Highlights

Performance Trends

On the FY22 annual report cards, agencies scored more green ratings on individual performance measures than yellow and red ratings, an indication programs are generally hitting or exceeding their targets. However, in some cases the target might be too low to be a true measure of the success of a program or so easily attainable programs have no motivation to improve. Examples include instances where the targets have been set lower than actual performance from prior years. When considered with the more balanced distribution of ratings for programs, the abundance of green ratings on individual measures suggests measures and targets might need to be updated.

The annual report cards also suggest too many measures continue to focus on "counting widgets" instead of outcomes, and the move to explanatory measures, which generally do not include targets, continues to be a concern.

Finally, while the impact of the pandemic on agency performance is waning, some departments continue to struggle with providing services under strained conditions and with overworked staff, including the Health Department, which has been the lead agency for much of public health emergency response; the General Services Department, where healthcare utilization volatility continues to complicate benefits managements; and the Aging and Long-Term Services Department, where participation at daycare centers and other in-person services provided by the Aging Network is still down because of pandemic-related closures.

Among the findings in the quarterly report cards:

Education

Public Education Department, page 5. New baseline test results from the FY22 MSSA statewide assessment show a third of students are proficient in reading and a quarter are proficient in math. High school graduation rates remain flat at 77 percent and chronic absenteeism rates have increased to nearly 40 percent. Statewide enrollment remains flat for FY22, and participation in state initiatives, like K-5 Plus, Extended Learning Time, and dual-credit courses, continues to decline.

Higher Education Institutions, page 9. New Mexico ranks 50th in the nation in adult literacy despite having a higher-than-average college-going rate from 1998 through 2016. To improve results for New Mexicans and the New Mexico economy, student educational outcomes must improve at all levels. For higher education, that means improved attendance and graduation rates. Despite efforts by colleges and universities to improve those metrics through expanded access to online courses, courses offered during nontraditional hours, shorter-duration classes, and expanded short-term credential programs, enrollment has continued to fall.

Child Well-Being

Early Childhood Education and Care, page 11. The Family Support and Intervention Program, which oversees home visiting, a parental supports and education program. The Department reported only 299 families were enrolled in Medicaid-funded home visits, well below the 2,000 target. Federal matching dollars available through Medicaid could allow the state to expand Home Visiting at a much lower cost to the state. The program met annual performance targets for families demonstrating progress in positive parent-child interactions and children receiving regular well-child visits, an indication Home Visiting can improve outcomes when available. However, performance on metrics for childcare and prekindergarten were mixed: The share of childcare providers with the highest quality ratings was down from last year to less than 40 percent—although 60 percent of the children served are in highly rated programs—and children in state-funded prekindergarten scoring well on assessments was 54 percent, short of the 85 percent goal.

Children, Youth and Families Department, page 13. Reducing repeat child maltreatment is the primary measure of New Mexico's welfare system and one on which the Children, Youth and Families continues to perform poorly. In a sea of green ratings—although the success on many CYFD ratings is, perhaps, a reflection of undemanding targets—the department continues to underperform on targets for repeat maltreatment, maltreatment of foster care children, and serious injuries after protective services involvement. New Mexico's rates for repeat maltreatment are among the worst in the nation.

To address the high poverty rates, complex family needs, and poor retention of caseworkers cited by the department as obstacles to reducing maltreatment, the Legislature increased FY23 appropriations to the Behavioral Health Services Program by 21 percent and Protective Services by 8 percent and appropriated additional tens of millions to higher education institutions to increase social worker endowments, housing assistance, and food bank services.

Health

Department of Health, page 35. The Department of Health reported some improvements in performance targets across the agency at the close of FY22; however, managing the state's Covid-19 response continues to result in declining performance for other department programs. As part of the state plan to eliminate the waiting list for the Developmental Disabilities (DD) and Mi Via Medicaid waivers, the Disability Disabilities Supports Division has already begun allocations for clients. As of early August 2022, of the 5,650 individuals on the DD waiver central registry, 1,920 (34 percent) were in complete status, 774 were on hold (14 percent), 525 (9 percent) had just started the application, 1,066 (19 percent) were pending because of missing documentation, and 1,365 (24 percent) were in the allocation process.

Aging and Long-Term Services, page 40. The Aging and Long-Term Services Department continued to miss a significant portion of its targets in FY22. The agency reported turnover in the Aging and Disability Resource Center contributed to poor performance and pandemic-related closures continue to depress performance on caregiver support in the Aging Network.

Human Services Department, page 28. Quarterly data for the Human Services Department's Medicaid Program, the largest per capita Medicaid Program in the country, is not consistently reported because of a lag in data from the reporting period, making it difficult to monitor performance outcomes. Where data is available, Medicaid's performance appears to be lagging behind the targets, concerning for a program of this size and import. HSD reports performance is improving on certain Medicaid performance measures when compared with the same time period last year.

Labor force participation is needed at all levels in the state. However, the Income Support Division's (ISD) Temporary Assistance for Needy Families (TANF) Program reported 0.8 percent out of a targeted 37 percent of TANF recipients were ineligible for cash assistance due to work-related income. Notably, the Workforce Solutions Department is tasked with assisting TANF participants with workforce and educational opportunities.

Behavioral Health Collaborative, page 33. Despite a substantial investment, behavioral health performance outcomes remain poor in New Mexico, and the state continues to have some of the worst behavioral health outcomes in the country. In recent years, state and federal funding for behavioral health has notably increased in both the Medicaid Program and the Behavioral Health Services Division. Several initiatives have been implemented; however, these efforts may not yet be fully reflected in the behavioral health performance outcomes.

The Behavioral Health Collaborative needs to enhance its role coordinating overarching behavioral health services across state agencies, including Medicaid. Performance data across agencies would provide a comprehensive overview of the coordination of behavioral health services in the state system, access to services, and systemic outcomes. Currently, the behavioral health report card primarily consists of data from the Behavioral Health Services Division of the Human Services Department, representing only a portion of the state's behavioral health system and service dollars.

Justice and Public Safety

Courts and Justice, page 50. All criminal justice partners saw a significant decrease in cases in FY20 due to the pandemic, and although advocates and agencies feared continued decreases in FY21 would bring a sharp increase in "backlogged" cases, jury trials and caseloads for public defenders and prosecution attorneys remained low through FY22.

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

Department of Public Safety, page 47. State Police arrests fell in FY22, but DWI arrests increased compared with last year, possibly as a result of increased enforcement operations. The Department of Public Safety experienced significant challenges in state police staffing this year, with a record number of retirements driving the highest vacancy rate in over six years. Large pay raises implemented at the beginning of FY23 and retention payments may help improve manpower. Three of the four units in the forensic laboratory increased their productivity compared with FY21, and the laboratory's case backlog at the close of FY22 was 29 percent lower than the prior year. The Law Enforcement Academy Board also cut its case backlog, with 45 percent fewer outstanding misconduct cases at the end of FY22 than the end of FY21.

Corrections Department, page 90. The Corrections Department saw significant improvements in its overall recidivism rate this year, but ongoing issues in the agency's reporting on this and other key metrics preclude analyzing this improvement in the context of years prior to FY21. The state's prison population continued to decline over the course of FY22 but may be leveling off. Drug use among inmates is up significantly this year after three years of reduced drug use. The department continues to struggle with high vacancy rates among correctional officers in both public and private facilities, and after improving significantly in FY21, vacancies among probation and parole officers rose substantially in FY22.

Natural Resources

Energy, Minerals, and Natural Resources, page 65. State Park visitation rebounded in the fourth quarter, resulting in an annual total of 5.2 million visitors. The Oil Conservation Division has prioritized high-risk well inspections and severely degraded orphan well sites. OCD exceeded the target for inspections and successfully plugged 49 of the target 50 orphaned wells in FY22.

Office of the State Engineer, page 68. The agency met its target of reducing the number of backlogged water rights permit applications for the first time in FY22. New Mexico's legal and technical teams are optimistic about the Rio Grande Compact litigation with Texas reaching a settlement while continuing to prepare for trial.

Environment Department, page 62. The agency was able to significantly reduce the time to fill new and vacant positions from over 200 days on average to as little as seven days. NMED invested $31.6 million in communities for water infrastructure, drinking water testing, technical training, and other services. NMED collected $2.4 million in civil penalties that were reverted to the general fund

Economic Development

Economic Development and Tourism, page 17. The Economic Developemnt Department realized significant performance improvements in key areas, including rural job growth, and met or exceeded targets for every measure except those relating to the New Mexico Partnership. While the performance improvement is welcomed after two years of low outcomes related to the pandemic, some performance outcomes, such as jobs created as a result of local economic development fund (LEDA) awards should be further vetted for accuracy of jobs promised versus actual jobs realized.

Workforce Solutions Department, page 24. Improving participation in the labor force is a key strategic goal for the state to recover from the pandemic, meet long-term needs, and address labor shortages. However, almost every indicator of the labor force participation rate is lower in New Mexico than the rest of the United States, including by sex, educational attainment, disability, and age. In the Employment Services Program, central to addressing low workforce participation, the number of individuals who received employment services in a department Connections office was 60 thousand, significantly below both the target of 100 thousand and the FY21 actual number of 107.4 thousand.

General Government

General Services Department, page 71. Operations of the General Services Department (GSD) continue to be affected by the Covid-19 pandemic, from volatility in health insurance claims payments to the ability of the agency to conduct scheduled preventive maintenance at state facilities. The department reports a mounting deficit in the agency's largest program, employee group health benefits. Performance data indicate medical expenses are increasing while premiums have not increased to match expenses to revenues. Under these conditions, the department will be challenged to contain costs in FY23. Improved health benefits performance reporting is vital to provide insight into cost drivers, care quality, and employee satisfaction with the benefits offered.

State Personnel Office, page 75. The state continues to face challenges related to employee recruitment and retention. The State Personnel Office (SPO) reports the classified service vacancy rate is 22.8 percent, up from 20 percent in FY21 and 21 percent in FY22, and state agencies are taking longer to fill positions, 69 days for FY22 compared with 50.5 in FY21 and 56 in FY20. However, fill-time improved over the year, to an average of 64 days in the fourth quarter from the 72 days reported at the beginning of FY22. Once positions are filled, fewer employees are completing their probationary period, with only 57 percent completing it in the third quarter, despite new hires being offered salaries above pay band midpoints.

