provide more meaningful data on the cumulative effect of adjudications.

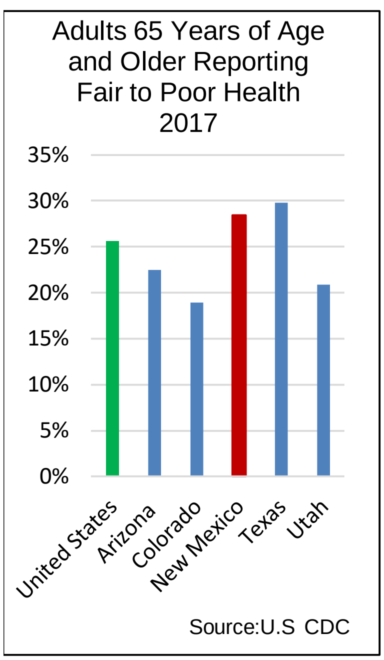
Budget: $6,931.9 **FTE:** 66

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Offers to defendants in adjudications	298	456	250	61	112	G
Water rights that have judicial determinations	67%	75%	70%	75%	75%	G
Program Rating						G

ACTION PLAN

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





Aging and Long-Term Services Department

The Aging and Long-Term Services Department's (ALTSD) mission is to serve older adults and adults with disabilities so they can remain active participants in their communities, age with respect and dignity, be protected from abuse, neglect, and exploitation, and have equal access to health care. ALTSD did not meet performance targets for the Aging Network. These services are primarily provided through contracts between ALTSD and area agencies on aging (AAA). Instability with one AAA in the previous fiscal year led to declining performance.

Aging Network

The Aging Network is not on target to meet performance targets for the hours of caregiver support for the second quarter in a row. It is unlikely the program will meet annual performance in the remaining quarters. In the second quarter, the number of hours of caregiver support were 25.7 thousand hours for respite care, 37.1 thousand hours for adult day care, 17.8 thousand hours for homemaker services, and 5,517 hours for other services. The agency will issue area improvement plan guidelines in the third quarter for the AAA and work with agencies in the fourth quarter to increase caregiver support.

Budget: $40,195.2 **FTE:** 16

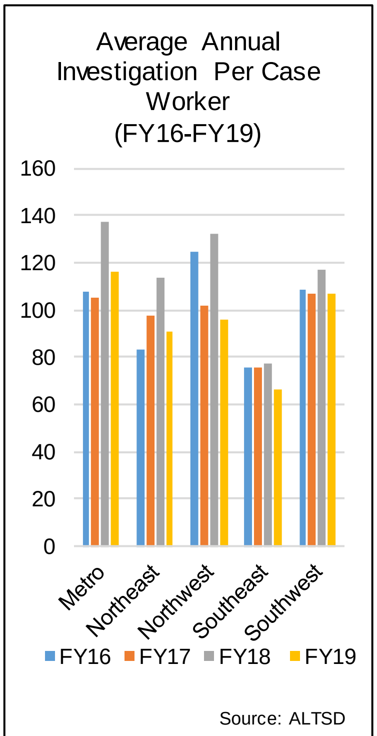
Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Older New Mexicans whose food insecurity is alleviated by meals received through the aging network	116%	86%	98%	90%	91%	Y
Hours of caregiver support provided	357,721	370,538	423,000	92,167	86,122	R
Program Rating	Y	R				Y

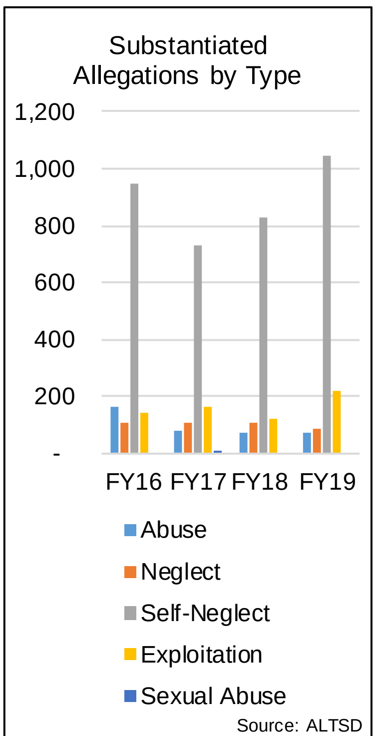
Consumer and Elder Rights

The Long-Term Care Ombudsman Program (LTCOP) of the Consumer and Elder Rights Division continued to report timely ombudsman complaint resolutions. However, the percent of calls to the Aging and Disability Resource Center that are answered by a live operator declined significantly. During the second quarter, the Aging and Disability Resource Center (ADRC) received 6,853 calls (average of 115 per day) of which 1,728 callers left a voice message and had their calls returned within six hours. The agency reported the top topics of concern for callers were related to Medicaid or Medicare benefits, senior center services, prescription assistance, and social security.

Budget: $5,150.3
FTE: 48.5

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Ombudsman complaints resolved within sixty days	92%	96.8%	99%	100%	100%	G
Residents requesting short-term transition assistance from a nursing facility who remained in the community during the six month follow-up	82%	84%	90%	84%	78%	R





Calls to the aging and disability resource center that are answered by a live operator	71%	79%	90%	83%	75%	R
Program Rating	Y	Y				Y

Adult Protective Services

The program does not report on repeat maltreatment, and current data and performance measures make it difficult to assess the effectiveness of the program in preventing maltreatment. However, Adult Protective Services (APS) has agreed to begin reporting repeat substantiations within six months of a previous substantiation of abuse or neglect in FY21. In the second quarter, APS continued to meet a majority of targeted performance.

Budget: $13,829.6 **FTE:** 132

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Adult protective services investigations of abuse, neglect or exploitation	6,671	6,636	6,150	1,651	1,480	G
Emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed time frames	99%	99%	99%	99%	98%	G
Adults receiving in-home services or adult day services as a result of an investigation of abuse, neglect or exploitation	1,213	3,663	1,500	725	717	G
Program Rating	Y	G				G

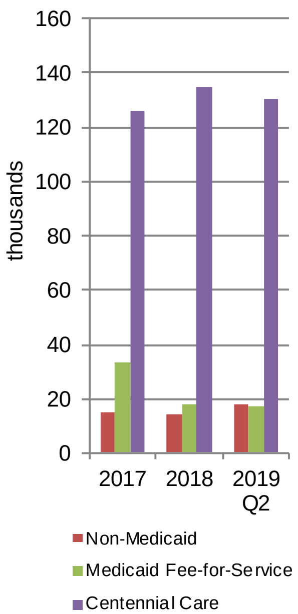
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Second Quarter, Fiscal Year 2020

ACTION PLAN

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

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



Source: HSD

A 2018 LFC *Health Notes* found that overall spending on behavioral health services for the expansion population has risen faster than the number of people using those services.

Behavioral Health Collaborative

New Mexico has among the poorest substance use and behavioral health outcomes in the country. The alcohol-related death rate in New Mexico, which increased 34 percent between 2010 and 2016, has been nearly twice the national average for two decades and has ranked 1st, 2nd, or 3rd worst since 1981. New Mexico's suicide, drug overdose, and mental illness rates also rank among the worst nationally, with the worst outcomes concentrated in specific geographical regions.

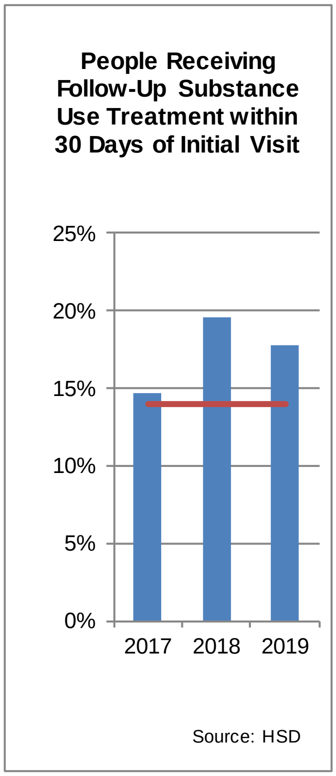
New Mexico continues to lead the country in adults and youth with substance abuse disorders and, at 21.6 percent, unmet need for services for individuals with mental illness. Based on 2019 data from the U.S. Health Resources and Services Administration, only 33 percent of New Mexico youth with major depression received mental health treatment and 56 percent of adults with mental illness received treatment.

However, according to the *2019 State of Mental Health in America* report, which identifies a national common set of data indicators for mental health, New Mexico improved from 46th to 31st in the national overall adult behavioral health rankings between 2017 and 2018. The state is 37th in the youth behavioral health rankings. New Mexico's drug overdose death rate has improved from 50th in the country to 32nd for multiple reasons, including a small but significant drop in the state's overdose death rates, while other states' overdose death rates have rapidly increased.

The Behavioral Health Services Division provided updated data for the number of individuals served in state-funded substance use or mental health programs. Second quarter data reflects 12 months of calendar year (CY) 2019. Overall, 165.6 thousand individuals were served, almost the same as CY18 with 166.9 thousand individuals served. The non-Medicaid population served included 17.6 thousand members, a 24.4 percent increase over CY18, due to movement into encounter-based claims for behavioral health services provided with grant funding. The Centennial Care program served 130.7 thousand members, a decrease of 3 percent from CY18. The Medicaid fee-for-service members served totaled 17.3 thousand, a 4.6 percent decrease, from CY18.

Medicaid expansion provided access to behavioral health services for over 250 thousand New Mexican adults, about a third of whom have made use of behavioral health services to address conditions they may have lived with untreated for some time due to a lack of insurance coverage. Particularly vulnerable groups, including the homeless and justice-involved populations, have gained access to services they have never been able to obtain. The Medicaid program spent $96 million in 2016 on behavioral health services for people who gained access to Medicaid as a result of Medicaid expansion.

LFC *Health Notes, Behavioral Health Services for Medicaid Expansion Adults*, reports Medicaid managed-care organizations have persistent gaps in their provider networks, but robust growth in behavioral health services provided by federally qualified health centers (FQHCs) is a positive sign of improved access to care. Behavioral health visits to FQHCs increased by 62 percent from 2014 to 2015 and then by 110 percent from 2015 to 2016. Mental health clients increased by 66 percent between 2014 and 2016, while substance abuse clients increased by 584 percent.



The measure above targets a cohort of individuals who initiated substance use treatment and were still engaged in care 34 days after initiation. Second quarter data reflects four quarters, January through December 2019, of performance.

For Medicaid, this measure is part of the National Healthcare Effectiveness Data and Information Set (HEDIS) reported annually by Medicaid MCOs, and is reported for non-Medicaid and Medicaid managed care members. For calendar year 2019, 17.8 percent, or 5,299 persons, who initiated substance use treatment were still engaged in care 34 days later, which exceeds the Quality Compass 2018 National Average for Medicaid performance.

The percent of individuals discharged from inpatient services who received follow-up services after seven and 30 days was 37.9 percent and 51.7 percent, respectively, missing the FY20 targets of 50 percent and 70 percent. Managed care organizations (MCO) report they are working to improve discharge planning and follow-up coordination to improve outcomes and avoid costly readmissions.

One MCO is launching a "Model Facility Incentive Program" and a "Behavioral Health Quality Incentive Program" to improve members' access to appointments following hospitalizations for mental illness or substance use disorders. The Quality Improvement Committee will be monitoring the current performance to assure improvements.

In 2019, 1,298 youth on probation received behavioral health services across both Medicaid and non-Medicaid resources. This represents 67.4 percent of all youth on formal probation (1,927 youth), a 7.6 percent point increase over FY18 (59.7 percent) and higher than the FY19 target of 62 percent. The rate of 67.4 percent is due to a slight increase of 3.3 percent of youth on probation receiving behavioral health services, it is more strongly impacted by an 8.4 percent decrease in all youth on probation and reflects a national pattern of decreasing youth on probation. Another factor in the decreasing number of youth on probation is an overall decrease in the New Mexico juvenile population aged 10 to 17 years from 2000 to 2018.

Budget: $61,130.5 **FTE:** 45

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Adults diagnosed with major depression who received continuous treatment with an antidepressant medication	33.8%	37%	35%	No Report	No Report		R
Individuals discharged from inpatient facilities who receive follow-up services at seven days	44.9%	37.7%	50%	38.3%	37.9%		R
Individuals discharged from inpatient facilities who receive follow-up services at thirty days	64.6%	50.3%	70%	55%	51.7%		R
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	12.4%	8.6%	5%	9.4%	3.7%		Y
Suicides among fifteen to nineteen year olds served by the behavioral health collaborative and Medicaid programs	No Report	No Report	N/A*	No Report	No Report		R
Program Rating							R

*HSD did not report quarterly data on the measure but the measure is included for baseline data purposes.

ACTION PLAN

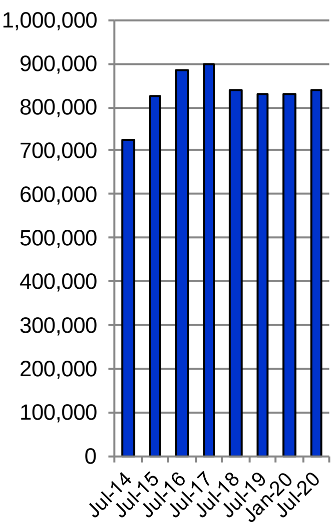
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Human Services Department

In the second quarter of FY20, HSD provided additional performance measurement data to supplement the 10 performance measures previously approved for FY20 by the former administration and reported in the first quarter. Quarterly outcome data was not reported for the performance of the Medicaid program's prenatal care performance and outcomes for infants on Medicaid receiving six well-child visits during their first 15 months.

Also, during the second quarter of FY20, the Human Services Department (HSD) began preparing its emergency response to the COVID-19 pandemic. Data acquisition and outcomes may be impacted by the extraordinary circumstances surrounding the COVID-19 public health emergency.

Total Medicaid Enrollment



Source: HSD January 2020
*July 2020 Projection

Medical Assistance Division

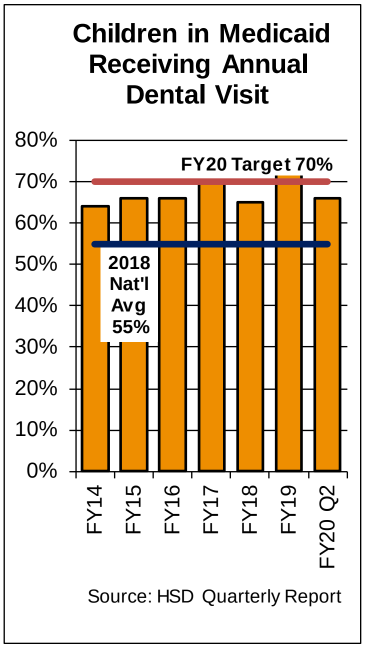
The Healthcare Effectiveness Data and Information Set (HEDIS) is a tool used nationally by most health plans to measure care and service. HSD previously reported FY19 HEDIS performance measures will not be available until June 2020 because the HEDIS reporting methodology is based on calendar year, not fiscal year. However, HSD and their consultant firm, Mercer, use encounter data to determine preliminary quarterly performance measure data pending final HEDIS results. HSD should share preliminary quarterly data for certain HEDIS measures with LFC.

HSD reports Medicaid managed-care organization's (MCOs) strategies to reduce hospital readmissions include establishing contact with members who may need case management and implementing value-based purchasing arrangements that incentivize network providers. These strategies identify opportunities for reducing readmissions by monitoring members with complex health conditions. Based on 2019 MCO capitations, this measure may result in a $12 million penalty if MCOs fail to meet the reduction in readmissions target.

HSD implemented provider rate increases in FY20 for outpatient settings, dispensing fees to community-based pharmacies, long-term services and supports providers, and supportive housing benefits for people with serious mental illness. There also were increases in payment rates to governmental and investor-owned hospitals, and hospitals serving a high share of Native American members. HSD also implemented a minimum wage adjustment for personal care services (PCS) providers for statewide and regional changes in minimum wage.

HSD is also working with graduate medical education (GME) programs to expand programming in primary care, family medicine, internal medicine, psychiatry, and pediatrics. A 5-year strategic plan for GME expansion released in January 2020 estimates 46 new primary care residents will graduate in New Mexico each year beginning in 2025, and the number of primary care GME programs will grow by more than 60 percent. HSD is awarding up to $1.5 million in funds to programs during FY20.

PERFORMANCE REPORT CARD
Human Services Department
Second Quarter, Fiscal Year 2020



The Medicaid caseload in January was 829.8 thousand individuals, a 0.3 percent decrease from one year ago. The count of Medicaid recipients increased by 1,140, or 0.14 percent, since December.

Children on Medicaid slightly decreased. In January 2019, Medicaid served 357.4 thousand children and in January 2020 Medicaid served 357.3 thousand children.

The Supplemental Nutrition Assistance Program (SNAP) caseload in January 2020 was 223.2 thousand, a 0.5 percent increase from one year ago, and an increase of 326 cases from December, or 0.1 percent.

The Temporary Assistance for Needy Families (TANF) caseload was 10.3 thousand in January, a decrease of 4 percent from January 2019, and a decrease of 116 cases, or 1.1 percent from December 2019.

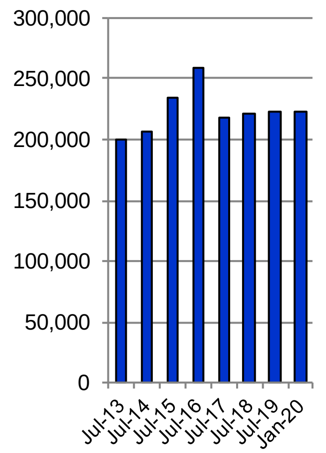
Budget: $5,676,802.9 **FTE**:183

Measure	FY18 Actual	FY19 Actual[1]	FY20 Target	Q1	Q2	Q3	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months*	62%	No Report	N/A	No Report	No Report		R
Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year*	86%	72%	88%	75%	75%		Y
Children ages 2 to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	65%	72%	70%	67%	66%		Y
Individuals in managed care with persistent asthma appropriately prescribed medication	60%	No Report	N/A	No Report	No Report		R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	5%	4%	<6%	4.4%	4.5%		G
Hospital readmissions for adults 18 and over within 30 days of discharge	7%	7%	<10%	6.7%	6.9%		G
Emergency room use categorized as non-emergent per one thousand Medicaid member months[2]	0.48	0.52	0.45	0.46	No Report		R
Individuals with diabetes in Medicaid managed care ages 18 through 75 whose hospital admissions had short-term complications	12.1	12.3	16.4	No Report	17.9		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*	77%	No Report	N/A	No Report	No Report		R
Medicaid managed-care members with a nursing facility level of care being served in the community	87%	86%	75%	No Report	86%		G
Program Rating							R

[1]HSD uses a rolling average; the most recent unaudited data available includes the last quarters of FY19 and the first quarters of FY20. The data for HEDIS measures is preliminary.
[2]The target was a per capita target whereas the data is per 1,000 members. HSD previously reported it would use a consistent methodology in the future.
*Measures are Healthcare Effectiveness Data and Information Set (HEDIS) measures which represent a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service.

Income Support Division

SNAP Caseload



Source: HSD

Based on successful models in other states to improve workplace participation, ISD identified two field offices to implement a pilot coaching and mentoring model designed to strengthen relationships with participants and provide resources, tools, and one-on-one support to address individual barriers to employment.

ISD staff continue to engage with TANF participants, particularly participants who have been sanctioned. ISD is considering strengthening state regulations to further improve opportunities for participant engagement.

Beginning in FY19, the Income Support Division (ISD) added performance goals to the New Mexico Works service provider's contract to improve employment outcomes; however, the percent of clients obtaining a job does not seem to be affected by these efforts.

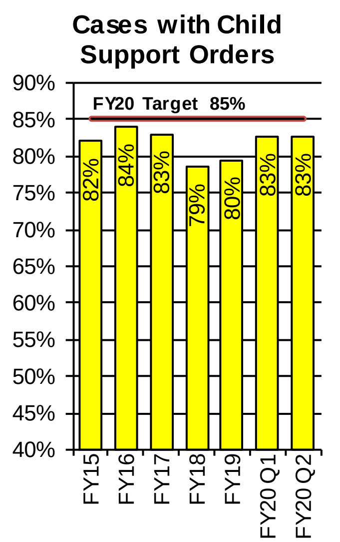
Although ISD did not meet the target for TANF federal work requirements, it did exceed the target prescribed by the federal Administration for Children and Families (ACF) by nearly 20 percent. ACF permits states to use their excess maintenance of effort (MOE) funds, as determined by the caseload reduction credit report, to reduce required federal work participation rates (referred to as regressed work participation rate). ACF reduced New Mexico's federal work participation two-parent rate from 90 percent to 22.9 percent. This reduction allows ISD to prioritize case management including increased coaching and mentoring for participants and their families, promoting family stabilization and removing barriers to employment.

Budget:$959,738.5 **FTE**: 1,149

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Regular supplemental nutrition assistance program cases meeting the federally required measure of timeliness of 30 days	99.1%	99.1%	98%	99.1%	99.3%		G
Expedited supplemental nutrition assistance program cases meeting federally required measure of timeliness of 7 days	98.1%	99%	98%	98.8%	98.7%		G
Temporary assistance for needy families clients who obtain a job during the fiscal year	54.6%	48.5%	52%	18%	No Report		R
Children eligible for supplemental nutritional assistance program participating in the program with family incomes at or below 130 percent of poverty level	No Report	88.5%	94%	88.3%	88.3%		Y
Two-parent recipients of temporary assistance for needy families meeting federally required work requirements	59.5%	39.5%	62%	43%	No Report		R
All families recipients receiving temporary assistance for needy families meeting federally required work requirements	48.9%	31.1%	53%	35.8%	No Report		R
			Program Rating				Y

Child Support Enforcement Division

The Child Support Enforcement Division (CSED) noted its performance declined due to staff attrition and vacancies. CSED is successfully piloting initiatives to improve performance and increase staff retention, and the Rio Rancho pilot resulted in a 5.2 percent increase in collections and a 4.9 percent increase in the percent of arrears collected. CSED reports it filled all of its budgeted positions and reduced caseworker attrition from over 35 percent in previous years to under 25 percent in FY19.



Source: HSD Quarterly Report

CSED reported the lowest quarter in the percent of current support owed that is collected. However, CSED did obtain a small improvement in this metric when compared to second quarters in previous years (FY19: 57.2 percent, FY18: 56.4 percent, FY17: 55.9 percent). The sustained improvement is due to the use of a new reporting tool that identifies and focuses on cases that are not paying. This metric is a ratio of the total collected in current support divided by the total owed in current support. The amount owed in current support is determined by the statutory child support guidelines. A 2018 study and committee report found the guidelines to be inflated in some income categories; however, state statute does not allow CSED to address this issue without legislative changes, which are planned for the 2021 legislative session.

Budget:$31,871.1 **FTE**:378

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Support arrears due that are collected	62.1%	60.7%	67%	46.2	No Report		R
Total child support enforcement collections, in millions	$139.8	$137.5	$140.5	$32.9	$31.1		Y
Child support owed that is collected	57.8%	57.7%	62%	57.9%	57.7%		Y
Cases with support orders	78.5%	79.5%	85%	82.7%	82.7%		Y
			Program Rating				Y

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Health
Second Quarter, Fiscal Year 2020

Department of Health

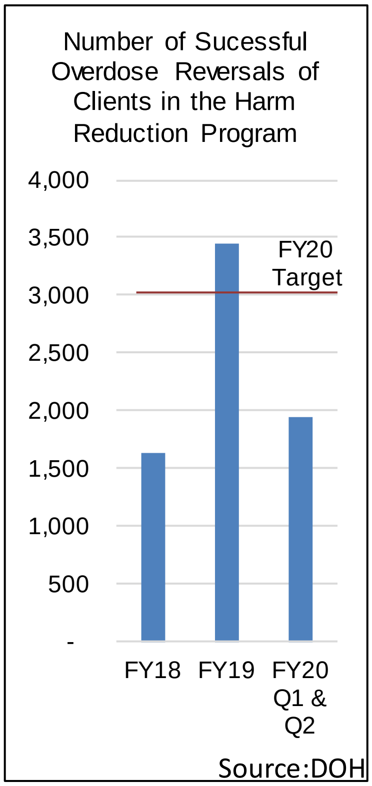
The Department of Health's (DOH) mission is to promote health and wellness, improve health outcomes, and assure safety net services for all people in New Mexico. DOH reported contiunued improvement during the second quarter in reducing the Developmental Disabilities (DD) waiting list, providing detoxification services for drugs or alcohol, and dispensing naloxone at retail pharmacies.

	New Mexico Health Indicators	2016	2017	2018	US 2018
1	Drug overdose death rate per 100,000 population	25	25	26.6	22
2	Births to teens aged 15-19 per 1,000 females aged 15-19	29.1	27.6	25.2	19
3	Alcohol-related death rate per 100,000 population	66	67	70.3	32
4	Fall-related death rate per 100,000 adults aged 65 years or older	92	88	93.9	61
5	Heart disease and stroke death rate per 100,000 population	196	198	193	
6	Suicide rate per 100,000 population	22	23	24.8	14
7	Pneumonia and Influenza death rate per 100,000 population	14.0	13.5	14.5	13.5
8	Diabetes hospitalization rate per 1,000 people with diagnosed diabetes	162	162	162	
9	Third grade children who are considered obese	19%	20%	20.8%	21%
10	Adults who are considered obese	29%	29%	30%	32%
11	Adolescents who smoke	No Data	10.6%		9%
12	Adults who smoke	17%	17.5%	15.2%	13.7%

Several U.S. measures for 2018 are not yet reported. Source: DOH

ACTION PLAN

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



The Department of Health is on track to exceed performance targets for successful overdose reversals per clients enrolled in the Harm Reduction Program. DOH also reported this number is likely an undercount of clients who use naloxone for overdose reversal because the measure is based on self-reporting when individuals return for a refill.

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 met or exceeded a majority of performance targets in the second quarter, with the exception of some smoking cessation activities. Tobacco use can lead to tobacco or nicotine dependence and serious health problems. Nationally, public health programs have focused on reducing nicotine activities to prevent the greater risk of developing smoking-related diseases. The U.S. Center for Disease Control and Prevention (CDC) reports cigarette smoking as the leading cause of preventable disease and death in the United States. In 2018, 13.7 percent of U.S. adults aged 18 years or older smoked cigarettes, and New Mexico is closer to 15.2 percent.

Budget: $178,297.4 **FTE:** 818.5

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Participants in the National Diabetes Prevention Program referred by a health care provider through the agency-sponsored referral system	0%	29%	25%	82%	29%	G
Children in Healthy Kids, Healthy Communities with increased opportunities for healthy eating in public elementary schools	89%	99%	89%	99%	99%	G

The U.S. Department of Labor (DOL) recently released a report stating in 2019, 19.3 percent of persons with a disability were employed. In contrast, the employment-population ratio for persons without a disability was 66.3 percent. DOH reported highlights from the 2019 data included:

- Half of all persons with a disability were age 65 and over, about three times larger than the share of those with no disability.
- Across all age groups, the employment-population ratios were much lower for persons with a disability than for those with no disability.
- Across all education attainment groups, unemployment rates for persons with a disability were higher than those for persons without a disability.
- In 2019, 32 percent of workers with a disability were employed part time, compared with 17 percent for those with no disability.
- Employed persons with a disability were more likely to be self-employed than those with no disability.

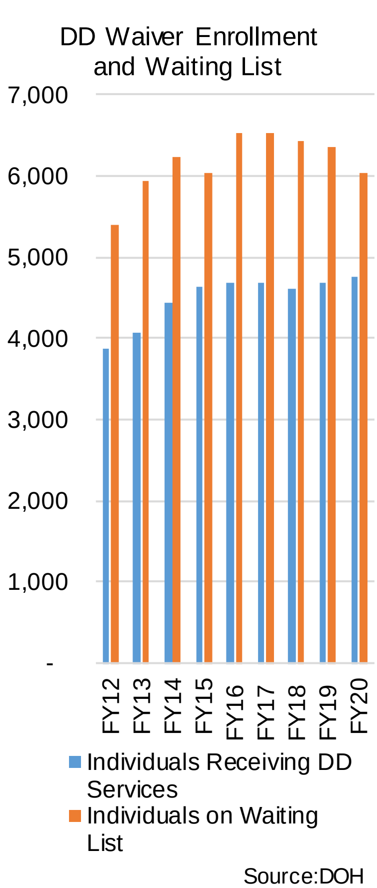
High school youth trained in the Evolvement youth engagement program to implement tobacco projects in their school or community	402	394	375	122	244	G
QUIT NOW enrollees who successfully quit using tobacco at 7-month follow-up	30%	32%	30%	32%	29%	Y
New Mexico adult cigarette smokers who access DOH cessation services	3.0%	2.7%	2.5%	0.7%	0.6%	Y
Teens who successfully complete teen outreach programming	362	512	325	0	116	G
Female clients ages 15-19 seen in DOH public health offices who are provided most or moderately effective contraceptives	61%	82%	62.5%	73%	69%	G
Preschoolers (19-35 months) fully immunized	61.8%	63.8%	65%	65%	66%	G
Program Rating	G	R				G

Epidemiology and Response

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, reducing substance use deaths, deaths among older populations, and deaths due to pneumonia and influenza. The program has been unable to increase performance of mass distribution of antibiotics or vaccinations through public or private partnerships in the event of a public health emergency for several years. This performance measure is directly related to providing primary and alternative methods of receiving antibiotics and vaccinations during a pandemic. Given the world's current pandemic, COVID-19, cannot be treated through vaccinations or antibiotics, this particular performance measure may not see significant change in the remainder of the fiscal year. While this particular measure may not reflect the agency response to the pandemic, the Epidemiology and Response Program is providing immense resources statewide.

Budget: $28,649.8 **FTE:** 204

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Retail pharmacies that dispense naloxone	73%	83%	80%	92%	92%	G
Community members trained in evidence-based suicide prevention practices	222	522	600	504	203	G
Opioid patients also prescribed benzodiazepines	13%	12%	5%	11%	10.6%	G
County and tribal health councils that include evidence-based strategies to reduce alcohol-related harms	11%	18%	20%	21%	21%	G
New Mexico hospitals certified for stroke care	16%	16%	20%	16%	14%	R
New Mexico population served during mass distribution of antibiotics or vaccinations through public/private	15%	15%	19%	15%	15%	Y



Developmental Disabilities	
Average Cost Per Client	**General Fund Appropriation to DOH**
$73,334	$90,526,700
$71,547	$94,429,500
$67,065	$99,029,500
$69,939	$102,838,500
$73,147	$103,292,700
$78,447	$105,103,000
$81,633	$107,004,000
$81,633	$109,632,000
$81,633	$122,732,000

Source: DOH

partnerships in the event of a public health emergency						
Program Rating	Y	R				Y

Health Facilities

The Facilities Management Division (FMD) provides services for mental health, substance abuse, long-term care, and physical rehabilitation in both facility and community-based settings. Priority admittance for clients in Turquoise Lodge Hospital (TLH) experiences the greatest performance improvement from the program. TLH provides safety net services for consumers in New Mexico who are seeking detoxification from drugs or alcohol. Prioritized admission includes pregnant injecting drug users, pregnant substance users, and other injecting drug users, women with dependent children, parenting women, and men and women seeking to regain custody of children. A recent LFC report found New Mexico has long had some of the highest rates of alcohol and drug abuse in the country. Since 2001, the combined rates of alcohol and drug related deaths in New Mexico rose by more than 60 percent. Quarterly measures regarding facility census are necessary for legislative program oversight.

Budget: $148,524.9 **FTE:** 2,003

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Priority request for treatment clients admitted to Turquoise Lodge Hospital	59%	68%	50%	55%	92%	G
Turquoise Lodge Hospital detox occupancy rate	86%	83%	75%	75%	78%	G
Long-term care patients experiencing one or more falls with major injury	3.9%	3.9%	5%	5.5%	6.2%	Y
Eligible third-party revenue collected at all agency facilities	88%	83%	93%	84%	72%	Y
Number of significant medication errors per 100 patients	New	2.4	2.0	0.3	0.2	G
Residents successfully discharged	New	78%	80%	75%	57%	Y
Program Rating	Y	Y				Y

Scientific Laboratory

The Scientific Laboratory Program provides a wide variety of laboratory services to programs operated by numerous partner agencies across the State of New Mexico. The program met a majority of performance targets in the second quarter.

Budget: $13,580.5 **FTE:** 134.0

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Blood alcohol tests from driving-while-intoxicated cases that are completed and reported to law enforcement within 30-calendar days	43%	44%	90%	97%	82%	Y
Public health threat samples for communicable diseases and other threatening illnesses that are completed and reported to the submitting agency within published turnaround times	99%	97%	90%	97%	97%	G

Environmental samples for chemical contamination that are completed and reported to the submitting agency within 60-business days	95%	91%	90%	97%	95%	G
Program Rating	Y	Y				G

Developmental Disabilities Support

DOH continued to increase the number of individuals receiving Developmental Disabilities (DD) and Mi Via Medicaid waivers, and the numbers of individuals registering for the program waitlist declined slightly in the second quarter. The first phase of the department's plan to implement a new community supports waiver that will provide an array of services to those individuals on the waitlist will be funded in FY21. The new waiver could result in up to 2,000 individuals on the waiting list receiving services while they wait for the comprehensive waivers. The Developmental Disabilities Support Program has struggled to reach more than 30 percent of adults receiving employments services since FY18. Nationally, individuals with disabilities experience higher levels of unemployment. In 2019, the U.S. Department of Labor reported 19.3 percent of persons with a disability were employed. In contrast, the employment-population ratio for persons without a disability was 66.3 percent.