Taxation and Revenue Department, page 77. While the Taxation and Revenue Department's Program Support Division surpassed the annual target of resolved tax protest cases, the Tax Administration Division fell short on targets for collecting outstanding tax balances, the subject of a 2021 LFC program evaluation, and the Compliance Enforcement missed the target for tax investigations referred to prosecutors. The Property Tax Division reached its target of returning recovered property taxes to New Mexicans, reducing the total amount of delinquent property taxes statewide to $56.9 million. The Motor Vehicle Division is continuing to fill vacancies and work with vendors to improve appointment queuing processes. Agencywide, the vacancy rate was 25 percent, exceeding the 23 percent state average for the same period.

Investments, page 95. Markets continued to drop in the fourth quarter of FY22, with state investments losing value. Market volatility has increased due to stubborn inflation, federal funds rate hikes, unpredictable oil prices, geopolitical turmoil in Europe, and a growing recession risk. Despite a strong first half of the fiscal year, annual returns have turned negative for all funds except ERB; however, the state's risk-averse investments performed better than peer funds in the near-term amid the increasing volatility. For the quarter ending June 2022, the value of New Mexico's combined investment holdings for the pensions and permanent funds shrunk by $4.04 billion, to an ending balance of $62.3 billion. For the year, funds lost $1.18 billion, or 1.9 percent. Over the last five years, the state's combined investment holdings grew $13.9 billion, or 28.6 percent.

Infrastructure

Department of Transportation, page 54. In recent years, the Legislature has made significant nonrecurring appropriations to the Department of Transportation for road construction and maintenance in response to deteriorating road conditions due to aging pavement and insufficient maintenance. The department has done well managing projects as illustrated in the department's consistent ability to complete projects on-time and on-budget. However, performance on lane miles in poor conditions continues to lag both the target and actual results from prior years.

Information Technology Projects, page 80. Over time, a number of projects have experienced significant schedule delays and cost overruns, often resulting from unexpected vendor changes, pending federal approvals, or supply chain issues. However, four projects have moved from a red risk rating to a yellow risk rating and others have shown improved budget or schedule risk since FY21. Projects reviewed this quarter include one high risk project, seven moderate risk projects, and five low risk projects. The highest risk project currently is the statewide broadband program, an effort by the Office of Broadband Access and Expansion—administratively attached to the Department of Information Technology—to expand broadband access across the state. A lack of leadership caused delays to spending available appropriations, but progress on staffing the office and work being done with the Connect New Mexico Council show promise for better results in subsequent quarters.

Public Education

Despite a return to statewide testing after a three-year hiatus, changes to student academic outcomes remain unclear and present challenges for demonstrating progress on meeting deficiencies found in the *Martinez-Yazzie* education sufficiency lawsuit. Additionally, the state switched standardized tests from PARCC to MSSA and SAT in 2021 for federal testing requirements. While the new MSSA and SAT tests will provide more frequent assessment data, changing tests means a new baseline of performance and more years of waiting to understand how state investments and school closures affected student learning.

National research and other states reporting achievement data in FY22 suggest most students are performing at lower academic levels than before the pandemic, especially younger, at-risk students that received more remote learning. The national assessment, or NAEP, reported average reading and math scores for fourth graders in 2022 declined by 5 points and 7 points, respectively. This is the largest decline in reading scores since 1990 and the first drop in math scores ever recorded. Like the NAEP, which has been administered since the 1970s, New Mexico should consistently use one assessment over the long run to accurately compare longitudinal student performance.

The Public Education Department's (PED) action plan to address *Martinez-Yazzie* findings and improve educational outcomes statewide includes ambitious performance targets for student academic performance. While these targets should be adopted as part of the Accountability in Government Act process, the plan should include frequent public reporting on student outcomes, alongside both PED and school actions and responsibilities when targets are not met.

ACTION PLAN

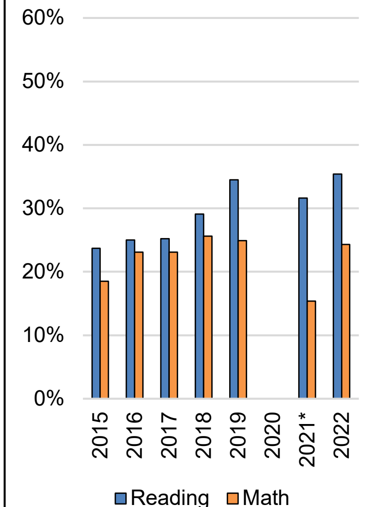
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	No

Student Achievement

Mixed Academic Performance. Changes in reading proficiency rates across the state in FY21 likely reflect the switch to a new assessment and the performance of a smaller pool of students that chose to take the assessment voluntarily. As such, the FY21 results are not a representative sample of the population and cannot be used to draw conclusions about statewide student outcomes during school closures. With the return to statewide assessment in FY22, the latest scores are more likely to reflect a new baseline of student performance levels, which show similar proficiency levels for fourth and eighth graders reported in FY19 under the PARCC test. PED notes the two tests are not comparable.

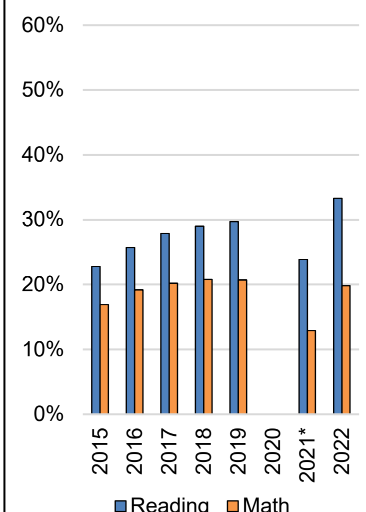
Graduation Rates Remain Flat. The state's overall four-year high school graduation rate stayed flat for the class of 2021, dropping slightly to 76.8 percent. New Mexico still lags significantly behind the 2021 national graduation rate (85.3 percent). Graduation rates rose by 2 percentage points for the class of 2020, following PED guidance that allowed the passing of required coursework in lieu of standardized testing to meet graduation requirements. The latest PED guidance, issued in August 2021, extended this allowance to the class of 2022 and 2023 due to pandemic-related disruptions. As such, graduation rates could remain stable for

4th Grade Proficiency Rates



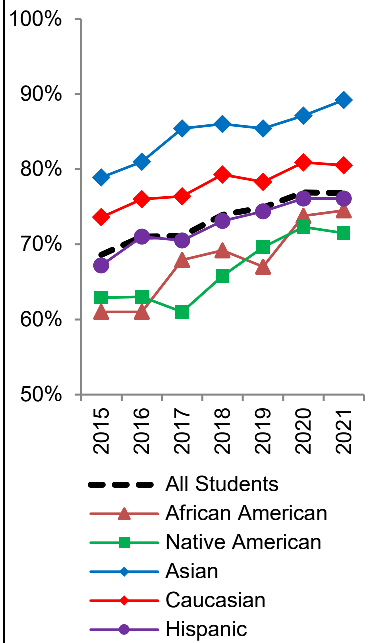
*Not a representative sample; change from PARCC to MSSA test in 2021
Source: PED

8th Grade Proficiency Rates



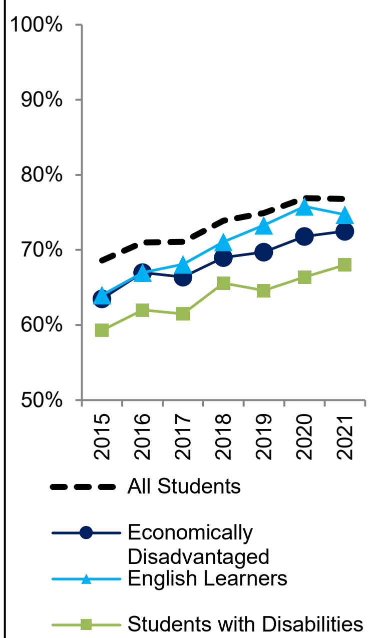
*Not a representative sample; change from PARCC to MSSA test in 2021
Source: PED

Statewide Four-Year Graduation Rates



Source: PED

Statewide Four-Year Graduation Rates



Source: PED

two more years in spite of mixed student academic performance on state assessments.

PUBLIC SCHOOL SUPPORT

Budget: $3,411,305.8 **FTE: N/A**

	FY20 Actual	FY21 Actual†	FY22 Target	FY22 Actual	Rating
Reading proficiency (4th grade)	Not reported	31.6%	34%	35.4%	G
Math proficiency (4th grade)	Not reported	15.4%	34%	24.3%	R
Reading proficiency (8th grade)	Not reported	23.9%	34%	33.3%	R
Math proficiency (8th grade)	Not reported	12.9%	34%	19.8%	R
High school graduation rate (4 year)	76.9%	76.8%	75%	N/A	G
Chronic absenteeism (elementary school)	New	New	<10%	38%	R
Elementary English learners exiting EL status	New	New	10%	3%	R
Teacher vacancies	New	New	N/A*	1,048	Y
Share of at-risk funds spent on at-risk services	New	New	N/A*	93%	G
Classroom spending in large districts	Not reported	Not reported	N/A*	73%	Y
Program Rating	R	R			Y

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

†Proficiency rates reflect students that opted to test in FY21, representing only about a tenth of each grade level

Student Engagement

Enrollment Remains Flat. Preliminary counts for FY23 show student enrollment hovering at 308.3 thousand students, an increase of 516 students, or 0.2 percent, from FY22. While these counts have recently stabilized, overall enrollment has decreased by nearly 13 thousand students, or 4 percent, since FY21 and fallen 8 percent since FY12. Alongside declining enrollments, statewide student-to-teacher ratios have also dropped from 15.2 in FY17 to 14.9 in FY21.

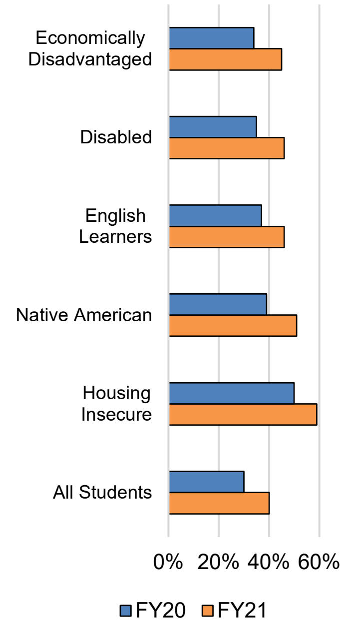
A 2022 LFC evaluation of Albuquerque Public Schools (APS) found the district's enrollment decreased by 17 percent between FY12 and FY22, allowing the district to eliminate vacant positions and consolidate some classes. Rural districts with limited staff per subject or grade level (and already small class sizes) will struggle to downsize operations as students enrollments decrease.