Number of Youth who have Completed Sexual Assault Primary Prevention	
FY17	6,962
FY18	7,470
FY19	5,905
FY20 Q1	4,393
FY20 Q2	6,507

Source: DOH

Budget: $188,943.6 **FTE:** 188

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q1**	**Rating**
Individuals receiving developmental disabilities waiver services*	4,618	4,638	N/A	4,698	4,766	
Individuals on the developmental disabilities waiver waiting list*	4,834	5,066	N/A	4,950	4,876	
Developmental disabilities waiver applicants who have a service plan in place within 90 days of income and clinical eligibility	73%	87%	90%	98%	97%	G
Adults receiving community inclusion services through the DD Waiver who receive employment services	26%	24%	34%	29%	29%	R
Percent of general event reports entered and approved in a timely manner	76%	65%	86%	79%	81%	Y
Program Rating	Y	Y				Y

*Measures are classified as explanatory and do not have targets.

Health Certification, Licensing, and Oversight

The purpose of the health certification, licensing, and oversight program is to provide health facility licensing and certification surveys, community-based oversight and contract compliance surveys, and a statewide incident management system so that people in New Mexico have access to quality health care and vulnerable populations are safe from abuse, neglect, and exploitation. The program improved on some performance targets, including a decline in the abuse rate of clients receiving DD waiver and Mi Via waiver services. However, there was a slight increase in the re-abuse rate, which could indicate that interventions were not successful.

Budget: $14,917.7 **FTE:** 182

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Abuse Rate for Developmental Disability Waiver and Mi Via Waiver clients	7%	11%	7%	7%	6%	G
Re-Abuse rate (within 12 months- same person) for Developmental Disability Waiver and Mi Via Waiver clients	7%	7%	6%	5%	7%	Y
Abuse, neglect and exploitation investigations completed within required timeframes	New	49%	90%	98%	90%	G
Program Rating	Y	Y				Y

ACTION PLAN

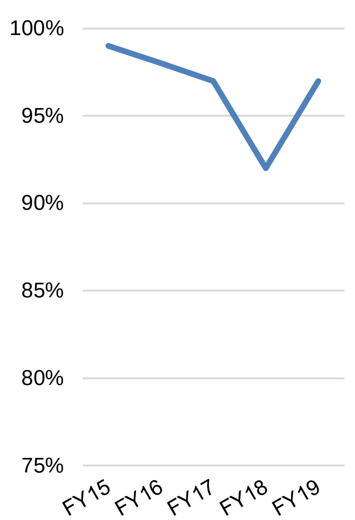
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

Two bills were introduced during the 2020 legislative session to address some of NMED's revenue challenges.

The governor signed into law Chapter 32 (House Bill 312), which creates the environmental health fund to consolidate fees collected from four NMED programs.

Senate Bill 209, which did not pass, proposed to increase the maximum fees for food service licenses. NMED estimated that fee change would result in an additional $2.3 million in annual revenue for the agency.

Percent of New Mexicans Receiving Water that Meets Health Standards



Source: NMED

Department of Environment

The New Mexico Environment Department (NMED) has significant recruitment and retention challenges that impact its vacancy rate and performance. The agency also reports that its unfunded vacancy rate is high due to revenue shortages and restricted fund balances. While the effects are seen across the agency, they are especially evident in NMED's drinking water, groundwater, and surface water programs, hazardous waste program, and environmental health programs, including food and hemp manufacturing and liquid waste.

NMED finds particular difficulty competing with the private sector and federal government on recruitment and retention for engineer positions in water-related programs. To address these challenges, in the first quarter of FY20 NMED launched a social media campaign to highlight the differences its staff makes in communities, began advertising positions nationwide through social media, announced vacancies through various organizations of environmental professionals, partnered with in- and out-of-state institutions to recruit staff, and reclassified positions. The agency has also had some success with rapid hire events.

NMED's overall performance is difficult to assess because nearly half of the measures are classified as explanatory and do not have a target to measure progress against, and other measures focus more on inputs and outputs than outcomes. NMED has committed to collaborating with LFC staff to improve key measures and provide data more representative of program performance.

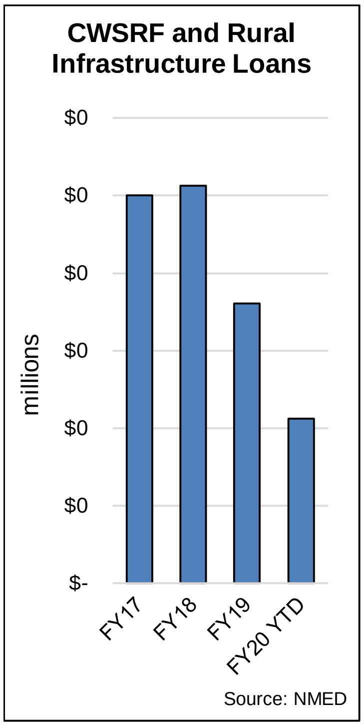
The agency received FY20 special appropriations of $2 million to support the state's ongoing environmental litigation associated with the Gold King Mine release that occurred in 2015. NMED also received $1.2 million to match federal funds for the management and cleanup of a number of Superfund sites across the state. The discovery of per- and poly-fluoroalkyl substances (PFAS) in groundwater near Cannon and Holloman Air Force Bases required regulatory enforcement from NMED in FY19 and is expected to be an ongoing challenge for the foreseeable future. In the General Appropriation Act of 2020, NMED received FY20 supplemental appropriations of $125 thousand for water pollution prevention and control programs and $169 thousand for shortfalls in the environmental protection program

Water Protection

Approximately 1.92 million New Mexicans receive their drinking water from community public water systems, and about 1.89 million receive water that meets all health-based standards. Of the community water systems that were issued health-based violations during the second quarter of FY20, 16 were issued violations based on a failure to correct deficiencies noted during sanitary survey inspections. Two of those water systems received capital outlay funding for FY20 and FY21; one received capital funding for FY21 only. In many cases, these deficiencies are easily correctable and only require the water systems to provide compliance documentation showing that the issue has been corrected. Sixteen other community water systems were issued more serious violations that often require major infrastructure improvements to treat contaminants. NMED also notes that 11 Drinking Water Bureau staff members are responsible for oversight and compliance of 1,100 drinking water systems.

Thus far in FY20, 23 percent of facilities operating under a groundwater discharge permit have been inspected. Inspections are slightly behind schedule because staff were occupied with hearing preparation, water fairs, permit writing, and IPRA responses related to several controversial proposed permits during the first two quarters. More inspections are anticipated in the third and fourth quarters.

A large portion of surface water quality impairments identified in New Mexico are due to nonpoint source pollution (e.g., land runoff). Watershed-scale changes to improve surface water is a long-term investment. The Surface Water Quality Bureau produces the NonPoint Source (NPS) Annual Report, which evaluates reductions in NPS pollutant loading.



Budget: $28,828.9 **FTE:** 189

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Facilities operating under a groundwater discharge permit inspected annually	54%	68%	63%	11%	23%	Y
Facilities in compliance with groundwater standards*	1,482	1,582	N/A	401	402	
Population served by community water systems that meet health-based drinking water standards*	92%	97%	N/A	95%	98%	
EPA clean water state revolving loan fund capitalization grant and matching state funds that are for wastewater infrastructure	100%	100%	100%	19%	76%	G
Capital outlay dollars disbursed, in millions*	$25.6	$8.9	N/A	$1.8	$4.0	
Loan program dollars disbursed, in millions*	$25.7	$18.1	N/A	$3.0	$7.6	
Program Rating						G

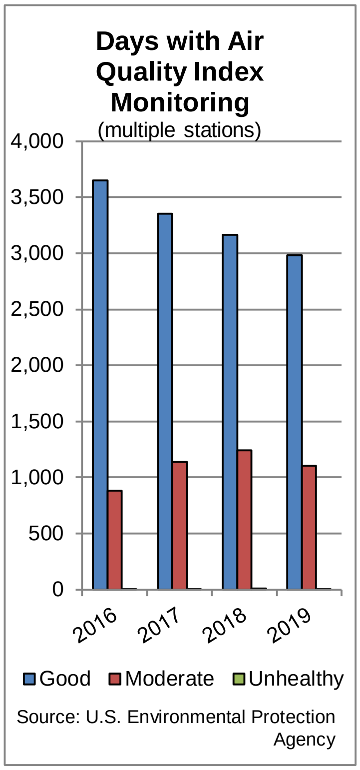
*Measures are classified as explanatory and do not have targets.

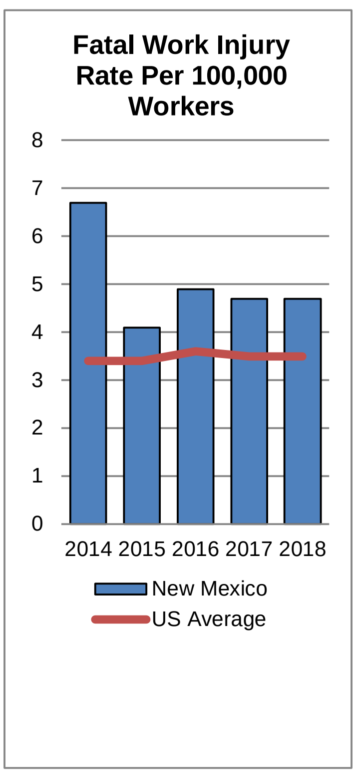
Resource Protection

The Petroleum Storage Tank Bureau is increasing outreach and assistance to the regulated community to help improve compliance with regulatory requirements for underground storage tanks.

There are 3,095 underground storage tank systems at 1,167 regulated facilities across the state, of which 198 have outstanding violations that can threaten groundwater. New Mexico's compliance rate is above the national average of 70 percent. According to NMED, the slight decline in compliance may be attributable to tank owners still learning about new regulations that were passed in 2018. In the solid waste program, one facility out of 15 that were inspected during the second quarter failed inspection, resulting in a 93 percent compliance rate. For the second quarter of FY20, all but one permitted municipal landfills in New Mexico complied with regulatory and permit-specific requirements for groundwater and/or vadose zone monitoring and reporting at the time of the inspection.

New Mexico currently has 78 large quantity hazardous waste generators, six of which were inspected during the second quarter of FY20. Only one inspected generator was





found to be in compliance with permit requirements. During this time, three of the Hazardous Waste Bureau's 10 inspector positions were vacant, but most have since been filled. Staff resources were also occupied with rulemaking before the Environmental Improvement Board, limiting the ability to conduct inspections.

NMED and the New Mexico Attorney General's Office recently reached an agreement with ExxonMobil to settle a lawsuit that alleges the company obtained reimbursement from the state's corrective action fund (CAF) to clean up leaking petroleum storage tanks while collecting insurance money for the same costs. ExxonMobil will pay $500 thousand into the CAF as part of the settlement. In addition to holding the industry accountable with state and federal laws, NMED is evaluating options to ensure corrective action funds are primarily used for small, independent facilities and abandoned sites.

Budget: $14,031 **FTE:** 133

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Large quantity hazardous waste generators inspected and in compliance, cumulatively*	32%	39%	N/A	25%	17%	R
Underground storage tank facilities compliant with release prevention and release detection requirements	88%	86%	90%	83%	84%	Y
Solid waste facilities and infectious waste generators found in compliance with solid waste rules	94%	95%	95%	93%	93%	Y
Landfills compliant with groundwater sampling*	96%	99%	N/A	100%	96%	
Program Rating						Y

*Measures are classified as explanatory and do not have targets.

Environmental Protection

In the second quarter of FY20, 100 percent of days had good or moderate air quality ratings. Although this measure has a target of 100 percent, NMED reports it as explanatory data because it does not regulate air quality in all areas of the state and significant emissions can be transported from outside NMED's jurisdiction. NMED reports that air quality permitting grew by 256 percent between 2008 and 2018, but the Air Quality Bureau did not increase inspection or permitting staff during that time, leading to difficulties meeting inspection goals. The lack of oversight may contribute to poorer air quality as unpermitted emissions go undiscovered and violations are not addressed by Air Quality Bureau staff. NMED reports that the larger impact on air quality, however, is the increased oil production and related facilities in the state.

Budget: $23,381.5 **FTE:** 238.5

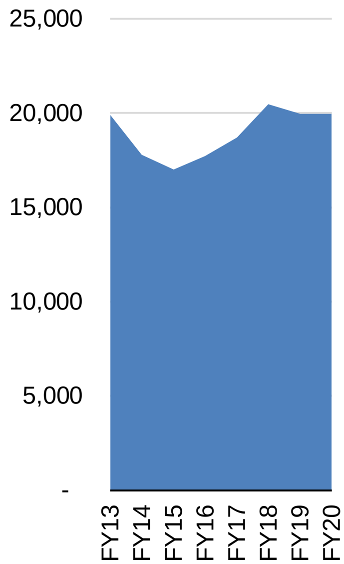
Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**

Priority food-related violations from inspections that are corrected	100%	100%	100%	100%	100%	G
Days with good or moderate air quality index rating	90%	87%	100%	92%	100%	Y
Radioactive material licensees inspected within timeframes due	NEW	100%	95%	100%	100%	G
Swimming pools and spas in compliance with state standards	100%	100%	100%	100%	100%	G
Program Rating						G

ACTION PLAN

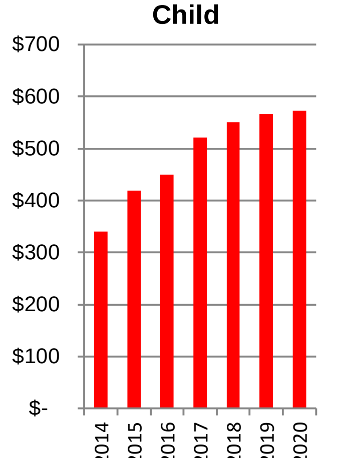
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	No

Childcare Assistance Enrollment by Fiscal Year (as of January 2020)



Source:CYFD

Childcare Assistance Average Monthly Cost per Child



Source:CYFD

Children Youth and Families Department

The Early Childhood program met or exceeded a majority of its performance measures. The Behavioral Health Services program continued to excel in the provision of services in its infant mental health program but fell short in the provision of services from community-based behavioral health clinicians. The Juvenile Justice Services program met or exceeded half of its targets, but performance continued to decline in areas related to recidivism. The Protective Services program did not meet any of its performance targets, but did achieve improvement a number of performance measures compared to last quarter. Most notably, turnover rates for protective service workers reached its lowest level since 2017.

Early Childhood Services

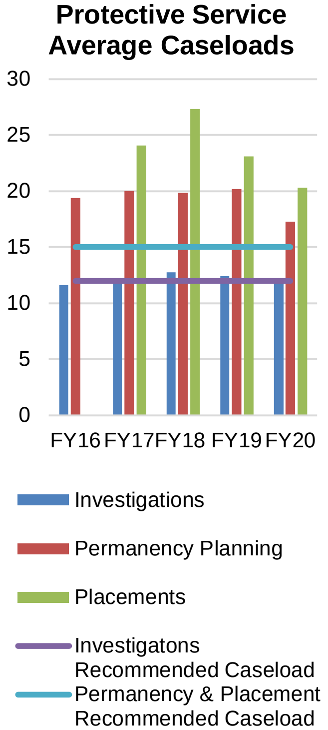
The Early Childhood Services Program continued to meet a majority of performance targets. Enrollment in childcare assistance remained relatively flat during the second quarter following several years of rising enrollment. The state increased income eligibility nearly one year ago; however, increased enrollment has yet to materialize. The new Early Childhood Education and Care Department (ECECD) will receive an additional $15 million from all revenues in FY21 if increased enrollment does materialize. In total ECECD will receive an additional $38 million in general fund revenues, or a 23 percent increase for home visiting, the Family, Infant and Toddler Program (FIT), childcare assistance, prekindergarten, and other agency activities. Additional performance measures for ECECD will be called for in the coming fiscal years to help monitor these significant state investments.