Chronic Absenteeism Increases. To comply with the Attendance for Success Act, PED began measuring chronic absenteeism, defined as students missing 10 percent or more of instructional time in school, to include both excused and unexcused absences. Chronic absenteeism rates have increased in recent years, with the statewide average rate reaching 16 percent in FY20, 30 percent in FY21, and 40 percent in FY22. Consistently, the five student groups who are chronically absent more than 45 percent of the time include Native American students, students experiencing housing insecurity, students with disabilities, English learners, and economically disadvantaged students. Student mental health may be contributing to the growth in chronic absenteeism rates. On par with national trends, New Mexico saw a 13 percent increase from 2016 to 2020 in students suffering from anxiety and depression.

Dual-Credit Participation Falls. Participation in dual-credit classes decreased from 21.8 thousand students in FY20 to 16.6 thousand students in FY21. Most students participating in dual-credit programs signed up for English and math courses, which had the highest enrollments of 5,012 and 4,744, respectively. Some fields with less applicable degree pathways, such as personal awareness and self-improvement, also had high enrollments (2,034 students) compared to areas like education, which included 998 enrollees.

Dual-credit students in FY21 had a graduation rate of 89 percent, nearly 16 percent higher than the statewide average. This varies significantly by district, as low as a 74.5 percent graduation rate for dual credit students in Deming to much higher rates, such as 92.1 percent for students in Portales or 96.1 percent for students in Silver City. To improve college and career readiness outcomes, PED should monitor the quality and value of dual credit courses given to students and develop metrics to identify practices that improve these outcomes.

Student Chronic Absenteeism Rates



Source: PED

Instructional Quality and Quantity

Mixed Participation in Interventions. Recent legislative investments in teacher residencies, educator pay, K-5 Plus, and Extended Learning Time (ELT) programs were intended to boost the quality of candidates entering schools and expand opportunities for student learning. While residency programs and increased pay are reducing vacancies and increasing interest in the teacher workforce, educator interest in a longer school year continues to wane. Following significant lost instructional time after the pandemic and findings of dismal student achievement levels in the *Martinez-Yazzie* sufficiency case, additional support for academic recovery has reached a critical juncture.

Preliminary surveys suggest New Mexico now has 635 teacher vacancies, down from the 1,048 vacancies in October 2021 reported by New Mexico State University. Additionally, of the $15.5 million appropriated for teacher residencies in FY23, PED has allocated $14.6 million for 374 residents. Out of the $6 million appropriated for student teaching, PED has allocated $5.7 million for stipends to 500 student-teachers and 500 mentors.

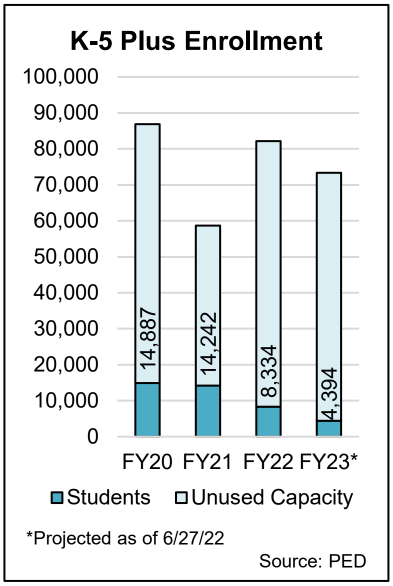
Teacher Licensure Changes

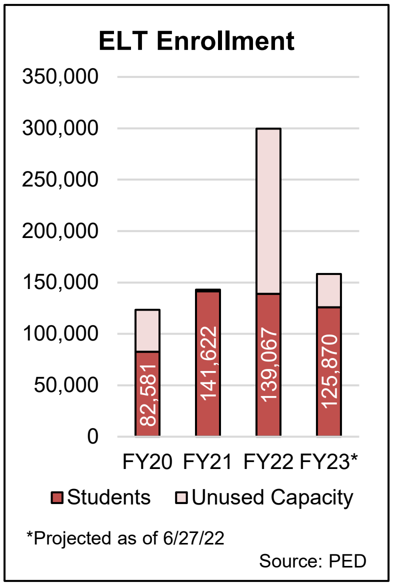
As of Spring 2024, New Mexico will no longer require the Praxis exams for licensure, except for elementary reading. PED will shift to a portfolio-based system based on key comptencies. Praxis tests are still required by 48 states for licensure, and educators from out of state seeking a New Mexico license can still use Praxis scores to apply for licensure, despite this requirement being optional for in-state applicants.

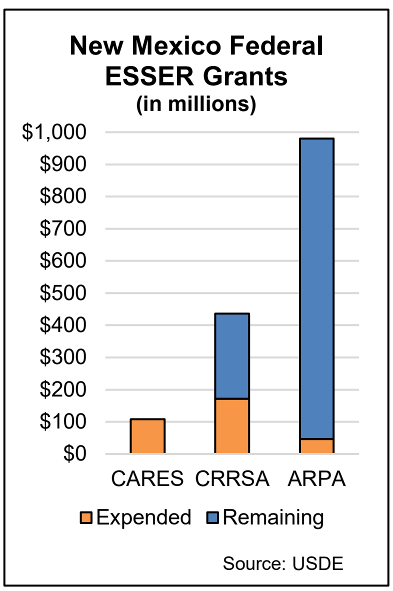
Findings in the *Martinez-Yazzie* education sufficiency lawsuit affirmed PED's authority to direct school spending on evidence-based supports for at-risk students. However, participation in K-5 Plus programs, which show evidence of closing student achievement gaps (even during the pandemic) has continued to drop each year. Since FY21, participation in K-5 Plus and ELT programs has decreased, and schools have forgone nearly $400 million of available state funding for these interventions. School closures during the Covid-19 pandemic reduced instructional time for all students and further exacerbated existing achievement gaps for at-risk student groups. Despite this lost instructional time, attempts to require statewide participation failed, and schools continued to opt out of both programs.

Public Education Department

The latest court order in the *Martinez-Yazzie* case requires PED to improve access to high-speed internet and digital devices for students. The department has leveraged federal emergency relief (ESSER) funds to expand access to students and mapped areas across the state needing additional support. PED estimates over







90 percent of students now have access to the internet and a digital device, up from 63 percent of students having access in initial projections. The department continues to struggle with processing federal reimbursements, likely due to the substantial influx of ESSER aid.

At the end of the fourth quarter, PED held an 18 percent vacancy rate with 54 FTE positions unfilled. PED continues to contract with Regional Education Cooperatives (REC) for program implementation of federal and state programs. REC-5, the largest cooperative, employs close to 90 FTE. Given challenges with filling vacancies and the costs of outsourcing departmental work, PED should evaluate whether contractual services with RECs are the most efficient or effective strategy for rolling out programs and services.

Budget: $15,097.5 **FTE:** 285.2

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Students in Extended Learning Time Programs	82,581	141,622	N/A*	139,067	Y
Students in K-5 Plus Schools	14,887	14,242	N/A*	8,334	R
Average days to process reimbursements	31	40	22	40	R
Percent of students with a high-speed internet connection	New	New	100%	91%	Y
Program Rating	R	R			Y

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

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

At the end of FY22, nearly 40 percent of the second round of ESSER, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA), was spent. Similar to CARES, schools purchased educational technology and sanitization supplies but also spent $21.3 million to address learning loss and $18.3 million for summer learning and afterschool. PED has directed schools to focus the third round of ESSER—American Rescue Plan Act (ARPA)—funds towards closing the digital divide, accelerating instruction for at-risk student groups, social and emotional needs, and supporting students with disabilities.

In addition to federal relief, school districts and charter schools budgeted an all-time high of $525.5 million in unrestricted cash balances carrying over from FY22 to FY23. Statewide cash balances grew by $76.5 million, or 17 percent, from the prior year and now represent 14.3 percent of FY23 program cost.

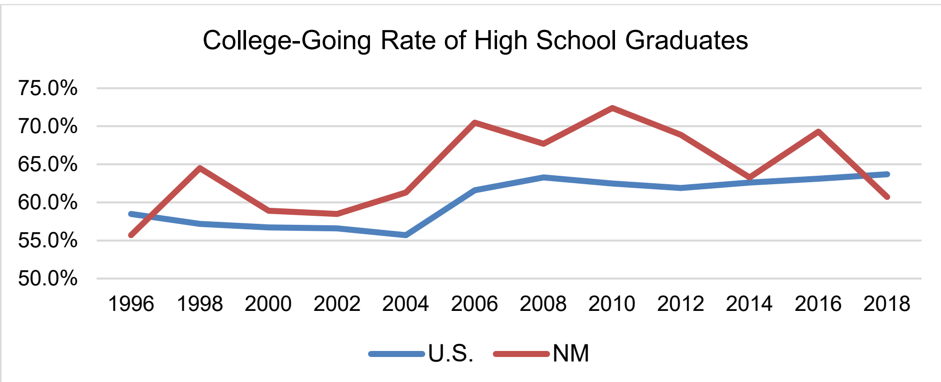
PERFORMANCE REPORT CARD: Fourth Quarter, FY22

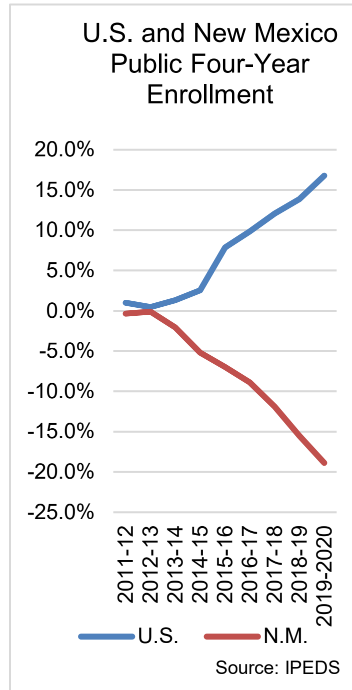
Higher Education Institutions

ACTION PLAN

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

New Mexico has long struggled with educational attainment and the corresponding issues of poverty and slow economic growth. According the the Barbara Bush Foundation for Family Literacy, New Mexico ranks 50th in the U.S. for adult literacy with 29.1 percent of New Mexico adults having low literacy. This likely contributes to New Mexico having the lowest labor force participation rate in the nation as well as a median income well below the national average. Troublingly, the low adult literacy comes despite the fact that New Mexico's college going rate was higher than the national average from 1998 through 2008.