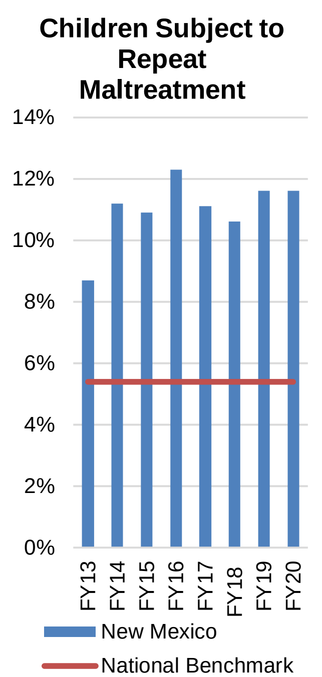
Budget: $293,146.6 **FTE:** 196.5

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Children receiving subsidy in high-quality programs	59.9%	72.5%	60%	69.5%	69.1%	G
Licensed childcare providers participating in high-quality programs	38.2%	43.3%	39%	44.4%	46%	G
Parents who demonstrate progress in practicing positive parent-child interactions	47.9%	45.5%	45%	45%	44.8%	Y
Children receiving state childcare subsidy, excluding child protective services childcare, who have one or more protective services-substantiated abuse or neglect referrals	1.2%	1.3%	1.3%	0.4%	0.7%	G
Families receiving home-visiting services that have one or more protective services substantiated abuse or neglect referrals.	1.9%	1.1%	5%	0.2%	0.4%	G
Children in state-funded prekindergarten showing measurable progress on the preschool readiness for kindergarten tool	94.9%	94.9%	94%	Reported Annually	Reported Annually	G
Program Rating						G

Protective Services

Protective Services fell short across all performance measures, and repeat maltreatment rates remain higher than national benchmarks. However, the program's performance showed incremental improvement across many performance measures compared to the first quarter of FY20, most notably a 10 percent drop in turnover for protective service workers. CYFD has made long-term investments in a number of new initiatives focused on improving performance across the department, including expanded training, new safety assessment protocols, and higher staffing levels. While still significantly below the target level, the repeat maltreatment rate this quarter fell by nearly 2 percent. More families are engaged in prevention services and monthly caseworker visits improved by more than 3 percent. The program has yet to see improvement in permanency placements and performance across targets related to achieving permanency declined over this quarter. For FY21, the program received an additional $5 million to expand kinship placements, reunification services, expand its workforce and implement a new "differential response" system aimed at providing prevention services to families before harm occurs.



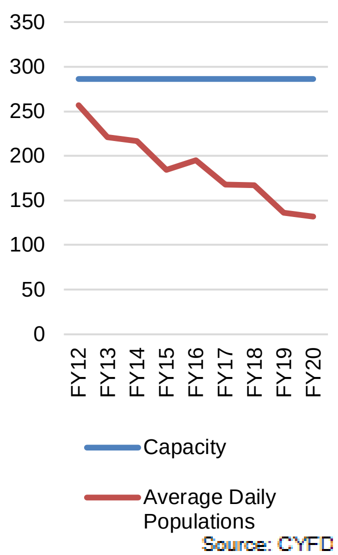


Source: CYFD

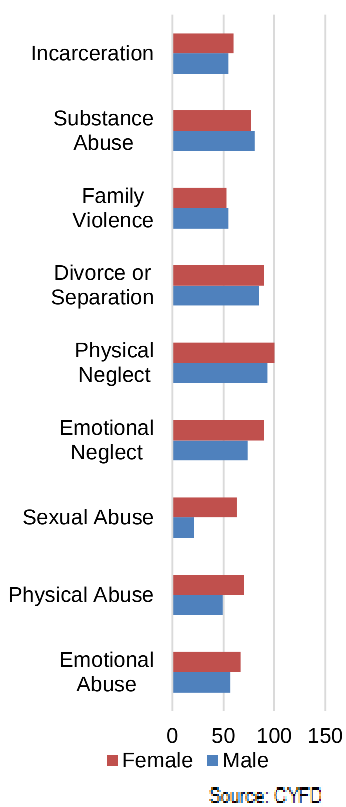
Budget: $174,196.6 **FTE:** 978

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Children who are not the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment	89.8%	89.6%	93%	87.6%	89.1%	R
Children who have another substantiated or indicated maltreatment report within 12 months of their initial report*	15%	17%	9.1%	16.8%	14.1%	R
Of Children in foster care for more than eight days, percent of children who achieve permanency within 12 months of entry into foster care.	30.6%	28.5%	42%	27.6%	26.6%	R
Percent of families with completed investigations who engage in prevention services for 30 days or more	n/a	4.5%	20%	6.9%	8.2%	R
Maltreatment victimizations per 100,000 days in foster care	21	13.4	8.5	12.6	11.9	R
Children in foster care who have at least one monthly visit with their caseworker	96.2%	94.2%	94.8%	89.9%	93.2%	Y
Children receiving domestic violence services with a personalized safety plan	89.5%	81.2%	90%	88.5%	88.1%	R
Turnover rate for protective service workers	25%	26.3%	20%	35.6%	25.4%	Y
Program Rating						R

Secure Juvenile Justice Facilities Population Census



Prevalence of ACES in NM Juvenile Population



Juvenile Justice Services

The Juvenile Justice Services (JJS) program met 50 percent of its performance targets but fell short across performance measures related to recidivism. Recidivism rates for youth discharged from commitment, as well as the percentage of JJS involved youth entering an adult correctional facility, have continued to rise year over year. At the same time, the overall number of youth incarcerated in juvenile facilities has decreased by over 40 percent since 2012, leaving a smaller group of serious offenders repeatedly cycling through the system. The youth committed to JJS facilities are on average 17.3 years of age, (just prior to exiting the juvenile system), and have on average 19 prior JJS referrals. While it is appropriate that the most intensive forms of supervision are reserved for serious offenders, these youth, who are at high risk of reoffending, need to be identified and matched to the most appropriate level of supervision earlier in their system involvement.

Budget: $74,603.8 **FTE:** 882.8

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Clients who successfully complete formal probation	82.7%	85.6%	86%	89.3%	87.5%	G
Substantiated complaints by clients of abuse or neglect in juvenile justice facilities	10.7%	10%	10%	16.7%	7.7%	G
Recidivism rate for youth discharged from active field supervision	20.1%	20%	12%	19.4%	21.8%	R
JJS facility clients age 18 and older who enter adult corrections within two years after discharge from a JJS facility	6.9%	21.5%	9%	21.1%	27.5%	R
Recidivism rate for youth discharged from commitment	36.2%	44.5%	35%	45.1%	51.7%	R
Physical assaults in juvenile justice facilities (*cumulative per quarter)	398	284	≤285	45*	99*	G
Program Rating						Y

Behavioral Health Services

The Behavioral Health Services (BHS) program's infant mental health team continues to exceed performance targets. The service focuses on the relationship between the child and the primary caregiver, reducing behavioral, social, and emotional disorders that could result in toxic stress and major trauma. BHS did not achieve its target to provide behavioral health services to more than 75 percent of CYFD involved children and youth, and compared to last quarter, performance declined. These are critical services for CYFD's clients, as the vast majority of them have a history of multiple adverse childhood experiences. CYFD, as a whole, is driving greater involvement of behavioral health clinicians across all of its programs and is working to improve its information technology/data system to identify mandatory referrals and automatically assign cases. For FY21, the program received a 104 percent increase in general fund revenues and is positioned to grow exponentially over the coming year. New performance measures will be called for to monitor the impact of the state's significant investment in community-based mental health and youth transition services.

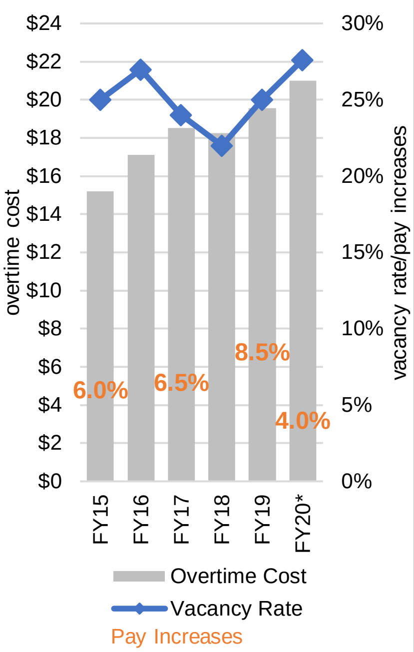
Budget: $20,232.1 **FTE:** 80.5

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
CYFD-involved children and youth receiving services from community-based behavioral health clinicians	NEW	51.8%	75%	60.3%	57.6%	R
Infants served by infant mental health programs who have not had re-referrals to the Protective Services program	90%	91%	92%	100%	100%	G
Program Rating						Y

ACTION PLAN

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

Correctional Officer Vacancy Rates, Overtime Costs, and Pay Increases
(overtime costs in millions)



*FY20 vacancy rates are the average of FY20 Q1 and Q2 rates; FY20 overtime costs are based on NMCD estimate.

Source: NMCD

NMCD's metrics show drug use among inmates may be rising. The percent of randomly tested inmates who test positive for drug use has increased for the past four quarters, jumping 0.9 percentage points (from 4.1 percent to 5 percent) since last quarter.

New Mexico Corrections Department

While the Corrections Department's (NMCD) Inmate Management and Control Program did not meet any of its performance targets in the second quarter of FY20, the Community Offender Management Program continued improvements seen last quarter, meeting or approaching all its targets. Recidivism rates decreased slightly over the past two quarters, demonstrating some improvement but remaining far above the department's FY20 target of 45 percent. Despite targeted pay increases, persistent staff vacancies within prisons undermine the department's ability to fulfill its mission, and inmate programming inadequately prepares inmates for success upon release. A declining prison population provides an opportunity for the agency to work towards these goals, which the Legislature supported this session through increased appropriations for correctional officer pay, evidence-based programming, and community corrections.

Inmate Management and Control

While the three-year recidivism rate remains well above target at 52 percent this quarter, both the first and second quarters of FY20 saw improvements from the high of 60 percent in the fourth quarter of FY19. The recidivism rate decreased 3 percentage points in the first quarter of FY20 and an additional 5 percentage points this quarter. Two quarters of improvement is encouraging and may indicate a positive trend; as a result, this measure is rated yellow.

Targeted pay increases totaling 25 percent over the last six years have failed to address high vacancy rates among correctional officers in public facilities, which remained between 22 percent and 27 percent over the same period. This quarter, public correctional officer vacancy rates continued to increase, while private correctional officer vacancy rates decreased; however, these rates are likely skewed by the transition of Northeastern New Mexico Detention Facility in Clayton from private operation to public operation at the beginning of November 2019, which has historically had an extremely high vacancy rate. While comparisons to the first quarter of FY20 may not be appropriate, viewed on their own these rates remain troublingly high, at 29 percent for public correctional officers and 45 percent for private correctional officers. Chronically high vacancies among custody staff result in high overtime costs and likely result in increased rates of violence. During the first half of FY20, 20 inmate-on-inmate assaults occurred; FY20 is likely to see incidents of inmate violence exceed FY19 and approach the highs of FY18.

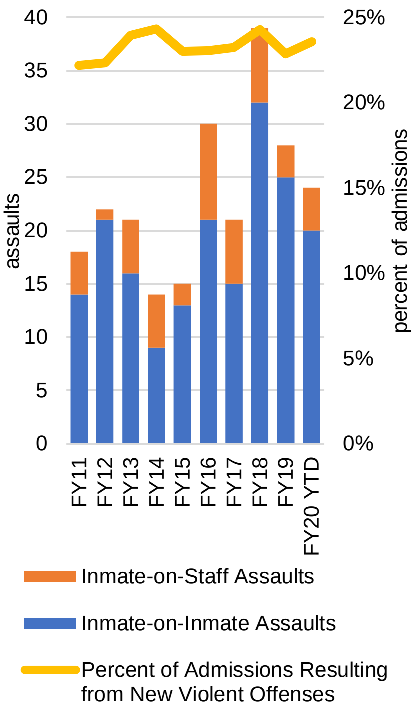
To help address vacancies among correctional officers, this session the Legislature appropriated $2.1 million to provide increases to public correctional officers and $1.1 million to increase per diem rates at private facilities. Unlike previous targeted pay increases, the new funding for public correctional officers does not provide a flat percentage raise for all officers, and may be used to address compaction issues, which the department has identified as a deterrent to retention. The Legislature also appropriated $240 thousand in nonrecurring funds to pilot satellite training academies for correctional officers to help improve recruitment.

NMCD struggles to make progress toward many of its performance targets and the agency's improvement action plans fail to identify specific goals, timelines, or

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

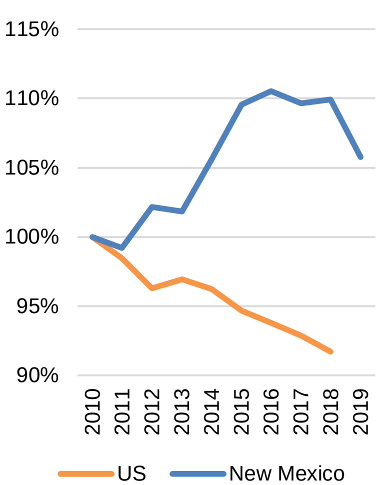
PERFORMANCE REPORT CARD
New Mexico Corrections Department
Second Quarter, Fiscal Year 2020

Violence in Prisons



Source: LFC Files, NMCD, Sentencing Commission

Nationwide State Prison Population vs. New Mexico State Prison Population
(indexed to 2010)



Source: Bureau of Justice Statistics, Vera Institute for Justice, Sentencing Commission, LFC Files

responsible parties for the areas in which it falls short. The department could demonstrate leadership by developing action plans that identify specific steps to improve performance and provide updates on progress towards those steps on a defined timeline.

Admissions to New Mexico's prisons have decreased 24.8 percent over the past five years and dropped an unprecedented 15.1 percent between FY18 and FY19, the largest year-over-year decrease in two decades. The average inmate population decreased for nine straight months in FY19, and despite minor month-over-month increases in the first quarter of FY20, overall population declined 5.1 percent between December 2018 and December 2019. Prison stay length causes a lag in the impact of admissions on population; as a result, further population declines due to the sharp drop in admissions in FY19 may be observed over the course of FY20. Declining populations will allow more resources to be directed to consistent, evidence-based programming.

This session, the Legislature prioritized funding NMCD programs to improve recidivism rates, including risk and needs assessments, a project to pilot reentry programming with a randomized control trial to assess efficacy, and planning resources for prisons. These resources should help the department identify proper interventions for inmates and offenders on supervision and develop more effective programs. NMCD has recently hired new directors for its Recidivism Reduction Bureau and Corrections Industries Programs who may be able to provide necessary direction to help ensure these projects are effective.

Budget: $275,007.4 **FTE:** 1,869

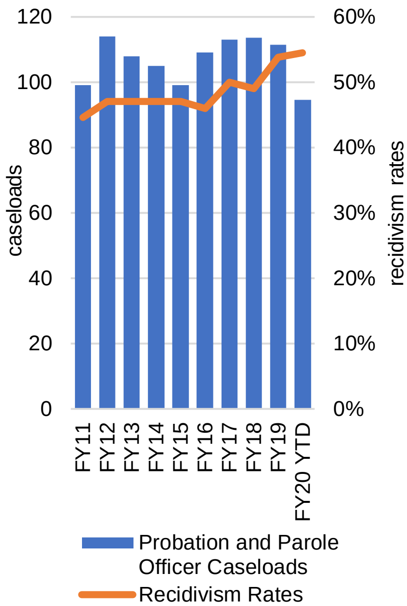
Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Inmate-on-inmate assaults with serious injury	32	25	8	14	6	R
Inmate-on-staff assaults with serious injury	7	3	2	2	2	R
Prisoners reincarcerated within 36 months	49%	54%	45%	57%	52%	Y
Participating inmates who have completed adult basic education*	64%	77%**	N/A	67%	77%	
Release-eligible female inmates still incarcerated past their scheduled release date	8.9%	9.3%	6%	8.9%	9.9%	R
Release-eligible male inmates still incarcerated past their scheduled release date	9.0%	9.5%	6%	9.4%	9.1%	R
Residential drug abuse program graduates reincarcerated within 36 months of release*	18%	28%	N/A	22%	19%	
Random monthly drug tests administered to at least 10 percent of the inmate population testing positive for drug use*	3.7%	3.7%	N/A	4.1%	5.0%	
Vacancy rate of state-employed correctional officers	22%	25%	20%	26%	29%	R
Vacancy rate of privately-employed correctional officers	NEW	NEW	20%	59%	45%	R
Program Rating	Y	R				R

*Measures are classified as explanatory and do not have targets.

**Although the FY19 values reported quarterly for this measure averaged 62 percent, with a maximum of 67 percent, NMCD reported an FY19 year-end value of 77 percent. LFC and DFA staff have not yet resolved this discrepancy.

Community Offender Management

Probation and Parole Officer Caseloads and Recidivism Rates



Source: LFC Files, NMCD

The Community Offender Management Program has demonstrated considerable improvement in vacancy rates and caseloads among probation and parole officers. While this quarter's vacancy rate of 20 percent exceeds the department's FY20 target of 15 percent, after six quarters of increasing vacancy rates between the third quarter of FY18 and the end of FY19 and a steady rate in the first quarter of FY20, this 3 percentage point decline represents significant progress. Possibly as a result, the average caseload per probation and parole officer decreased from 100 in the first quarter of FY20 to 89 this quarter, continuing three quarters of lowering rates and falling far below the department's FY20 target.

This quarter, the recidivism rates for the men's and women's recovery centers came closer to their FY20 targets; the rate for the men's recovery center was 1 percentage points lower than last quarter, while for women the second quarter result was 5 percentage points lower. However, both measures fluctuated significantly quarter-to-quarter in FY19, suggesting this quarter's data may not indicate sustained improvement. Significantly, the department's recent community corrections program inventory indicates the only two evidence-based programs offered by the recovery academies, including cognitive behavioral therapy, are targeted at female offenders. Increased evidence-based programming for men may help lower recidivism rates further.