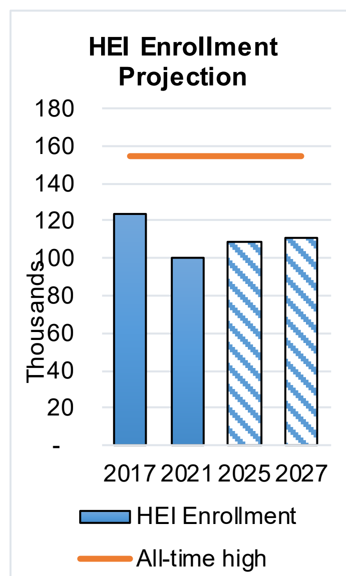




Source: IPEDS

In order to develop the New Mexico economy, the state must improve educational outcomes for students at all levels. For higher education institutions, this means both improving access as well as working to improve retention and graduation rates. New Mexico HEIs have pursued strategies to boost enrollment and improve graduation and retention rates including increasing online course offerings, expanding course availability into evenings and weekends, offering shorter-duration courses, and expanding offerings of short-term credential programs.

Despite these efforts, enrollment at New Mexico HEIs has fallen over the past decade. While overall K-12 student population in New Mexico is declining, the number of high school seniors graduating increased and will continue to do so for the next several years. The increase in high school graduates makes it unlikely that enrollment declines can be linked to falling enrollment.

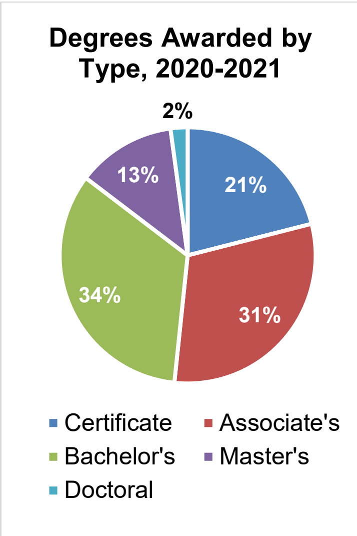


While it is true that higher education enrollment has fallen nationwide, the impact of enrollment reductions has varied by sector. Nationally, data indicate that two-year institutions lost nearly 30 percent of enrollment, similar to the loss of 27 percent experienced by New Mexico institutions. However, four-year institutions experienced enrollment *growth* of 17 percent over the past decade while New Mexico four-year institutions *lost* 19 percent of enrollment.

Recognizing the enrollment challenges, the Legislature required all New Mexico HEIs to submit enrollment management plans in order to receive their full FY23 budget allocation. The plans were to include projections of enrollment for the fall 2025 and fall 2027 semesters. Based on the projections submitted, HEIs anticipate an increase of 7.2 percent on average by FY25, and a 10 percent increase by fall

2027. Even if each HEI reached the projected target, the total HEI enrollment would be 44 thousand less than the all-time highs experienced by each HEI.

New Mexico HEIs, particularly four-year schools, will be challenged to increase enrollments, though all New Mexico institutions are very well positioned to meet their goals. In addition to increasing numbers of high school graduates, the Legislature passed the Opportunity Scholarship to pay tuition of part-time and non-traditional students. The combination of increasing numbers of high school graduates and expanded tuition assistance should lead to increased enrollment. However, this data will not be available until the fall semester begins.



Awards

New Mexico HEIs serve a diverse student population, from high school students taking courses as required for graduation to working adults returning to college to improve their skills and employment prospects. The outcomes-based formula was designed to incentivize HEIs to increase degree production and emphasizes program completion rather than simply enrollment. The change is thought to have increased certificate production over the past decade, but over the past 5 years, the share of certificates to total degrees has been stable at around 21 percent. While the number of degrees awarded fall by 14.5 percent over the past 5 years, the decline was less than the 18 percent decline in enrollment over the same time period.

One effect of removing enrollment from the funding formula is that base budgets of institutions were preserved no matter how much enrollment the institution lost. The individual changes in enrollment led to widely varying costs per award produced.

Cost Per Award by Institution Type

FY16-FY21

	FY16 Awards	FY21 Awards	FY16 I&G	FY21 I&G	FY16 Cost per Award	FY21 Cost per Award	% Change
Research	9,212	8,698	334,254,100	327,622,500	36,285	37,666	4%
Comprehensive	2,664	2,811	83,271,400	83,720,400	31,258	29,783	-5%
Branch	2,976	2,319	72,718,700	69,646,900	24,435	30,033	23%
2-Year	8,033	8,986	117,645,600	114,904,200	14,645	12,787	-13%
Total	22,885	22,814	607,889,800	595,894,000	26,563	26,120	-2%

Source: HED Data

The Legislature prioritized degree production in science, technology, engineering, mathematics, and health care fields (STEM-H), and the funding formula directs additional funding to institutions based on STEM-H award production. In the 2020-21 academic year, 8.5 thousand, or 37 percent of total awards were classified as STEM-H. The proportion of STEM-H awards was similar to the 2016-17 academic year when 35 percent of total awards were STEM-H.

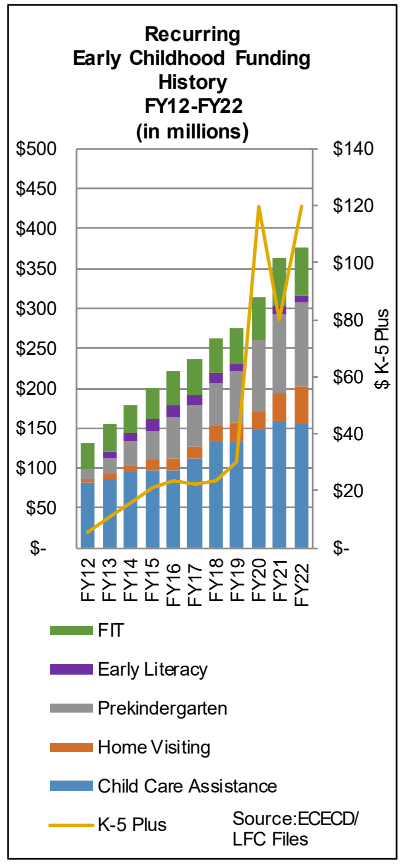
Higher education institutions will be challenged to leverage the new opportunity scholarship and improve their recruiting efforts to increase enrollment. Additionally, HEIs must increase their focus on degree completion to ensure New Mexico students are able to fully participate in economic life upon completion. Data on degree awards and fall 2022 enrollment will be available in November 2022.

PERFORMANCE REPORT CARD: Fourth Quarter, FY22
Early Childhood Education and Care

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

ACTION PLAN

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

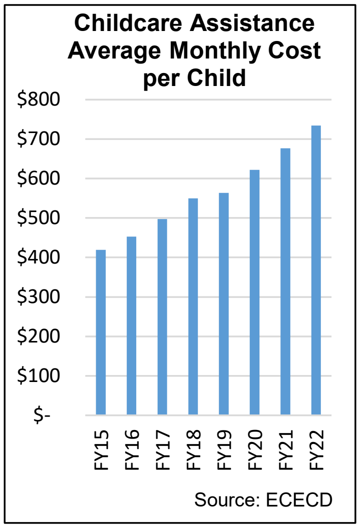


Family Support and Intervention

The program—composed primarily of the Family, Infant, Toddler (FIT) developmental disabilities intervention program, Families First case management program, and home visiting parental education and supports program—reported meeting annual performance targets for families demonstrating progress in positive parent-child interactions and children receiving regular well-child visits. These measures monitor home visiting progress in supporting new families to attain health and developmental goals for young children. The program also reported only 299 families were enrolled in Medicaid-funded home visiting, well below the performance target of 2,000. Medicaid-funded home visiting allows the state to receive federal revenues to grow state services. Additionally, ECECD reported the program funded and on-boarded three new programs. To date, seven programs are part of Medicaid-funded home visiting serving eleven counties (San Juan, Rio Arriba, Bernalillo, Torrance, Quay, Curry, Roosevelt, Chaves, Lea, Otero, and Dona Ana). In total, the department is contracting for over 5,000 families for home visiting statewide.

Budget: $66,707.5 **FTE: 40**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Women in Families First and home visiting and eligible for Medicaid that access prenatal care in the first trimester	NA	NA	74%	93%	G
Women who are pregnant when they enroll in home visiting and Families First who access postpartum care	NA	NA	39%	80%	G
Parents in the New Mexico home visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions	44%	74%	65%	73%	G
Eligible infants and toddlers with an individual family service plan for whom an initial evaluation, assessment and individual family service plan meeting were conducted in the 45-day timeline	NA	NA	100%	91%	R
Children enrolled in home visiting for longer than six months that receive regular well child exams as recommended by AAP	NA	NA	75%	86%	G
Families enrolled in Medicaid funded home visiting	NA	NA	2,000	299	R
Children participating in the family infant toddler program for at least six months who demonstrate substantial increase in their development	NA	NA	72%	76%	G
Program Rating	Y	R			Y

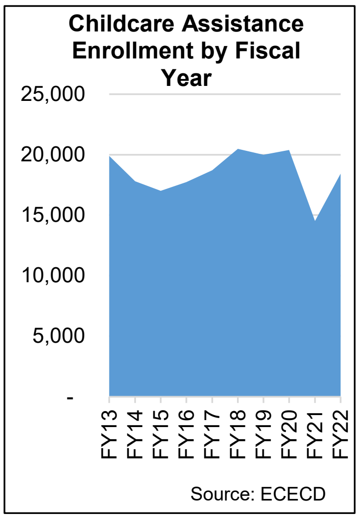


Early Education, Care and Nutrition

The Early Education, Care and Nutrition Program, primarily composed of Childcare Assistance and the Family Nutrition Bureau, met all but one performance targets. Prior to the pandemic, childcare assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. However, in fall 2020, enrollment declined significantly to 15 thousand. In FY21; average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to $676, or $8,117 annually. At the close of FY22, monthly enrollment has continued to increase from nearly 22 thousand and the average monthly cost continued to grow to $734, or $8,810 annually. In April 2022 ECECD announced Childcare Assistance income eligibility would increase to 400 percent federal poverty level (FPL) and all co-payments would be waived. The department estimated the cost to waive co-payments for childcare assistance recipients is cost $1.9 million monthly and $22.3 million annually. The department plans to cover co-payments for families through the end of FY23 with nonrecurring federal.

Budget: $465,429.0 **FTE: 152**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Licensed childcare providers participating in Focus tiered quality rating and improvement system	NEW	NEW	45%	51%	G
Licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level	47%	52%	40%	39%	R
Infants and toddlers participating in the childcare assistance program enrolled in high-quality childcare programs (four- and five-star)	NA	NA	40%	60%	G
Program Rating	Y	R			Y



Public PreK

During the pandemic, all public school and most private school prekindergarten programs were forced to close in-person programs and conduct programs virtually. In spring 2021, virtual class sessions lasted on average approximately 30 minutes to 45 minutes, depending on children's ability to remain attentive and parents' ability to assist and support their children in remote learning. The pandemic also resulted in the programs being unable to assess children and provide the data. In FY21, ECECD contracted for 13,608 prekindergarten and early prekindergarten slots. The program did not meet targeted performance for FY22.

Budget: $49,856.5 **FTE: 0**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Children in the state-funded New Mexico prekindergarten program (public and private) for at least six months showing progress on the school readiness spring preschool assessment tool	No Report	No Report	94%	92%	Y
Children enrolled for at least six months in the state-funded New Mexico prekindergarten program who score at first step for kindergarten or higher on the fall kindergarten observation tool	No Report	No Report	85%	54%	R
Program Rating	Y	R			Y

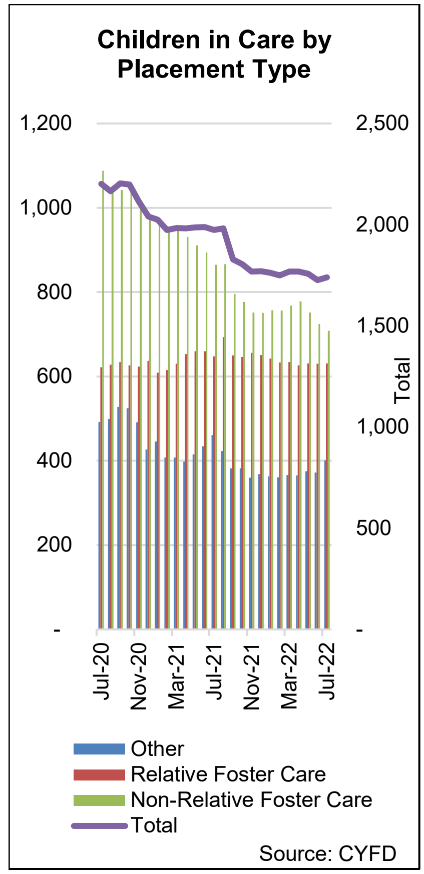
PERFORMANCE REPORT CARD: Fourth Quarter, FY22

Children, Youth and Families Department

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

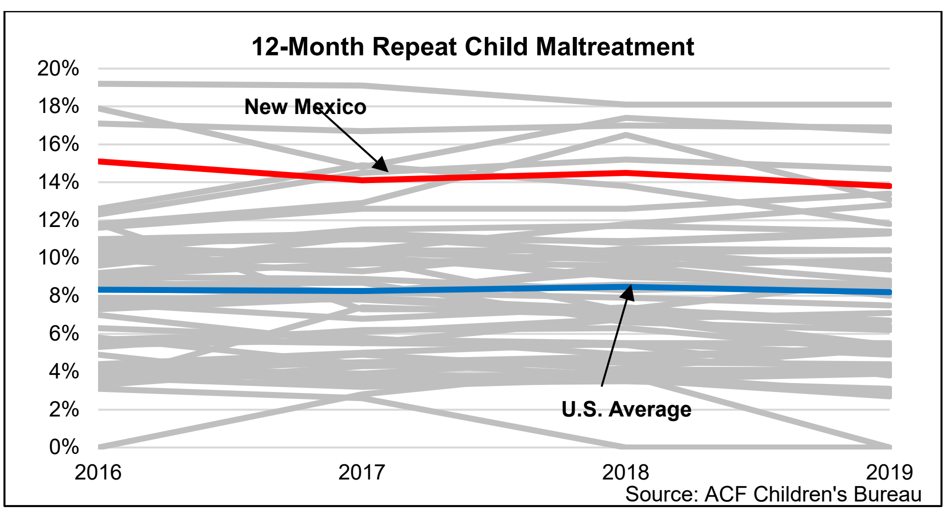
ACTION PLAN

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

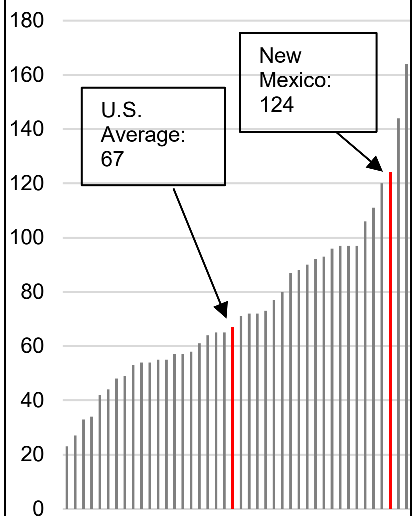


Protective Services

Prevention and early intervention is the key to reducing repeat child maltreatment. Over the long-term, child maltreatment causes physical, psychological, and behavioral consequences leading to increased costs to the child welfare, behavioral health, and physical healthcare systems. The Centers for Disease Control and Prevention estimate the lifetime cost of nonfatal child maltreatment at $831 thousand. Additionally, the consequences when children experience repeat maltreatment are potentially devastating. However, New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of an initial allegation. Several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. Between FY18 and FY22, Children, Youth and Families Department (CYFD) preventive services expenditures grew from about $1.1 million to $11.1 million, a tenfold increase, with most of the increase occurring in the last two years. During the same period, repeat maltreatment hovered around 14 percent, but it remains well above the national benchmark of 8 percent.



National Caseloads of Investigations and Alternative Response Workers 2020*



*Completed Reports per Investigation and Alternative Response Worker, some states do not report

Source: ACF Child Maltreatment 2020

Budget: $179,905.2 **FTE: 1,081**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Children in foster care who have at least one monthly visit with their caseworker	96%	98%	50%	96%	G
Children in foster care for more than eight days who achieve permanency within 12 months of entry into foster care	29%	30%	30%	36%	G
Children in foster care for 12 to 23 months at the start of a 12-month period who achieve permanency	40%	40%	35%	42%	G
Children in foster care for 24 months, or more, at the start of a 12-month period who achieve permanency	34%	41%	32%	38%	G
Children who were victims of a substantiated maltreatment report during a 12-month period who were victims of another substantiated maltreatment allegation within 12 months of their initial report	14%	14%	9%	14%	R
Families with a completed investigation that participated in family support or in-home services and did not have a subsequent substantiated abuse report within 12 months	New	New	20%	75%	G
Foster care placements currently in kinship care settings	36%	42%	35%	49%	G
Indian Child Welfare Act foster care youth who are in an appropriate placement	New	73%	35%	72%	G
Initial relative placements that transition to permanency or are still stable after 12 months	74%	78%	25%	74%	G
Rate of maltreatment victimizations per one hundred thousand days in foster care	12.6	14.7	8.0	10.1	R
Serious injuries with prior protective services involvement in the last year	New	New	26%	43%	R
Average statewide central intake call center wait time in seconds	15	27	180	30	G
Children who enter care during a 12-month period and stay more than eight days, placement moves rate per 1,000 days of care	5.8	5.6	4.0	5.7	R
Turnover rate for protective service workers	30%	26%	30%	37%	R
Program Rating	R	Y			Y

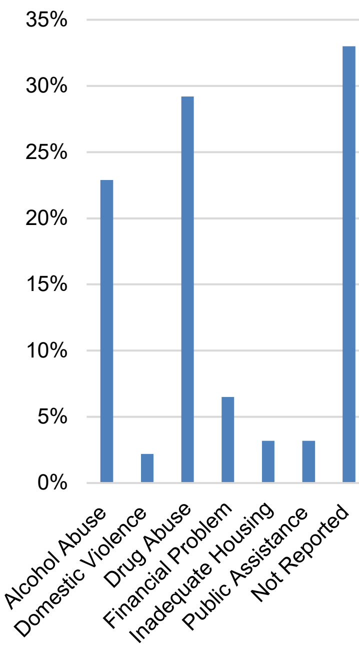
Juvenile Justice Services

Physical assaults in Juvenile Justice Services (JJS) facilities are significantly down partially because fewer clients are in the facilities. With a two-to-one student teacher ratio, the program is not performing as well as expected on improving math and reading scores. The action plan is to return to more face-to-face instruction, improve student assessments, provide Chrome books for students, and improve teacher professional development. One area of concern, the turnover rate for youth care specialists increased from 18 percent in FY21 to 39 percent for FY22. The department says the high turnover is the result of staff taking outside positions that allow telecommuting. The department wants to allow for part-time or job share positions to improve retention.

Budget: $71,969.8 **FTE: 807**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Physical assaults in juvenile justice facilities	287	224	<285	155	G
Eligible juvenile-justice-involved youth who are participating in fostering connections	New	New	60%	50%	R
Juvenile justice clients who successfully complete formal probation	94%	90%	85%	87%	G
Recidivism rate for youth discharged from active field supervision	20%	18%	20%	15%	G
Recidivism rate for youth discharged from commitment	41%	33%	55%	35%	G
Clients with improved math scores	68%	No data	56%	44%	R
Clients with improved reading scores	41%	No data	56%	33%	R
Substantiated complaints by clients of abuse and neglect in juvenile justice facilities	3	2	5	2	G
Turnover rate for youth care specialist	18%	18%	21%	39%	R
Youth being formally supervised by field services currently in kinship care settings	New	17%	35%	15%	R
Indian Child Welfare Act Youth for which proper tribal notification was given	New	61%	90%	No Data	
Program Rating	Y	Y			G

Child Victims With Caregiver Risk Factors 2020



Source: ACF Child Maltreatment 2020

Behavioral Health Services

New Mexico ranks 23rd among states on whether a youth with a major depressive episode (MDE) received services. However, the state ranks 38th for youth with MDE receiving consistent treatment and 50th and 45th for mental illness prevalence and substance use disorder, respectively. Taken together, these measures are an indicator the state should focus efforts on ensuring consistent care for youth and ensuring this care is high quality and evidence-based, while still expanding access. The number of providers offering infant mental health, high fidelity wraparound services, multisystemic therapy, and family peer support services increased from 100 in FY21 to 141 in FY22, a 41 percent increase. The increase is a positive development but needs to occur at a much faster pace to affect outcomes on a larger scale.