The recidivism rate due to technical parole violations would be a useful metric to collect on a quarterly basis to inform ongoing discussions around reforming sanctions for technical violations and to provide context for the overall recidivism rate. Despite the measure's inclusion in the 2019 General Appropriation Act and multiple requests from LFC staff, the department declined to report this measure quarterly.

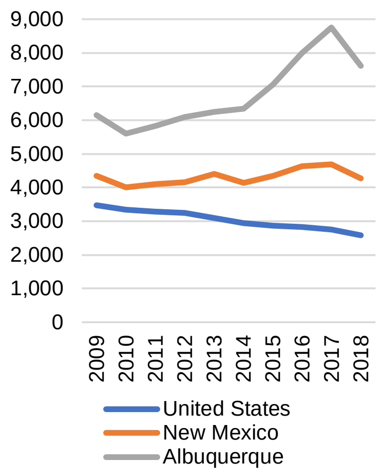
Budget: $36,008.2 **FTE:** 377

Measure	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**FY20 Q1**	**FY20 Q2**	**Rating**
Percent of required monthly contacts with high-risk offenders completed	99%	99%	95%	96%	97%	G
Average standard caseload per probation and parole officer	114	112	105	100	89	G
Male offenders who graduated from the men's recovery center and are reincarcerated within 36 months	21%	28%	23%	25%	24%	Y
Female offenders who graduated from the women's recovery center and are reincarcerated within 36 months	21%	19%	20%	27%	22%	Y
Absconders apprehended	29%	33%	30%	35%	32%	G
Vacancy rate of probation and parole officers	18%	23%	15%	23%	20%	Y
Prisoners reincarcerated within 36 months due to technical parole violations	22%	15%	23%	No Report	No Report	R
Program Rating	Y	Y				Y

ACTION PLAN

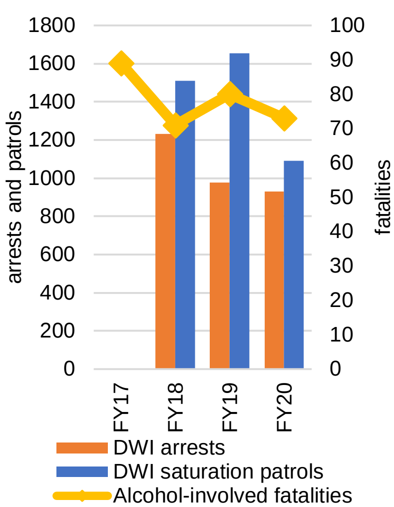
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

U.S., New Mexico, and Albuquerque Crime Rates
(per 100 thousand residents)



Source: Federal Bureau of Investigation, U.S. Census Bureau

Q2 Year-to-Date DWI Enforcement Actions and Alcohol-Involved Traffic Fatalities



Note: DWI arrest and saturation patrol measures were new in FY18.

Source: DPS

Department of Public Safety

New Mexico's high crime rates remain a top priority for policymakers, with violent crime rates increasing 10 percent between 2017 and 2018, according to the Federal Bureau of Investigation's (FBI) uniform crime reporting program, although property crime rates fell 12.6 percent over the same period. Albuquerque, which has historically driven the state's crime rates, saw overall crime decrease, and some data suggest violent crime is rising faster in other areas of the state. To help combat crime, the Department of Public Safety (DPS) has joint operations with police departments and other agencies across the state to more effectively utilize manpower and resources. This year, the Legislature amended statutes governing the law enforcement protection fund to provide a distribution beginning in FY23 of up to $2 million to DPS for expenses related to governor-ordered special deployments, such as the metro surge operation in Albuquerque in the summer of 2019, which may be useful to combat violent crime statewide in the future.

In FY21, DPS will begin reporting on the number of state police arrests; however, additional measures, such as case clearance rates and quarterly crime rates, would provide a better understanding of overall crime trends and DPS's performance. DPS will be compliant with the FBI's national incident-based reporting system (NIBRS) by January 2021; along with the department's new record management system, DPS's capabilities to collect and report on such data will be significantly improved. With more emphasis being placed on targeted "surge" operations statewide, the department should also consider what measures can best assess the efficacy of those operations.

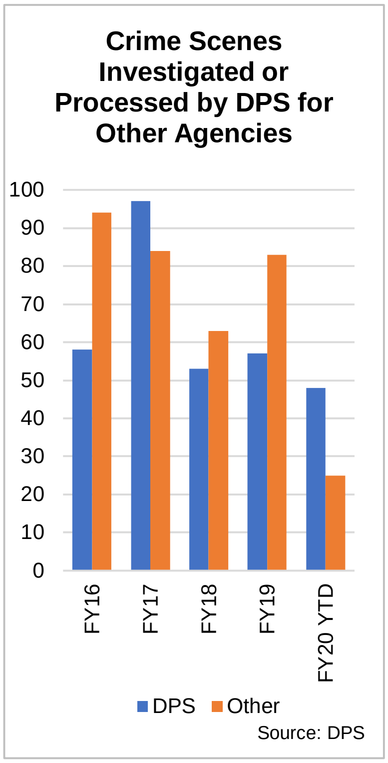
Law Enforcement

The department is on track to achieve its targets for strategic law enforcement and commercial vehicle inspections and has already surpassed its FY20 target for DWI saturation patrols. Notably, DPS has already completed 71.6 percent of its FY20 target for data-driven traffic-related enforcement projects. While commendable, these results indicate performance targets for those measures do not accurately reflect the department's capacity and goals. For FY21, these targets will be revised to 3,500 data-driven traffic-related enforcement projects and 3,350 DWI saturation patrols, which better align to the department's actual results.

DWI arrests are down 4.5 percent compared with the first two quarters of FY19, possibly corresponding to a 34.1 percent decrease in the number of DWI saturation patrols conducted compared with the same period in FY19. However, drunk driving rates appear to be continuing to decrease, as alcohol-involved traffic fatalities in the first two quarters of FY20 are 8.8 percent lower than the first half of FY19, indicating education efforts and resources dedicated to preventing drunk driving are succeeding.

Targeted pay increases appear to have helped address persistent vacancies among state police officers. The executive and Legislature collaborated to increase manpower through a targeted 8.5 percent pay increase in FY19, and vacancy rates have improved since its implementation, decreasing from an average of 11.3 percent in FY18 to 10.8 percent in FY19 to 9.5 percent over the first half of FY20.

The department has not produced a forecast of officer strength within the last year, but is currently working to develop one. LFC estimates the department is unlikely to grow



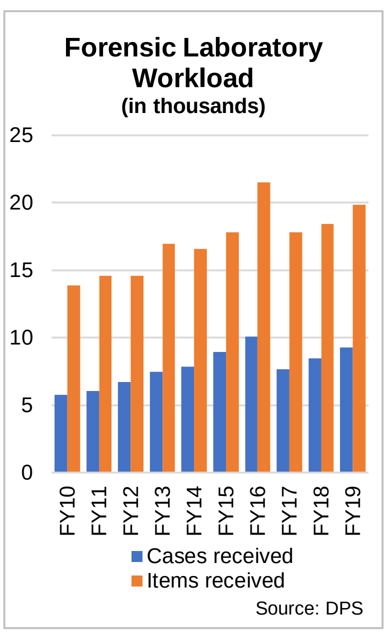
the total strength of the state police force over the next two fiscal years. In the fall of 2019, the executive instructed the department to end the practice of "lateral" hires from other law enforcement agencies, which will likely lead force strength to decline in FY21.

Budget: $125,691.2 **FTE:** 1,084.2

Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1	FY20 Q2	Rating
Data-driven traffic-related enforcement projects held	1,926	3,308	1,900	605	755	G
Driving-while-intoxicated saturation patrols conducted	3,184	3,416	975	622	468	G
Commercial motor vehicle safety inspections conducted	88,078	95,041	88,000	22,738	19,462	G
Driving-while-intoxicated arrests	2,574	2,171	2,250	495	436	G
Program Rating	G	G				G

Statewide Law Enforcement Support

Demand for the services of the forensic laboratory has grown in recent years, with the number of cases and items received by the laboratory for analysis increasing each year between FY17 and FY19. This quarter, DPS remained on track to meet its target for firearm/toolmark cases but missed the targets for latent fingerprint, forensic chemistry, and biology/DNA cases as the forensic laboratory bureau struggled with an average vacancy rate of 29.1 percent among forensic scientists and technicians during the first half of FY20, a 5.2 percentage point increase compared with FY19's average and a 13 percentage point increase compared with FY18. High turnover rates directly impact productivity as international accreditation standards require new scientists complete six to 24 months of on-the-job training before they can work independently. Notably, forensic scientists have not received a targeted pay increase since FY16; however, the 2020 General Appropriation Act includes $124 thousand to provide raises averaging 3 percent to forensic scientist and technicians in FY21 (in addition to the 4 percent increase for all state employees).



Department of Public Safety
FY20 Q2 Forensic Cases Received and Completed

Case Type	Cases Received	Cases Completed	Completion Rate	Pending Cases
Firearm and Toolmark	182	179	98.4%	813
Latent Fingerprint	156	151	96.8%	290
Chemistry	1,220	1,008	82.6%	3,623
Biology and DNA	589	489	83.0%	948

Source: Department of Public Safety

Budget: $20,475.4 **FTE:** 162

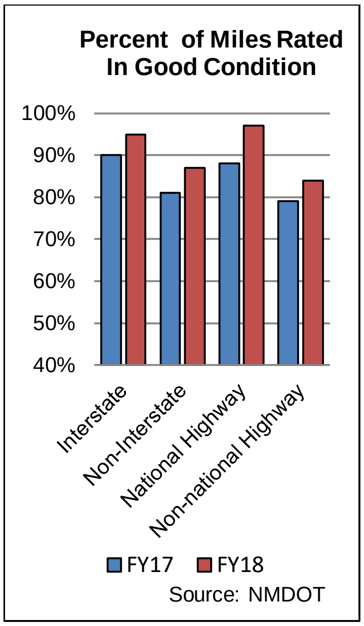
Measure	FY18 Actual	FY19 Actual	FY20 Target	FY20 Q1*	FY20 Q2	Rating
Forensic firearm/toolmark cases completed	96%	67%	100%	107%	98%	G
Forensic latent fingerprint cases completed	105%	118%	100%	77%	97%	Y
Forensic chemistry cases completed	91%	65%	90%	92%	83%	Y
Forensic biology and DNA cases completed	116%	87%	100%	81%	83%	Y
Program Rating	G	Y				Y

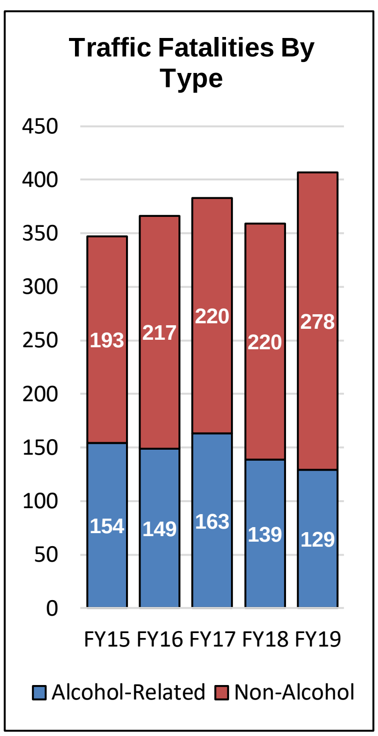
*FY20 Q1 metrics were corrected on the FY20 Q2 report.

ACTION PLAN

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

NMDOT's quarterly performance report includes an action plan for each performance measure.





Department of Transportation

The Department of Transportation (DOT) reports an 18 percent vacancy rate which may place additional strain on the department as they manage $400 million in non-recurring highway projects appropriated during the 2019 legislative session.

Traffic fatalities are down 9.5 percent relative to the second quarter of FY19 though alcohol-related fatalities were up 26 percent.

Project Design and Construction

All 19 projects scheduled were put out to bid on time. DOT has begun a practice of front loading work by developing project scope and designing projects earlier to better anticipate design needs in advance of putting the project out to bid resulting in fewer delays. The department reports 23 of 25 projects were completed on time and total costs exceeded the bid price by 1 percent.

Budget: $557,537.6 **FTE:** 358

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Projects completed according to schedule	86%	86%	>88%	92%	92%		G
Projects put out for bid as scheduled	54%	49%	>67%	31%	100%		G
Bridges in fair condition or better, based on deck area	96%	96%	>90%	96%	96%		G
Final cost-over-bid amount on highway construction projects	-0.2%	0.2%	<3%	-3%	1%		G
Program Rating							G

Highway Operations

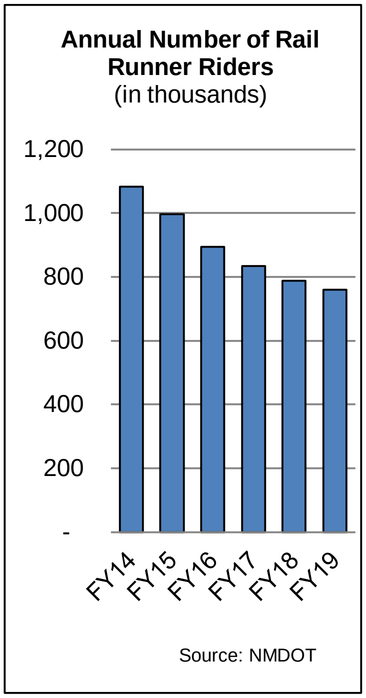
The 2018 road condition survey shows a dramatic improvement in the surface condition of national highway system roads. However, the survey often overlooks major roadway deterioration. For example, many minor treatments, such as crack sealing or thin pavement overlays on otherwise deficient roadbeds will improve reported road conditions from poor to fair or good. Recognizing the limitations of current road condition reporting, DOT partnered with several other states to pilot the use of new condition assessment technology which is capable of looking below the surface of a road to better determine pavement distress.

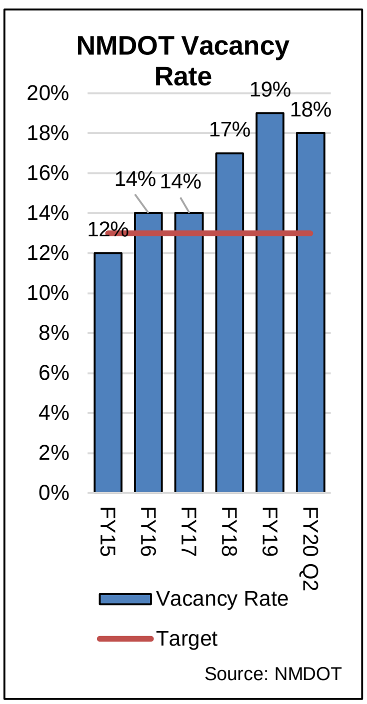
Budget: $251,580.2 **FTE:** 1,829.7

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Statewide pavement miles preserved	2,853	3,143	>2,550	1,251	1,520		G

FY18 Road Condition Survey	FY15 Actual	FY16 Actual	FY17 Target	FY18 Actual	Rating
Interstate miles rated fair or better	92%	93%	90%	95%	G
National highway system miles rated good	91%	90%	88%	97%	G
Non national highway system miles rated good	83%	82%	79%	84%	G
Lane miles in deficient condition	4,250	4,515	4,675	3,783	G
Program Rating					G

PERFORMANCE REPORT CARD
Department of Transportation
Second Quarter, Fiscal Year 2020





Modal

Total fatalities for the first and second quarters were down by 9.5 percent compared to the same period in FY19 while total alcohol-related fatalities were up 26 percent compared to this same period. Alcohol-related fatalities have been reduced over the past two fiscal years. However, total fatalities increased to a peak of 407 in FY19. Ridership on public transit systems continues to decline even while state employment increases. This multiyear trend is likely related to relatively low fuel prices combined with longer commute times for transit services.

Budget: $67,583 **FTE:** 76

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Traffic fatalities	359	407	<355	119	95		Y
Alcohol-related traffic fatalities	139	129	<135	28	45		Y
Non-alcohol-related traffic fatalities	241	281	<220	99	74		Y
Occupants not wearing seatbelts in traffic fatalities	114	137	<133	36	29		G
Pedestrian fatalities	89	78	<72	18	18		Y
Riders on park and ride, in thousands	240	230	>275	60	56		R
Riders on rail runner, in thousands*	788	761	N/A	198	175		
Program Rating							Y

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

Program Support

The 18 percent vacancy rate comes despite efforts to increase pay for certain occupations such as engineers, surveyors, and engineering technicians. Previous pay increases have gone to highway maintenance workers. A strong labor market is creating competition for skilled laborers, likely making it more difficult to recruit and retain employees. Additionally, the department is filling human resources positions that were left vacant during HR consolidation and believes this will aid recruitment efforts.

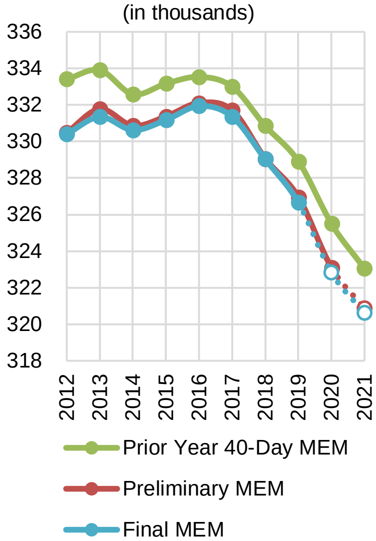
Budget: $43,606.7 **FTE:** 242.8

Measure	FY18 Actual	FY19 Actual	FY20 Target	Q1	Q2	Q3	Rating
Vacancy rate in all programs	17%	19%	<13%	18%	18%		R
Employee injuries	87	72	<90	20	19		G
Percent of invoices paid within 30 days	92%	94%	>90%	94%	94%		G
Employee injuries occurring in work zones	37	27	<35	7	5		G
Program Rating							G

ACTION PLAN

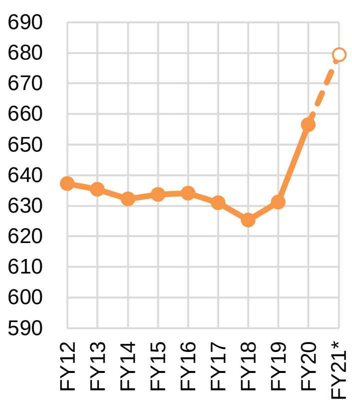
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Student Membership (MEM) Trends
(in thousands)



Source: PED, LFC Files

Funding Formula Program Unit Trends
(in thousands)



*Projected increases to at-risk index factor and participation in extended learning time programs with decreases from training and experience, basic membership, and size adjustment units.
Source: LFC Files

Public Education Department

Funding Formula

Statewide student membership counts in the second quarter (first reporting date) totaled 323 thousand students, a decline of 2,479 students or 0.76 percent from the same quarter of the prior year. First reporting date counts are typically higher than final student membership counts. As such, legislative staff estimate final membership will fall below 321 thousand students in FY21, continuing a five-year trend of declining student enrollment in the vast majority of schools.

In January, PED set the final FY20 unit value at $4,602.27, an increase of $36.86 or 0.8 percent from the preliminary unit value set in April 2019. This increase will distribute an estimated $24 million to public schools in the last two quarters of FY20 and likely contribute to additional growth in school cash balances.

In the second quarter, PED revised estimates for FY20 K-5 Plus participation, showing 3,312 fewer students enrolled in programs statewide. As such, additional unspent K-5 Plus dollars will revert to the public education reform fund (PERF) at the end of FY20. With the new higher FY20 unit value, legislative staff estimate reversions to PERF will reach $115 million. The General Appropriation Act of 2020 authorizes the use of $68 million from PERF and Laws 2020, Chapter 71 (Senate Bill 96), appropriates $3 million from PERF for an online school budget reporting system (the 2020 GAA also appropriates $3 million for this purpose).

Budget: $13,618.8 **FTE:** 283.2 **Measure**	**FY18 Actual**	**FY19 Actual**	**FY20 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Eligible children served in state-funded prekindergarten*	8,427	9,757	N/A	10,837	10,855		
Eligible children served in kindergarten-three-plus**	18,227	18,528	N/A	21,139	17,827		
Average days to process reimbursements	22.8	26.8	24	31.7	30		R
Data validation audits of funding formula components	28	28	20	0	4		Y
Program Rating	G	Y					Y

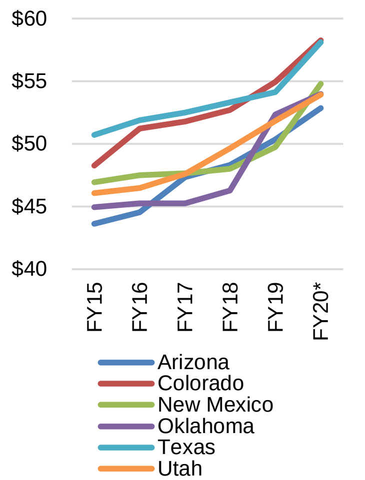
*Includes 4-year-old prekindergarten administered by the Children, Youth and Families Department
**The FY18 and FY19 Actuals represent summer 2018 and summer 2019 K-3 Plus with 4th and 5th grade pilots, respectively. Quarterly figures in FY20 represent K-5 Plus programs funded from the state equalization guarantee.

Department Operations

PED performance improved slightly in the second quarter, with reimbursements taking an average of 1.7 fewer days to process and four new audits of funding formula components completed. However, the average processing time for reimbursements remains higher than target levels and PED will need to complete more audits in the remaining quarters to reach target or prior year performance levels.

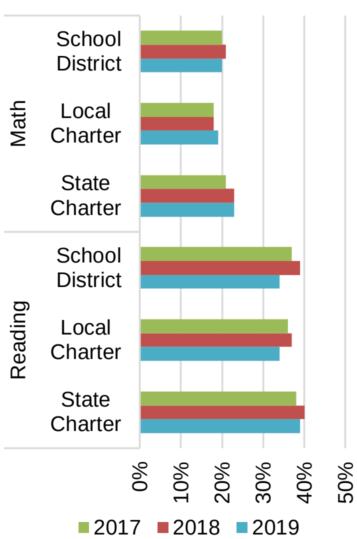
The agency notes personnel vacancies are contributing to delays in reimbursement processing. During the second quarter, PED maintained an average of 212 FTE out of 283 authorized FTE positions, slightly higher than the first quarter of FY20 (209 FTE) but lower than the fourth quarter of FY19 (217 FTE). Department vacancies were mostly

Average Teacher Salaries
(in thousands)



*Based on estimated budgets and FTE.
Source: State education agencies

Proficiency Rates



Source: PED

For more information on New Mexico's public school funding formula, please visit: https://www.nmlegis.gov/Entity/LFC/Documents/Finance_Facts/finance%20facts%20public%20school%20funding%20formula.pdf

concentrated in the information technology, Indian education, and administrative services divisions.

Teacher Pay and Workforce

Despite significant investments to New Mexico teacher pay in recent years, other neighboring states have also increased teacher compensation at a similar rate. As such, average teacher salaries in the region have effectively remained the same, comparatively. Notably, Texas and Oklahoma have statewide minimum new teacher salary levels of $33.6 thousand and $36.6 thousand, respectively – making New Mexico's starting minimum salary of $41 thousand the highest in the region.

PED and the Higher Education Department (HED) recently released the educator accountability reporting system (EARS) annual report for 2018 (the last published EARS report was in 2015). Statutorily, PED and HED are required to publish an annual EARS report to examine trends in educator preparation programs (EPP) across the state. In FY18, in-state EPPs produced 718 teachers, a decrease of 91 teachers or 11 percent from the prior year. Only two-thirds of these in-state EPP completers (about 480 teachers) taught in New Mexico after graduation. In FY18, PED issued 2,749 individuals their initial teacher credentials, suggesting more than 80 percent of new teachers were alternatively certified or hired from out-of-state programs.

Charter Schools

There are presently 97 charter schools in New Mexico (including Aces Technical Charter School in their planning year), serving over 27 thousand students, or approximately 7 percent of public school students. The Public Education Commission (PEC) or a local school board authorizes these schools. PEC currently oversees 51 charters, Albuquerque Public Schools oversees 30 charters, and all other local school boards collectively oversee 15 charters.

PED recently published its 2019 charter school annual report, showing changes in academic outcomes for students in state and local charter schools between 2016 and 2019. While the share of state and local charter schools earning D and F grades decreased over that period, overall reading and math proficiency rates were not substantially different from non-charter school proficiency rates. Comparisons between charter schools and traditional school districts are further complicated by demographic differences, as charter schools in New Mexico serve fewer low-income, English learner, special education, and minority students than non-charter schools.

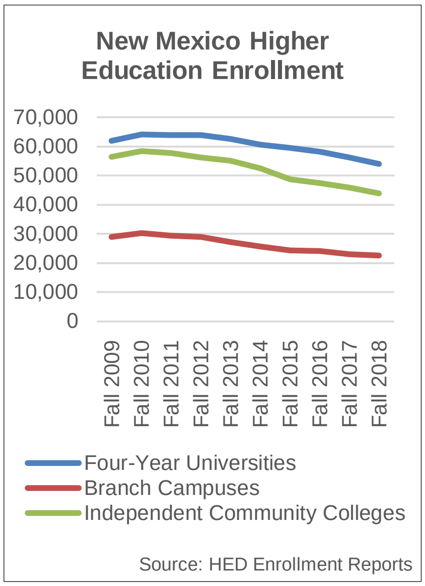
Stanford University's Center for Research on Education Outcomes (CREDO) recently released an independent study on New Mexico's charter schools between FY14 and FY17 that found academic outcomes between charter school students and school district students were statistically similar (with the exception of online charter schools). The CREDO findings further suggested students staying at the same charter school had significant gains in reading proficiency after three consistent years of enrollment; however, students attending online charter schools lost about 120 days of learning in reading and math, which offset these gains.

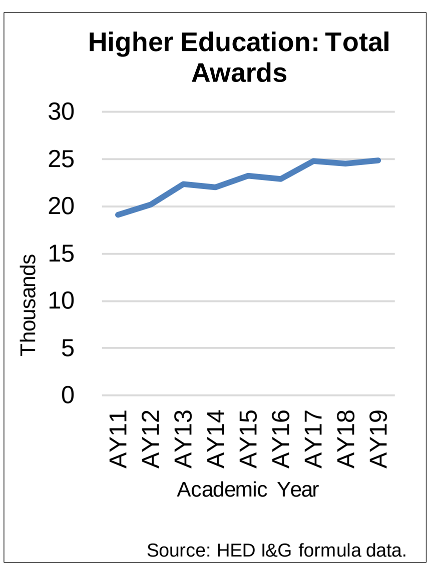
PERFORMANCE REPORT CARD
Higher Education Institutions
Second Quarter, Fiscal Year 2020

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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





Higher Education Institutions

Performance management in higher education is hindered by the availability of meaningful real-time data. The Legislature invests in programs aimed at improving student outcomes, then waits a year or more for the data to catch up to inform those decisions. The date is routinely collected by colleges and universities. Colleges report reams of data throughout the year to state and federal governments to comply with federal funding programs, or to stakeholders (non-profits, the press, alumni, etc.), and to investors (the Legislature, parents, and students). The deluge of reporting – and the labyrinth of databases and processes created for compliance – has obscured the informational value of the data. Compliance appears to be the primary purpose; less clear to policymakers is how institutions use the data to manage for results.

New Data Framework for Higher Education

In 2020, the Legislature restructured the data reporting framework for colleges and universities, bringing back core data to better describe the performance of public colleges and universities in New Mexico. Starting in FY21, eight broad categories of output data will be shared with the Department of Finance and Administration (DFA) and LFC on a tri-semester schedule and will include data on part-time and full-time student performance for most measures:

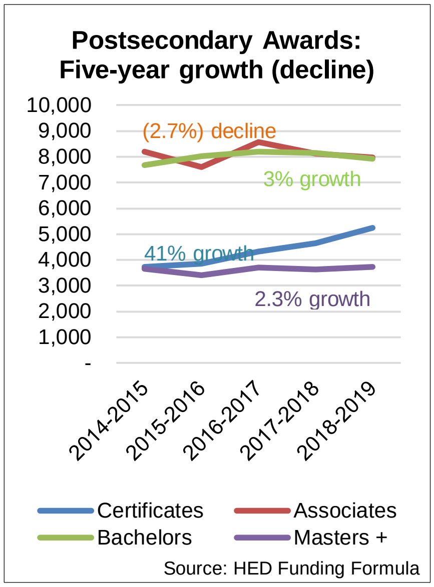
1. Enrollment by Headcount
2. Workload by Completed Courses
3. Student College Acceleration and Transfers
4. Time to Graduation
5. Student Outcomes (Retention and Graduation Rates)
6. Awards (High-demand Industries and At-Risk Student Completions)
7. College Affordability
8. Cost Efficiency in Education Delivery

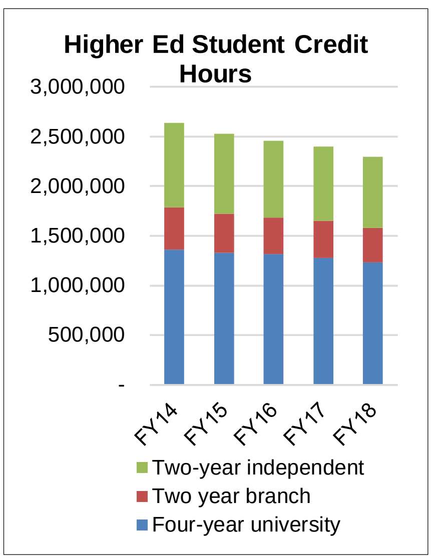
College Enrollment

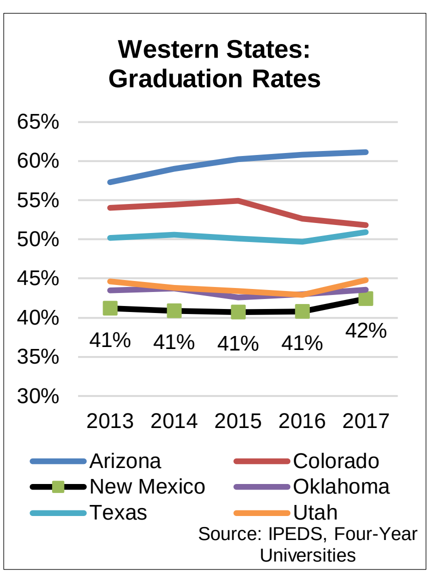
Enrollment at New Mexico's 24 public colleges and universities has declined over the past five years. New Mexico has difficulty tracking where its high school graduates attend college, if they attend at all. Misalignment in policy prevents public schools from communicating with higher education about students who transition from high school completion to college enrollment.

Growth Rates in College Enrollment

	FY 2000 to 2011		FY 2011 to 2017		FY 2000 to 2017	
	Percent Change	Number	Percent Change	Number	Percent Change	Number
Statewide	**42.4%**	**21,910**	**-16.4%**	**(12,092)**	**19.0%**	**9,818**
Four-year University	27.9%	9,722	-11.0%	(4,903)	13.8%	4,819
Two-year Branch	75.3%	4,736	-22.2%	(2,446)	36.4%	2,290
Two-year Independent	70.6%	7,452	-26.3%	(4,743)	25.7%	2,709







PED tracks its students using a unique STARS identification number; colleges and universities track its students using a social security number. While the new data framework will not address the misalignment, institutions will begin to report enrollment within several distinct categories: graduates of a New Mexico public high school, transfer students, degree-seeking students, graduate students, dual credit students, and at-risk students.

As reported by the LFC, current data reporting by colleges and universities is not timely. In the new framework, enrollment data will be submitted one month after the end of the prior semester. More importantly, the reported data will include the entire population of students: part-time and full-time by each semester, which is a limitation of current available data.

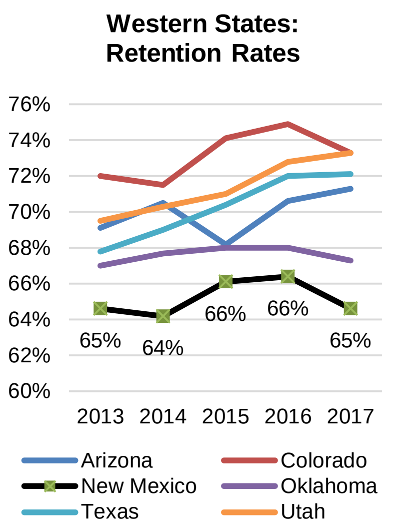
Workload and Awards

Postsecondary Awards. Public colleges and universities in New Mexico confer close to 25 thousand certificates or degrees each year. More college students are earning awards, with 7 percent more total awards compared to five years ago. Directionally, however, the growth in awards is misaligned with industry needs; the majority of growth in total awards spawns from sub-baccalaureate certificates earned at two-year colleges. Producing more sub-baccalaureate certificates is not meeting the industry workforce needs, many of which require a minimum of a bachelor's degree, or closing the achievement gap.

New Mexico faces workforce shortages in areas that require a minimum of a bachelor's degree. For example, New Mexico reports a need for at least 1,000 teachers, at least 3,000 nurses, at least 2,000 social work or social science professionals, and at least 3,000 other healthcare professionals, all of whom require a minimum of a bachelor's degree. Both Los Alamos and Sandia National Laboratories report an inability to fill the need for science and research professionals from New Mexico colleges and universities. Tying workforce needs to institutions' degree plans should be a strategic focus of college presidents.

College presidents – who have a primary goal of student success – know how many graduates their school will produce every year by field of study. Statewide, although, it is not clear how many scientists, plumbers, educators, and nurses higher education institutions will produce or how many awards are conferred to low-income students. The new framework will provide total awards by postsecondary degree type and will provide awards by high-demand field such as nursing, social workers and teachers as examples. Taken together, the data will provide a better picture of the higher education system's ability to meet workforce needs and to close the achievement gap for low-income students. Defining high-demand degrees for reporting can be a useful signal from the Legislature to institutions to ensure industry concerns are heard on college campuses.