Budget: $45,658.8 **FTE: 117**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Infants served by infant mental health teams with a team recommendation for unification who have not had additional referrals to protective services	94%	70%	90%	100%	Y
Children and youth in department custody who are placed in a community-based setting	New	90%	70%	91%	G
Clients enrolled in multisystemic therapy who demonstrate improvement in mental health functioning	91%	92%	75%	90%	G
Domestic violence program participants who agree they have strategies for enhancing their safety.	New	0%	80%	90%	G
Domestic violence program participants who agree that staff and advocates regularly discuss their	New	95%	80%	93%	G

Budget: $45,658.8 **FTE: 117**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
safety needs, including specific things they can do to keep themselves safe					
Change in number of endorsed or certified healthcare personnel providing infant mental health, high fidelity wraparound services, multisystemic therapy, and family peer support services	New	New	15%	41%	G
Increase in supportive or independent housing options for youth ages 16-21 years from baseline FY20 levels	New	15%	20%	25%	G
Department-involved youth in the estimated target population who are receiving services from community behavioral health clinicians	64%	65%	75%	65%	R
Program Rating	G	G			Y

Economic Development Department

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

The department surpassed performance targets on nearly every measure in FY22, and doubled rural job creation compared with FY21 which had lagged overall job creation since the pandemic. The committee should work with the agency and state budget division to increase performance targets for FY24 to reflect and maintain the momentum of the department's FY22 performance. In an otherwise exceptional year for the department, the performance of the New Mexico partnership (created as a mechanism to entice and entertain companies considering relocating to New Mexico) stands out, attracting only 64 jobs to the state, well under the target of 2,250 jobs.

The agency's action plan reflects both its 20 year strategic plan and directives from legislators in the three LegisSTAT hearings EDD participated in. EDD shifted efforts to attracting companies that offer competitive wages, moving away from low-wage high-volume jobs such as call centers (the department notes there have been 0 call center projects in FY22.) The agency surpassed the target for wages of jobs created in excess of prevailing local wages by over $10 thousand, and the average annual wage of new jobs created by the department in FY22 was $61.4 thousand, surpassing both the previous quarter and the target of $47 thousand.

Economic Development

Local Economic Development Act and Job Training Incentive Program. The Economic Development Division awarded four companies $6.5 million in Local Economic Development Act (LEDA) funds in the fourth quarter of FY22, bringing total LEDA awards in FY22 to $27.9 million, creating 3,447 jobs at a cost of about $8,000 per job. Major LEDA investments in FY22 include $10 million to Universal Hydrogen Co. (a hydrogen storage module manufacturer) to construct a facility in Albuquerque bringing approximately 500 jobs, $5 million to Manna Capital Partners (a capital investment group) to build an aluminum can sheet rolling and recycling center in Los Lunas, creating 950 jobs within the next 4 years, and $5 million to Curia (a bioscience research and manufacturing organization in Albuquerque) to expand its operational facilities. The department reports $3.5million available in LEDA funds, not including the $50 million appropriated in the 2022 regular session.

ACTION PLAN

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

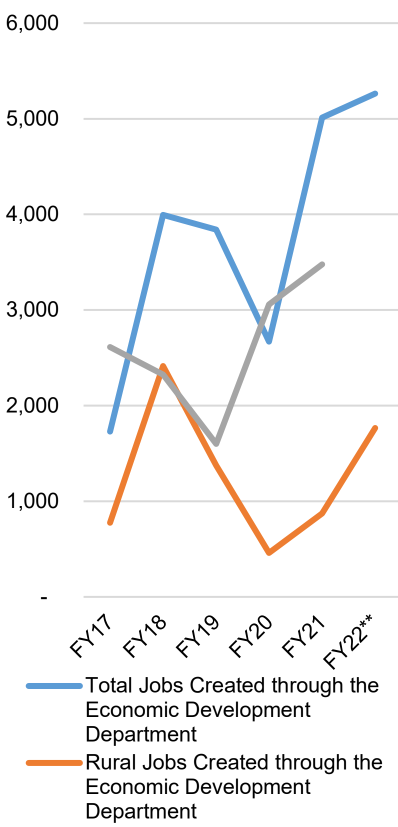
LegisStat Pilot Agency

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

The agency addressed the department's role in creating jobs in the state. The department will be expected to follow up on member questions in its fall budget hearing including:

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

Economic Development Department Job Creation FY16 to FY21



*Data for measure was not collected until FY17

Source: LFC files, EDD

For the Job Training Incentive Program (JTIP), the JTIP board approved 30 companies in the fourth quarter, bringing 465 new jobs at an average wage of $31.00 per hour. Of the new jobs, 224 were high wage with salaries in excess of $60 thousand, 99 of which were in rural areas. A total of 2,355 trainees were approved for JTIP funding in FY22, 570 of which were in rural areas. Additionally, the Film Crew Advancement Program (FCAP), one of the two job training incentive programs for Film and Multimedia programs, approved a total of 29 companies to train 202 crew members at an average hourly wage of $41.24 in FY22. The department reports $6.1 million in available JTIP funds.

MainStreet. In addition to $42 million in private sector investments and 232 private building rehabilitations, local MainStreet programs reported 200 net new businesses, 45 business expansions, and 730 net new jobs in FY22. Major MainStreet projects from the final quarter of FY22 include three public/private projects worth over $4.2 million this quarter in Artesia, Carlsbad, and Las Cruces, and $2.2 million in private rehabilitation work throughout the state. During the 2022 Regular Legislative Session, the Legislature approved a remarkable $10 million in severance tax bonds for MainStreet districts, compared to just $250 thousand in 2021 and $1 million in 2020.

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

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Jobs created due to economic development department efforts	2,670	5,012	4,000	5,263	G
Rural jobs created	460	871	1,320	1,766	G
Average wage of jobs created due to economic development department efforts (in thousands)	NEW	$70.6	$47.5	$61.4	G
Jobs created through business relocations facilitated by the New Mexico partnership	812	147	2,250	64	R
Private sector investment in mainstreet districts, in millions	$24.5	$59	$30	$42	G
Number of building rehabilitations assisted by the MainStreet Program	306	274	200	232	G
Potential recruitment opportunities submitted by the New Mexico Partnership	33	60	60	69	G
Wages of jobs created in excess of prevailing local wages	NEW	$24,948	$5,000	$18,177	G
Private sector investment in MainStreet districts, in millions	$24.57	$58	$30	$42	G
Number of company visits to New Mexico for projects managed by the New Mexico Partnership	New	9	12	21	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	27:1	128:1	20:1	84:1	G
Jobs created through the use of Local Economic Development Act funds	1,600	3,058	3,000	3,447	G
Program Rating	Y	Y			G

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

New Mexico Film Office

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

Budget: $822.8 **FTE: 8**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Direct spending by film industry productions, in millions	$257.3	$624	$530	855.4	G
Film and media worker days	266,604	514,580	320,000	668,707	G
Total gross receipts paid by film industry productions, in millions	NEW	$30.6	$20	$47	G
Total wages paid by film industry productions to New Mexico residents, in millions	NEW	$121.2	$200	$157	G
Program Rating	Y	G			G

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

Outdoor Recreation

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

The Legislature heavily invested in the division's two grant funds, appropriating $7 million to the "Trails +" fund, created to assist local entities in creating, maintaining, and improving recreational trails, and $3 million to the outdoor equity fund, designed to fund outdoor programming for underserved youth. The division began accepting grant applications for the "Trails +" outdoor infrastructure grants in early March and announced the first 15 recipients of the grant, totaling $2.74 million. Approved projects include $400 thousand to McKinley County for a 22 mile trail connector, $99 thousand to Red River for restroom facilities in Mallette Park, and $78.9 thousand for trail improvements in Bloomfield. The outdoor equity fund will announce award recipients in fall 2022.

The division also received a $1.9 million joint grant with the Tourism Department from the federal Economic Development Administration for marketing. As a result, the office began tracking earned media from the department's efforts, and reports approximately $28 thousand in earned media in FY22.

Budget: $482.2 **FTE: 4**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
New outdoor recreation jobs created by the outdoor recreation division*	40	9	N/A	173	
Outdoor recreation projects funded or lead by the outdoor recreation division*	11	9	N/A	44	
Number of youth to participate in outdoor education programs through the division*	NEW	NEW	N/A	21,904	
Program Rating					G

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

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

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

Source: LFC Files

PERFORMANCE REPORT CARD: Fourth Quarter, FY22

Tourism

With the state's peak tourism season (April-August) coming to a close, tourism sector job growth steadily recovering, and a nearly 15 percent budget increase on the horizon for FY23, the New Mexico Tourism Department (NMTD) is positioned to make real impact in an industry that took seemingly endless hits throughout the pandemic. The department met or exceeded most performance targets in FY22, and submitted detailed and achievable action plans where performance was low.

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

Marketing and Promotion

Workforce. After a nearly two yearlong recovery period, jobs in the New Mexico leisure and hospitality sector pulled within 1 percentage point of pre-pandemic employment levels. The department reports 19 percent more jobs in the sector in the fourth quarter of FY22 year over year, and 3,200 more jobs compared with last quarter. The department participated in the ongoing LegisSTAT hearing format, wherein agencies consistently respond to specific metrics to gauge performance and encourage performance-based management. In response to July LegisSTAT hearing where members questioned how the department could collaborate with other state agencies to increase visitation and address workforce concerns, the secretary submitted an action plan detailing new initiatives to collaborate with the Department of Cultural Affairs and the state parks division of the Energy, Minerals, and Natural Resources Department. NMTD will continue to collaborate with the Workforce Solutions Department to match unemployed individuals with unfilled leisure and hospitality jobs. The department reports it also collaborated with the New Mexico Small Business Development Center to provide counseling and resources to keep businesses open, saving 2,000 tourism related jobs in FY22.

Media and Engagement. The department leveraged pandemic-related closures to significantly grow its social media presence in FY21, but digital engagement fell in every quarter of FY22. The agency offers several explanations for decreased engagement, most notably that new platform algorithms tend to boost "incendiary" or "controversial" posts. The agency's strategic plan addresses this directly, noting that the department made a deliberate shift in posting neutral but engaging content, and voluntarily reported other, more useful measures such as number of e-newsletters opened and website traffic activity. The department secured five times the target for earned media in FY22 from various news, sports

ACTION PLAN

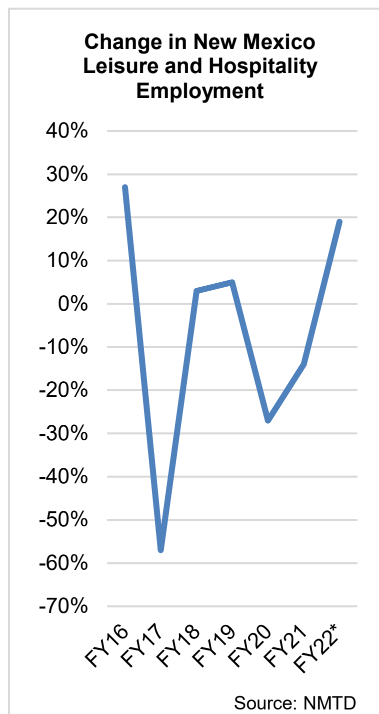
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

LegisSTAT Pilot Agency

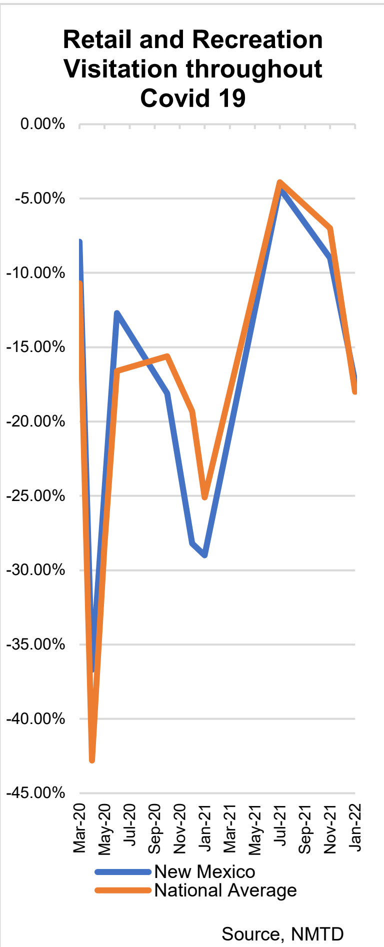
The New Mexico Tourism Department participated in the Legislative Finance Committee's first LegisSTAT panel, a new hearing format hyper-focused on performance metrics and agency action plans.

The agency addressed key economic recovery indicators, including visitation rates and leisure and hospitality employment rates. The department submitted some follow up requests, but will be asked to update members on outstanding questions including:

- Visitor spending by county
- Updated child care/workforce data
- Outcomes from collaboration with agencies including State Parks, Economic Development Department, and the Department of Cultural Affairs.



Tourism Recovery Metrics		
	June 2020	June 2022
Travel Spending*	-67.1%	-2%
Drive Market Visitors*	-54%	-7%
Passengers Deplaned At Albuquerque International Sunport	25,313	135,931
Hotel Occupancy rates*	25.9%	30.3%
*percentage increase (decrease) compared with FY19		



and magazine features, and reports a return-on-investment of $5.60 in earned media for every $1.00 spend on national marketing.

Budget: $14,795.1 **FTE: 16**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Year over year change in New Mexico leisure and hospitality employment	-27.5%	-14%	3%	19%	G
Change in total digital engagement	New	16.8%	3%	-32%	R
Amount of earned media value generated in millions	New	$1.7	$1.0	$5.2	G
Program Rating	Y	Y			Y

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

New Mexico Magazine

New Mexico Magazine revenues in FY22 were 30 percent higher than in FY21. New Mexico Magazine shifted much of its readership and advertising to online rather than in print, and submitted new measures for FY24 to encapsulate online activity. The magazine's digital engagement reaches more than 200 thousand visitors per month across various platforms, and won sixteen award recognitions from the International Regional Magazine Publishers Association, including first place awards in writer of the year, recreation feature, general feature, illustration, food feature, and travel package.

Budget: $3,231.9 **FTE: 10**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Advertising revenue per issue, in thousands	$75	$182.2	$80	$137	G
Program Rating	Y	G			G

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

Tourism Development Program

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

The Tourism Development Program's cooperative marketing grant initiative has also become a popular function of the agency. The grant, which requires matching funds from local governments, enhances local tourism campaigns with the expertise and brand power of the department while allowing communities chose attractions to highlight. The department worked with the state budget division and LFC staff to create new measures tracking the success of these programs as funding increases.

Budget: $2,305.8 **FTE: 18**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Number of meetings or events conducted with Native American entities	NEW	21	16	23	G
Number of participants in New Mexico True Certified Program	NEW	414	250	401	R
Program Rating	Y	R			G

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

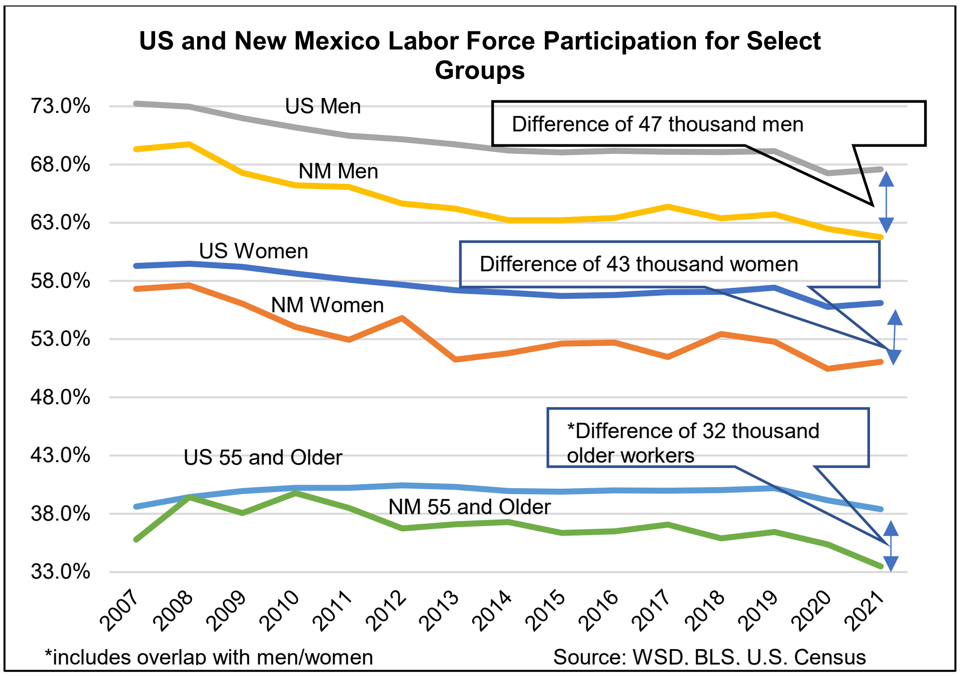
Tourism and Outdoor Recreation

The Tourism Department works closely with the Economic Development Department's Outdorr Recreation Division to ensure trails are supported by the New Mexico True brand and expand outdoor tourism development. The department's received a $2.5 joint grant to build outdoor tourism infrastructure. Approved project examples include:

- $65.5 thousand to Clovis, New Mexico- Mental Health Resources Inc.)will convert four acres of vacant land into the Richard Lucero Wellness Trail in Clovis, New Mexico for public, client, and staff use.
- $400 thousand to McKinley County -McKenzie Ridge Trail Connector is a 22-mile segment that links Hilso (McGaffey) Trail System to the Twin Springs Trail System as part of the overall 186-mile Zuni Mountain Trail Project. This project climbs along McKenzie Ridge.
- $99 thousand to Red River The Town of Red River will install proper restroom facilities to compliment the town's substantial investments in the recreational features at Mallette Park. The park enjoys growing popularity with local residents and visitors alike
- $202.3 thousand to Ruisdoso- The project will improve, design, and develop Sheltered picnic areas, restrooms, pavilions, ADA, and dock improvements.

Workforce Solutions Department

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

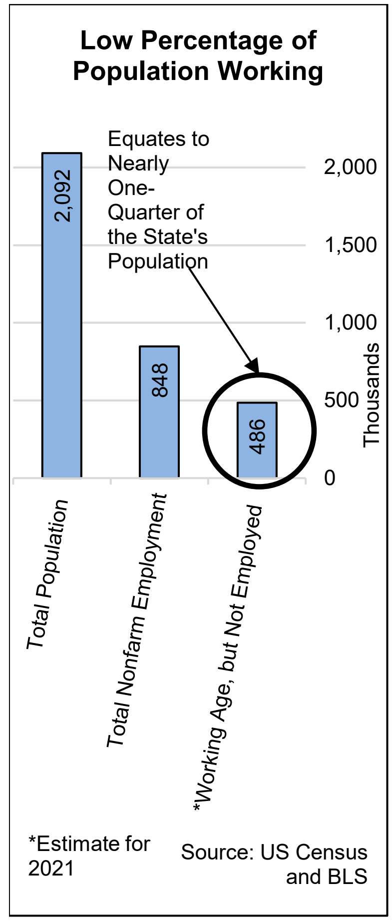


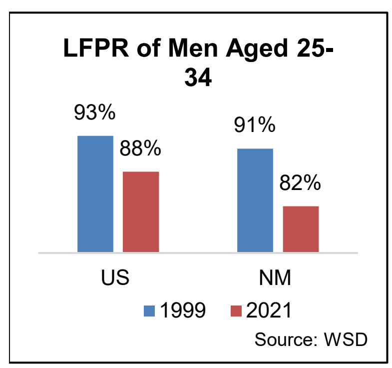
U.S. Bureau of Labor Statistics, studies show low labor force participation rates cause rising dependency ratios because fewer workers are available to support those who do not work, higher tax rates because of a shrinking base, and slower economic growth because fewer people are working. Reasons for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

The Legislature made investments in 2022 to address labor shortages in key areas. The department directly received $10 million for reemployment services, case