Student Credit Hours. The statewide declining headcount in higher education between 2014 and 2018 is similar to the change in the total end-of-course student credit hours during the same period. End-of-course student credit hours at four-year comprehensives, however, declined at three times the rate of their headcount indicating that the average student at four-year comprehensives is completing fewer credits. Dual-credit end-of-course student credit hours, on the other hand, have increased by 49 percent during the same period. Starting in FY21, student credit hours will be reported by undergraduate lower level and upper level course numbers, by graduate student credit hours and by dual credit student credit hours. The added detail can be useful for policymakers in understanding educational shifts on college campuses in additional to enrollment patterns.



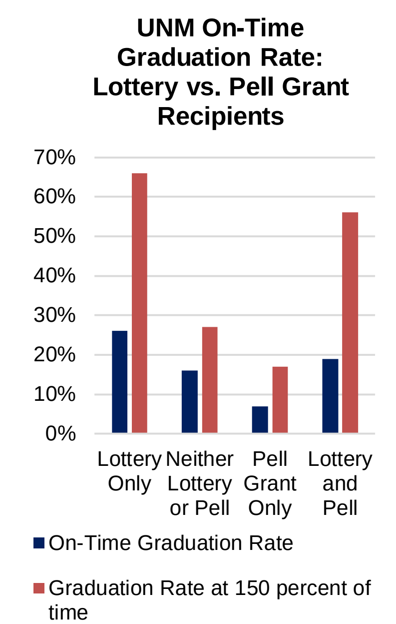
Source: IPEDS, Four-Year Universities

Student Outcomes

Closing the achievement gap is the policy aim of New Mexico's educational efforts. Almost all colleges and universities have increased the number of Hispanic and Native American students. Generally, however, colleges and universities in New Mexico lag regional peers in student persistence and graduation rates.

The new framework will track full-time students for third-semester retention and for 100 percent, 150 percent and 300 percent (two-year colleges) of standard time graduation rates. The most important element of the new framework is consistent reporting by the two-year colleges and four-year universities. Previously, two-year colleges would submit second-semester student retention, while four-year universities submitted third-semester retention data.

Under the new framework, institutions will report on the number of course credits earned for an associates and bachelor's degree. This information, combined with data on student financial aid, can inform policymakers on the effectiveness of performance thresholds for aid programs. As an example, the LFC reported data on performance of students by aid type: lottery scholarship compared with federal Pell grant awards. University of New Mexico data shows that more merit-based aid recipients (e.g., the lottery tuition scholarship) graduated on time compared with need-based aid recipients (federal Pell grants). Providing consistency in student outcome reporting will offer insight into the performance of institutions to close the achievement gap. Future work with institutions will be to require reporting for graduation of part-time students as well.



Source: UNM and LFC Files

College Affordability and Institutional Efficiency

New Mexico universities offer students the fifth lowest tuition and fees in the nation. With passage of the General Appropriation Act, the combination of the lottery tuition scholarship with the new opportunity scholarship, full-time students of a two-year colleges or four-year universities will have their tuition and fees covered by the state. The new framework will require institutions to report its net tuition price annually and how the cost compares with peer colleges in the Western Interstate Commission for Higher Education (WICHE) region. Net tuition price is a measure of college affordability, reflecting total cost of attendance (housing, food, tuition and fees, living expenses, instructional materials, etc.) minus financial aid.

Comparing net tuition price to institutional efficiency can offer additional data on institutions' ability to deliver quality educational programming to students. The framework will require institutions to report total amount of education and related expenditures per full-time-equivalent student and by baccalaureate degree recipient. These comparisons will be useful to better understanding differences among institutions with different missions and the costs to educate students at a four-year research university, or a four-year comprehensive university or a community college, and provide useful comparisons with out-of-state peer institutions in the Rocky Mountain West.

Project Status Legend

Green	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
Yellow	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.
Red	Significant issues limit success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed; project did not meet business objectives.

Agency	**361**	**Department of Information Technology (DoIT)**					
Project Name	**DoIT Statewide Infrastructure Replacement and Enhancement (SWIRE)**						
Project Description	Plan, design, purchase, and implement infrastructure for public safety communications statewide for improved communication equipment affecting emergency responders.						
Project Phase	Implementation		**Estimated Implementation Date:**		6/30/2018; revised 6/30/2021		
			Estimated Total Cost (in thousands):		$14,200.0		
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$14,200.0	$0.0	$14,200.0	$13,897.9	$302.1	97.9%	

FY20 Rating	Q1	Q2	Q3	Q4	Status
Budget	Green	Green			All equipment has been ordered and factory acceptance testing is complete.
Schedule	Yellow	Yellow			Overall project is 99 percent complete; DoIT reported the project is delayed due to weather and resource constraints and anticipates completion by the end of March 2020.
Risk	Green	Green			Constraints include weather and available external and internal resources.
Overall	Green	Green			The deployment of the 700 MHz land mobile radio units is complete, and DPS District 1 (Santa Fe) and District 5 (Albuquerque) have been equipped with dual-banded 700 MHz and conventional subscribers.
Functionality	Yellow	Yellow			The SWIRE project provided infrastructure and equipment upgrades to 76 fixed sites (towers) and replacement of over 500 mobile and portable subscriber units out of 8,000 thousand subscribers. While all subscribers have access to the upgraded infrastructure not all subscribers have access to the two-way radio system which will be addressed in the P25 project.

Agency	**361**	**Department of Information Technology (DoIT)**					
Project Name	**P25 Digital Statewide Public Safety Radio System Upgrade**						
Project Description	Upgrade and replace public safety radio equipment and systems with digital mobile communications for public safety organizations.						
Project Phase	Planning/Implementation		**Estimated Implementation Date:**		6/30/2022		
			Estimated Total Cost (in thousands):		$150,000.0		
	State	**Federal**	**Total Available Funding[1]**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$20,000.0	$0.0	$21,300.0	$7,715.6	$12,284.4	38.6%	

FY20 Rating	Q1	Q2	Q3	Q4	Status
Budget	Yellow	Yellow			The project certification committee approved a $11.3 million change request that includes $10 million in capital outlay funding and $1.3 million from DoIT's equipment replacement fund (ERF). DoIT needed the additional funding from ERF to amend the Motorola contract and issue an $11.1 million purchase order (PO) for phase two of the city of Albuquerque-Bernalillo County deployment.
Schedule	Yellow	Yellow			Infrastructure deployment at Spaceport America is underway. DoIT reported full implementation is delayed until the third quarter due to the late purchase and delivery of some equipment.
Risk	Red	Red			Having a part-time project manager supporting DoIT's subject matter expert is not adequate given the complexity and dollar value of the project. The project certification committee approved a waiver for independent verification and validation (IV&V).
Overall	Red	Red			DoIT reported immediate goals and priorities changed due to the decision to incorporate the city of Albuquerque and Bernalillo County into the consolidated communication system. DoIT drafted formal agreements with both entities and anticipates finalizing the agreement during the third quarter.

[1]Total available funding includes an additional $10 million appropriated through capital outlay in Laws 2019 and $1.3 million from the equipment replacement fund.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	**361**	**Department of Information Technology (DoIT)**					
Project Name	**Enterprise Cybersecurity Upgrade (ECU)**						
Project Description	To establish framework and foundation for the state's cybersecurity structure, including identifying tools for compliance monitoring and cybersecurity management, and implement an enterprise cybersecurity operations center system.						
Project Phase	Initiation		**Estimated Implementation Date:**		6/30/2024		
			Estimated Total Cost (in thousands):		$7,000.0		
	State	**Federal**	**Total Available Funding[1]**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$7,000.0	$0.0	$7,000.0	$557.4	$6,442.6	8.0%	
FY20 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget					DoIT did not request an extension for the $1 million appropriation from Laws 2018 expiring at the end of FY20. Because of limited project status reporting it is unclear if the remaining funds from Laws 2018 will be fully expended by the end of the fiscal year.		
Schedule					DoIT reported the schedule is delayed due to the replacement of a contract project manager (PM) and delays in efforts to recruit key staff. DoIT issued a cybersecurity survey to state agencies, however results have not been compiled.		
Risk					DoIT hiring of a CISO is delayed. While having a CISO in place is a best practice, without a project manager the project is at risk given the project cost and critical importance of ensuring the state has a secured environment statewide.		
Overall					RiskSense completed cybersecurity vulnerability scans at 13 state agencies, but a report to identify high risks based on the scans has not been completed. DoIT established the ECU advisory committee as part of the project governance structure and assigned members as security leads for all agencies.		

[1]Total available funding includes an additional $6 million general fund appropriated through capital outlay in Laws 2019.

Agency	**366**	**Public Employees Retirement Association (PERA)**					
Project Name	**Retirement Information Online (RIO) Enhancement**						
Project Description	Update current PERA system to include implementing business process improvements, user interface enhancements, data integrity and remediation, and customer relationship management software and workflow system.						
Project Phase	Close-out		**Estimated Implementation Date:**		6/30/2018; revised 11/2018, 1/2019, 2/2019		
			Estimated Total Cost (in thousands):		$4,200.0		
	State[1]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$4,200.0	$0.0	$4,200.0	$4,169.9	$30.1	99.3%	
FY20 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget					Project completed slightly under budget. PERA reported annual maintenance costs are $1.5 million.		
Schedule					Final production roll-out completed February 2019, eight months past the original estimated completion date. Final close-out is scheduled for the third quarter.		
Risk					As recommended by the final IV&V report, a third-party security assessment on the application was conducted by RiskSense at the end of FY19. PERA reported the assessment did not identify any security issues with the application.		
Overall					While project objectives were met, aligning resources to new work structures and business processes was initially a challenge for users to adapt to the changes. PERA's lessons learned recognized better coordination for testing and implementation between the end user and the development staff would have alleviated the issue.		

[1]Amount does not reflect Laws 2018 other state funds appropriation of $3 million to upgrade RIO hardware and software infrastructure.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	**539**	**State Land Office (SLO)**					
Project Name	**ONGARD Replacement - Royalty Administration and Revenue Processing System (RAPS)**						
Project Description	Replacement of the Oil and Natural Gas Administration and Revenue Database (ONGARD) system. Replacement will be delivered in two separate systems: TRD severance tax and SLO RAPS.						
Project Phase	Implementation		**Estimated Implementation Date:**		6/30/2020; revised 9/30/2020		
			Estimated Total Cost (in thousands):		$10,000.0		
	State[1]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$10,000.0	$0.0	$10,000.0	$2,115.3	$7,884.7	21.2%	

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget					The project certification committee approved the certification of $7.7 million for the implementation phase in November 2018. The $10 million available funding is certified. SLO requested an extension in FY21 for the $5 million previously extended in Laws 2019 through FY20.
Schedule					SLO reported the schedule is being extended to accommodate thorough user acceptance testing (UAT). While UAT started in November as planned, it will be extended 60-90 days to accommodate resource constraints across SLO business divisions as well as personnel changes on the Deloitte team.
Risk					Although interface testing is underway, complexities and the potential risks associated with ensuring 17 interfaces are implemented correctly remain. The project team created a training plan to ensure the mainframe staff can operationally maintain the new RAPS system following code conversion.
Overall					Data governance for interagency data exchange has yet to be established to replace the legacy joint powers agreement. The executive steering committee is engaging with tri-agency leadership to draft successor governance documents. This governance is critical to support stable revenue for the state.

[1]Laws 2018 appropriated an additional $5 million available for expenditure through FY20; the appropriation is from state lands maintenance fund.

Agency	**630**	**Human Services Department (HSD)**					
Project Name	**Child Support Enforcement System Replacement (CSESR)**						
Project Description	Replace the more than 20-year-old system with a flexible, user-friendly solution to enhance the department's ability to meet federal performance measures. The current system maintains 59 thousand active cases with over $132 million in annually distributed child support payments.						
Project Phase	Planning		**Estimated Implementation Date:**		TBD		
			Estimated Total Cost:		TBD		
	State	**Federal**	**Total Available Funding[1]**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$5,710.9	$4,485.9	$10,196.8	$2,740.3	$7,456.5	26.9%	

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget					HSD requested an extension in FY21 for the $3.4 million previously extended through FY20 in Laws 2019.
Schedule					HSD anticipates completion of a streamlined feasibility study initiated in December 2018 to be completed by the end of March 2020. The feasibility study is based on recommendations by the federal Office of Child Support Enforcement (OCSE).
Risk					The current system is written in code too complex to be modified and migrated to a modern computer language. With other states successfully migrating COBOL code, HSD continues to monitor lessons learned by other states.
Overall					HSD awarded a $7 million contract to Deloitte for migrating the CSES code from the mainframe to a more current platform. The independent verification and validation contract (IV&V) is in process.

[1]Total available funding includes an additional $5.2 million appropriated in Laws 2019: $1.8 million general fund and $3.4 million federal.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	**630**	**Human Services Department (HSD)**					
Project Name	**Medicaid Management Information System Replacement (MMISR)**						
Project Description	Replace current Medicaid management information system and supporting application to align with federal Centers for Medicare and Medicaid Services (CMS) requirements, including Medicaid information technology architecture.						
Project Phase	Planning and Implementation	**Estimated Implementation Date:**		11/30/2019; revised 12/2021			
		Estimated Total Cost (in thousands):		$201,486.2			
	State	**Federal**	**Total Available Funding¹**	**Spent to Date²**	**Balance**	**% of Budget Expended**	
In thousands	$16,677.5	$149,735.6	$166,413.1	$63,533.6	$102,879.5	38.2%	
FY20 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget					CMS authorized the $201.4 million budget, supported by a 90 percent federal funding participation match. CMS approved the *Implementation Advanced Planning Document* that includes outside partner agency spending for DOH and Aging and Long-Term Services Department. HSD requested an extension for FY21 of $5 million previously extended through FY20 in Laws 2019.		
Schedule					The enterprise project schedule is incomplete, limiting the project team's ability to perform forecasting, project resourcing, and critical path analysis. The system integrator (SI) challenges in meeting dates for delivery of data are impacting the data services vendor's project schedule.		
Risk					While the SI vendor is progressing and executing remediation plans, HSD continues to work with the SI to improve the quality of contract deliverables. The SI's lack of consistency in infrastructure documentation is impacting the data model deliverables.		
Overall					Due to complexity and high risks the overall project status remains red. The quality assurance vendor is active in the project, submitting a resource management plan to HSD and a project schedule to the enterprise project management office.		

¹Total available funding includes an additional $12.6 million appropriated in Laws 2019: $1.3 million from the general fund and $11.3 million federal.
²As of 6/30/19.

Agency	**690**	**Children, Youth and Families Department (CYFD)**					
Project Name	**Comprehensive Child Welfare Information System (CCWIS)**						
Project Description:	Replace the legacy Family Automated Client Tracking System (FACTS) with a modular, integrated system to meet the federal Administration on Children and Families (ACF) requirements.						
Project Phase:	Initiation/Planning	**Estimated Implementation Date:**		TBD			
		Estimated Total Cost (in thousands)**:**		$30,000.0			
	State	**Federal**	**Total Available Funding¹**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$6,000.0	$832.6	$6,832.6	$7.0	$6,825.6	0.102%	
FY20 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget					The project certification committee approved a change request certification for the release of $507 thousand to pilot two modules - Placement and Licensing included in the Binti foster care software solution. CYFD has $1.65 million certified, of which $832 thousand is approved for planning by the Administration for Children and Families (ACF).		
Schedule					Although CYFD updated the project schedule, the department has not issued anticipated contracts for a project management vendor, IV&V, and the Binti foster care software vendor. ACF approval of the IV&V and the Binti software contracts is required. As of this writing, status of the contracts is unknown.		
Risk					LFC staff is concerned ACF may not view the pilot as planning, but instead implementation, which may be a risk to the State. While CYFD submitted an Advanced Planning Document (APD) update to ACF in December, ACF approval is pending CYFD's response to several items.		
Overall					Due to the complexity, lack of progress, and high risk, the overall status remains red. ACF approval for the implementation phase is critical. To be in line with best practices, CYFD needs to contract with a project management vendor.		

¹Total available funding includes an additional $7 million appropriated in Laws 2019: $5.5 million from the general fund and $1.5 federal.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	**770**	**Corrections Department (NMCD)**					
Project Name	**Offender Management System Replacement (OMS)**						
Project Description:	Replace 15-year-old client server offender management system with a commercial-off-the-shelf (COTS), web-based solution. The COTS solution has 17 modules associated with NMCD requirements.						
Project Phase:	Implementation		**Estimated Implementation Date:**		6/30/2019; revised 6/30/2021		
			Estimated Total Cost (in thousands)**:**		$14,205.2		
	State[1]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$14,205.2		$14,205.2	$6,625.2	$7,580.0	46.6%	
FY20 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget	Green	Green			Current project funding is adequate for the COTS solution, including 17 modules, mobile functionality, and data analytic tools. NMCD requested an extension in FY21 for $2.3 million appropriated in Laws 2018.		
Schedule	Red	Red			The project continues to be behind schedule. IV&V reported some improvements have been made but changes have not increased the pace of work sufficiently to make up for prior deficiencies. The vendor continues to address schedule concerns by increasing staff assigned to the project.		
Risk	Yellow	Yellow			NMCD received approval to fill seven vacant IT positions, including the project management office manager. The IT division vacancy rate is 30 percent. With schedule and resource issues continuing, successful completion of the project is at risk.		
Overall	Yellow	Yellow			Currently the department plans to complete functionality of core essentials by December 2020, which consists of 2/3 of the total planned functionality, and anticipates full functionality to be implemented by June 2021. A comprehensive disaster recovery plan is needed prior to go-live with sufficient time to review and implement.		

[1]Amount includes Laws 2019 appropriation of $4.1 million.

Agency	**780**	**Department of Public Safety (DPS)**					
Project Name	**Records Management System (RMS)**						
Project Description:	Replace various nonpaper record storage with an integrated records management system to provide law enforcement and other public safety agencies with a single source repository of data available to support day-to-day operations, reporting, and records and data analysis. A new RMS will ensure access, preservation, and control of DPS records in all formats.						
Project Phase:	Planning		**Estimated Implementation Date:**		6/30/2021; revised 12/2022		
			Estimated Total Cost (in thousands)**:**		$7,380.0		
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$1,916.3		$1,916.3	$601.3	$1,315.0	31.4%	
FY20 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget	Red	Red			DPS' FY19 funding request of $4.3 million was not adequately justified, and DPS did not request funding for FY20. The information DPS received from the request for information (RFI) is the basis its $5.4 million funding request to continue the project in FY21.		
Schedule	Yellow	Yellow			The project is moving forward. DPS completed the requirements gathering. The request for proposals (RFP) is in draft. DPS anticipates the new RMS will be a commercial off-the-shelf (COTS) integrated records management solution. The project schedule was rebaselined to account for the project hiatus.		
Risk	Yellow	Yellow			The new RMS will be a significant change to the organization, with one system instead of many stand-alone systems. DPS initiated organizational change management continuing throughout the project lifecycle to help ensure acceptance of the new RMS, and prepare for process changes throughout the organization. The DPS chief information officer resigned and has not been replaced.		
Overall	Yellow	Yellow			DPS procurement for an IV&V vendor is in process. A COTS integrated records management solution will minimize or eliminate the need for standalone or specialized programs.		

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Other IT Projects of Concern

Agency	**361**	**Department of Information Technology (DoIT)**			
Project Name	**New Mexico Rural Broadband**				
Project Description:	Maximize availability of broadband connectivity across the state's rural areas.				
State Funding[1] (in thousands):	$10,000.0	**Spent to Date:**	$11.8	**Project Phase:**	Initiation

► Project funding is for broadband expansion, including assessments and contracts in rural areas statewide. DoIT awarded a $400 thousand contract under statewide price agreement to CTC to conduct an assessment, with the results due in March 2020.

► DoIT is not following best practices for project management, as it does not have a project manager assigned to the project as of December 2019.

► Currently, New Mexico does not have formalized goals or a clear, unified broadband policy with respect to oversight of programs, funding, and infrastructure. Rather, multiple agencies each have a claim of responsibility for part of the overall system, and not all responsibilities are formalized in statute.

► DoIT amended the CTC contract, at no cost by removing a deliverable and replacing with CTC providing support to develop guidelines for the small grant program and define the grant evaluation criteria. Grant proposals were due mid-February.

[1]Laws 2019 appropriated $10 million through the capital outlay process.

Agency	**420**	**Regulation and Licensing Department (RLD)**			
Project Name	**Permitting and Inspection Software Modernization Project**				
Project Description:	Modernize RLD's permitting and inspection software (replacing Accela).				
State Funding (in thousands):	$1,467.0	**Spent to Date:**	$567.2	**Project Phase:**	Planning

► RLD's Construction Industries Division (CID) permitting collects an estimated $4 million in revenue.

► The agency is at a high risk due to system downtime, lack of vendor support for the current software (Accela), and a single point of failure with one RLD staff member available to maintain the application.

► RLD selected the Manufactured Housing Division (MHD) for phase one, a proof of concept (pilot), and delayed the anticipated completion until July 2020. Once successful implementation for MHD is completed, phase two for CID will start. RLD is in the process of contracting a project management vendor and IV&V vendor.

► FusionSto completed requirements gathering for MHD and CID. Although the CID requirements were 90 percent complete, RLD will contract with another vendor to complete the workflow documents for CID.

► RLD purchased licenses for the solution platform prior to completion of the requirements gathering. This practice was also followed in the prior failed project. LFC staff cautioned the department against repeating history.

► Stakeholder engagement for CID is critical to ensure workflow and business processes are adequately documented.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Post-Implementation Issues

Agency	**333**	**Taxation and Revenue Department (TRD)**						
Project Name	**ONGARD Replacement - Severance Tax**							
Project Description	Replacement of the Oil and Natural Gas Administration and Revenue database (ONGARD) system. Replacement will be delivered in two separate systems; TRD severance tax and State Land Office (SLO) Royalty Administration and Revenue Processing System (RAPS).							
Project Phase	Closed		**Implementation Date:**			3/19/2018		
			Estimated Total Cost (in thousands):			$11,000.0		
			Total Cost[1] (in thousands):			$10,800.0		
	State[2]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$11,000.0	$0.0	$11,000.0	$10,800.0	$200.0	98.2%		
Post Implementation Rating		Status						
Overall		Project successfully accomplished all planned activities within scope, schedule, and budget.						
Functionality		While improvements in the filing and amendment process have increased accuracy and efficiency of severance tax collection and distribution, incorrect data reporting remains.						

[1]Total costs include $4.1 million for ONGARD stabilization and modernization and $6.9 million for the severance tax project.
[2]Includes a $6 million appropriation for stabilization of ONGARD, of which $1.9 million is allocated to the severance tax project.

Agency	**394**	**State Treasurer (STO)**						
Project Name	**SHARE Integrated Treasury Solution**							
Project Description	Implement the SHARE treasury management module to streamline the cash management and investment management processes by eliminating manual booking of investments into the SHARE general ledger. Implementation will improve accuracy, timeliness, and data integrity.							
Project Phase	Closed		**Implementation Date:**			4/30/2018		
			Estimated Total Cost (in thousands):			$1,950.0		
			Total Cost (in thousands):			$1,946.3		
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$1,950.0		$1,950.0	$1,946.3	$3.7	99.8%		
Post Implementation Rating		**Status**						
Overall		Implementation of the SHARE treasury module did not meet the full business needs of the agency. The PeopleSoft software has a design flaw, and the vendor did not provide a timeline for remediation. With no commitment to implement a correction, and on-going manual processing, STO decided to return the participant balance tracking to QED, the legacy system.						
Functionality		STO is using the treasury module on a limited basis, and relying on the legacy system for investment reporting. The QED vendor upgraded the system at no cost to STO, and implementing additional functionality for $43 thousand. The annual maintenance cost for the QED system is $145 thousand.						

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	**665**	**Department of Health (DOH)**						
Project Name	**Women, Infants, and Children (WIC) System Replacement Project**							
Project Description:	Replace a 14-year-old legacy system with the WIC regional solution that includes Texas, Louisiana, New Mexico and two independent tribal organizations. The regional model will meet U.S. Department of Agriculture Food and Nutrition Service (FNS) requirements for management information systems and electronic benefits transfer delivery for WIC benefits.							
Project Phase	Closed		**Implementation Date:**		11/30/2018			
			Estimated Total Cost (in thousands)**:**		$7,004.9			
			Total Cost (in thousands)**:**		$7,089.9			
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$0.0	$7,004.9	$7,004.9	$7,089.9	($85.0)	101.2%		
Post Implementation Rating		Status						
Overall		Deployment of an enterprise web-based system and comprehensive clinic and participant case management system is fully operational. The WIC program has 72 clinics issuing benefits to approximately 39.4 thousand state participants.						
Functionality		While the department has corrected and validated the majority of its reports, impact of the improvements to the program is not clear. The status of overall data validation and reporting is unknown.						

Agency	**690**	**Children, Youth and Families Department (CYFD)**						
Project Name	**Enterprise Provider Information Constituent Services (EPICS)**							
Project Description:	Multi-phase/multi-year project to consolidate CYFD's legacy system (FACTS) and 25+ stand-alone systems into one enterprise wide web application. EPICS scope consists primarily of the Early Childhood Services program.							
Project Phase	Close-out pending		**Implementation Date:**		6/30/2018			
			Estimated Total Cost (in thousands)**:**		$19,827.3			
			Total Cost (in thousands)**:**		$19,342.0			
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$10,636.8	$9,190.5	$19,827.3	$19,342.0	$485.3	97.6%		
Post Implementation Rating		Status						
Overall		EPICS project scope was scaled down, resulting in data silos, additional vendor costs, and program integrity concerns. The system was intended to represent the state's early childhood learning data system, and the core of the Race to the Top. However, the system did not consolidate all databases in EPICS as originally planned.						
Functionality		While some elements of EPICS are working, the department did not succeed in developing an early childhood integrated system. The web-based functionality for "Am I Eligible?" appears to be working. The web application provides the ability to determine eligibility for family services such as child care assistance, and home visiting.						

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

State of New Mexico
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David Abbey
Director

March 23, 2020

LFC INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2019

This report details the comparative investment performance of the three investment agencies: the Educational Retirement Board (ERB), the Public Employees Retirement Association (PERA), and the State Investment Council (SIC) which manages the land grant permanent fund (LGPF) and the severance tax permanent fund (STPF).[1]

INVESTMENT PERFORMANCE HIGHLIGHTS

- During calendar year 2019, the value of New Mexico's combined investment holdings for the pension and permanent funds grew by $6.0 billion, or 12.3 percent, to end the year at $55.1 billion. Over the last five years, the state's combined investment holdings grew $10.3 billion, or 22.9 percent.
- One-year returns ranged from 12.75 percent (STPF) to 14.69 percent (PERA). Over the last 10 years, average investment returns ranged from 7.86 percent (PERA and STPF) to 9.34 percent (ERB).
- All funds outperformed their targets for the one-, three-, and ten-year periods. ERB also outperformed their target for the five-year period.[2]
- When comparing to peer funds greater than $1 billion on a net of fees basis, all funds performed in the lowest quartile for the one-year and quarterly period, largely due to the high performance of public equity markets during this timeframe and the pension and permanent funds' lower risk positions relative to others in the peer group. Both ERB and LGPF performed above the median for the three-, five-, and ten-year periods, while PERA and STPF performed below the median for the same periods.
- Returns are expected to fall in 2020, as interest rates are near zero and equity markets turned bearish. The new challenging environment will strain state investment growth, deviating from the recent trend.

Returns as of December 31, 2019 (Net of Fees)[3]

	PERA		ERB		LGPF		STPF	
Returns (%)	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**
Quarter	3.15	4.07	3.99	4.10	4.09	4.24	3.10	4.25
1-Year	**14.69**	18.36	**14.12**	14.53	**14.63**	15.04	**12.75**	15.20
3-Year	**8.40**	8.31	**9.34**	9.42	**9.02**	8.70	**8.28**	8.81
5-Year	6.21	6.69	**7.52**	7.35	6.84	6.80	6.51	6.88
10-Year	**7.86**	7.69	**9.34**	7.92	**8.32**	8.38	**7.86**	8.44

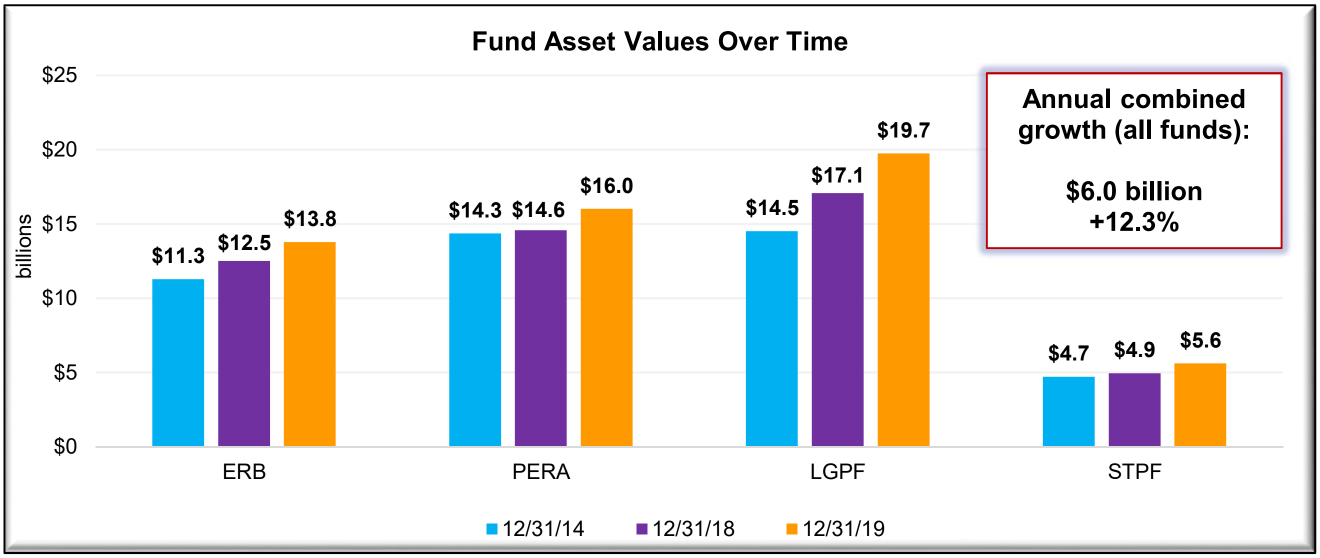
Note: bold indicates returns that exceed the fund's long-term target

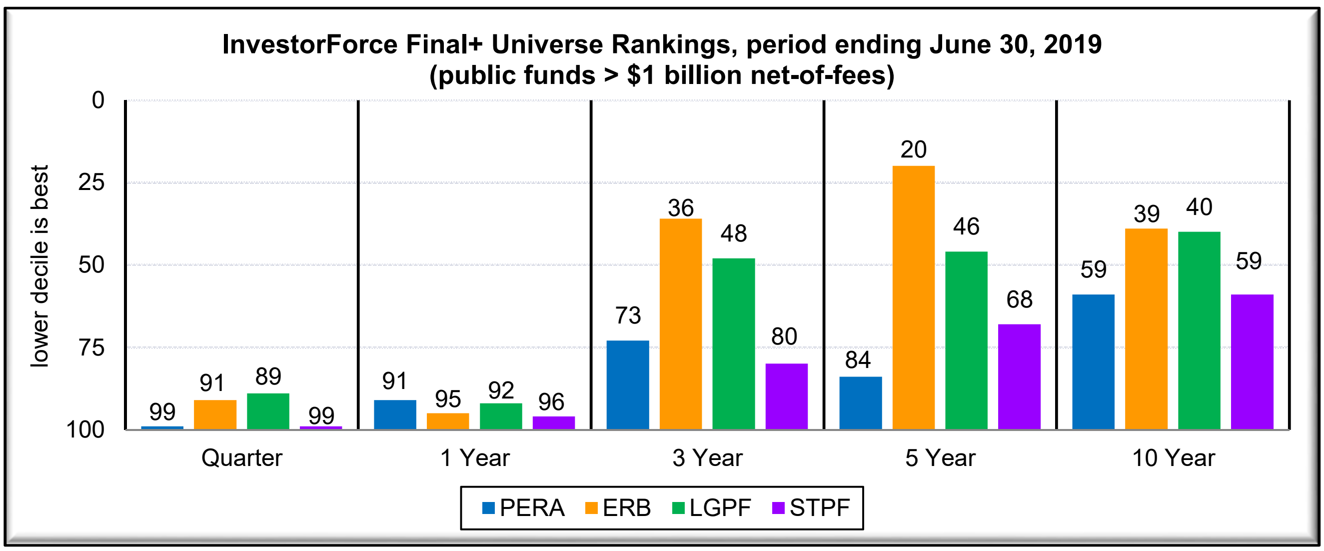
[1] Agency performance and market environment information are derived from the investment performance reports submitted by PERA, ERB, and SIC for the quarter ending December 31, 2019.
[2] The funds' long-term return targets are 7.25 percent (PERA), 7.25 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).
[3] A fund's policy index is a custom benchmark that shows the returns that would have been generated if a passive investor consistently followed the agency's asset allocation targets according to their investment policy.

Investment Agency Performance Dashboard

Quarter Ending December 31, 2019

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





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Fund	**ERB**	**PERA**	**LGPF**	**STPF**
Standard Deviation*	4.8	5.6	5.3	5.4
Sharpe Ratio**	1.3	0.9	1.1	1.0
Beta***	0.4	0.4	0.5	0.5

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

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

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

Aggregate Value of New Mexico Investment Holdings

$55.1 billion

Source: Agency Investment Reports