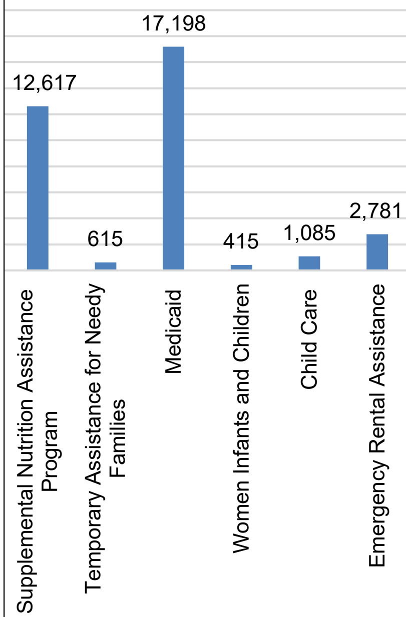
ACTION PLAN

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



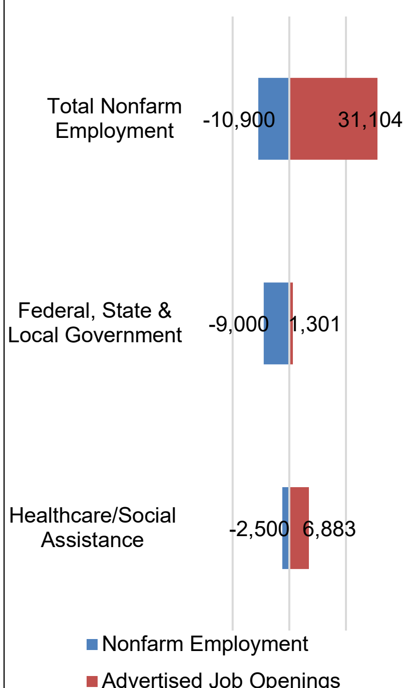


Unemployment Insurance Claimants also Receiving other Benefits



Source: WSD

High Employment Demand Low Supply (Change Between March 2020 to March 2022, Select Industries)



Source: WSD

management, and youth apprenticeships. Higher education institutions also received about $100 million for teaching endowments in social worker and nursing programs, $7 million for the teacher student loan repayment fund, and $20 million for work-study programs. There is no shortage of funding for training future workers but a plan and further coordination between the entities is needed to spend funding strategically.

Employment Services

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

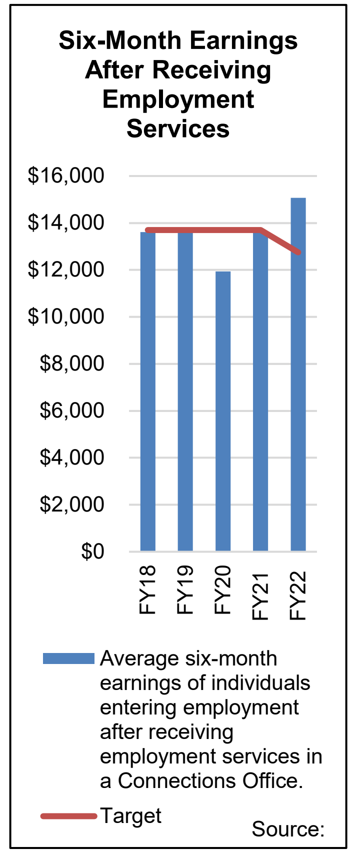
Budget: $22,505.4 FTE: 149

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office.	$11,936	$13,594	$12,750	$15,076	G
Recently separated veterans entering employment.	49%	47%	50%	48%	Y
Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office.	44%	47%	50%	46%	Y
Individuals receiving employment services in a Connections Office.	91,743	107,366	100,000	60,116	R
Unemployed individuals employed after receiving employment services in a Connections Office.	67%	57%	60%	51%	R
Individuals that have received employment services in a Connection Office, retaining employment services after six months.	69%	57%	75%	55%	R
Recently separated veterans retaining employment after six months	52%	45%	71%	47%	R
Average six-month earnings of unemployed veterans entering employment after receiving veterans' services in a Connections Office.	$9,478	$14,193	$17,000	$18,800	G
Average change in six-month earnings of working individuals after receiving employment services in a Connections Office.	New	No report	$1,500	$2,032	G
Audited apprenticeship programs deemed compliant.	New	67%	75%	50%	Y

Budget: $22,505.4 FTE: 149

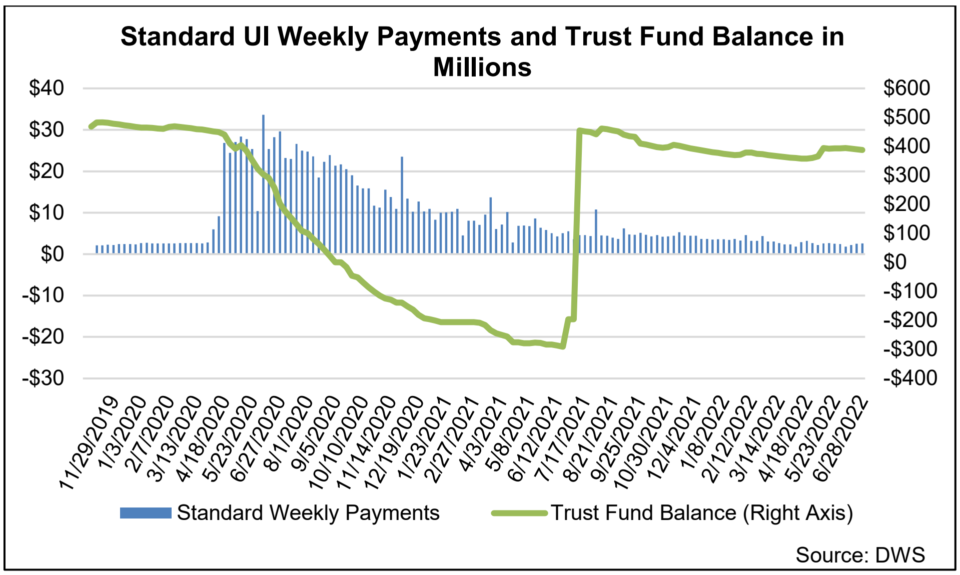
	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Total number of individuals accessing the agency's online Job Seeker portal.	New	293,837	125 thousand	106,659	R
Apprenticeships registered and in training	New	1,837	1,500	1,883	G
Program Rating	Y	Y			G

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



Unemployment Insurance

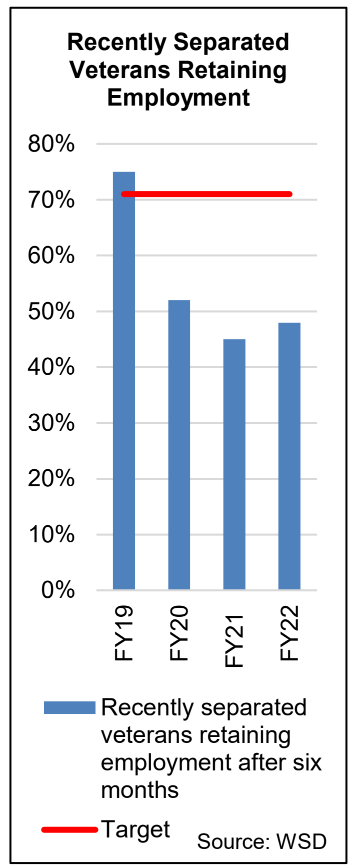
In May 2021, LFC published an unemployment insurance spotlight evaluation and estimated the state had paid about $250 million in benefit overpayments since the start of the pandemic. In an effort to address overpayment issues and reduce call center wait times, the department hired more than 100 call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



Budget: $14,107.4 FTE: 164

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Eligible unemployment claims issued a determination within 21 days from the date of claim.	73%	55%	89%	35%	R
Percent of all first payments made within 14 days after the waiting week.	84%	60%	90%	52%	R
Accuracy rate of claimant separation determinations.	N/A	53%	91%	65%	R
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a new unemployment insurance claim, in minutes.	24:48	18:69	18:00	7:19	G
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes.	18:48	16:55	15:00	9:30	G
Program Rating	R	R			Y

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



Labor Relations

In 2021, the Legislature passed the Healthy Workplaces Act requiring employers within the state to provide sick leave of one-hour per 30-hours worked with earned sick leave carrying over from year-to-year with the maximum total carryover not to be less than 64-hours. The department is required to investigate complaints related to the act, which may significantly increase investigations. The department posted guidance with frequently asked questions on its website to support businesses implementing the law. On the measure for claims issued a determination within 90 days, the agency received a yellow rating because it made siginificant progress over three years towards reaching the target.

Budget: $2,947.4 FTE: 41

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Investigated claims issued an administrative determination within 90 days.	17%	14%	85%	50%	Y
Total public works projects inspected.	New	0%	80%	77%	Y
Discrimination claims investigated and issued a determination within two-hundred days.	New	27%	75%	28%	R
Program Rating	Y	R			G

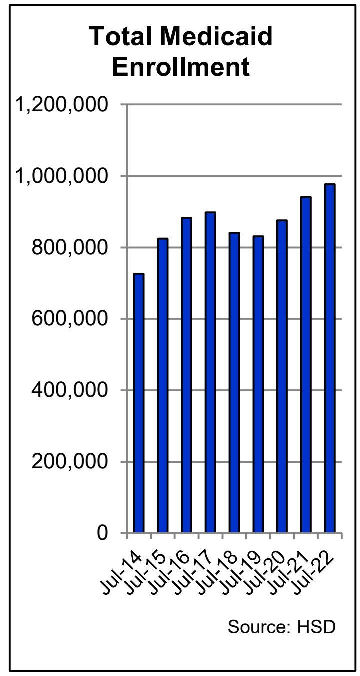
*Measure is classified as explanatory and does not have a target.

Human Services Department

ACTION PLAN

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

The Human Services Department's Medicaid Program enrolls almost 50 percent of New Mexicans, making it the largest per capita Medicaid Program in the country. The Medicaid Program also represents approximately 14 percent of the state's general fund spending. Quarterly data for Medicaid is not consistently reported because of a lag in data from the reporting period, making it difficult to monitor performance outcomes. For the fourth quarter, several of the Medicaid Program's performance measures are pending data because the program receives reporting on June 30 for annual Healthcare Effectiveness Data and Information Set (HEDIS) data. Where data is available, Medicaid's performance appears to be lagging behind the targets, concerning for a program of this size and import. HSD reports performance is improving on certain Medicaid performance measures when compared with the same time period last year.

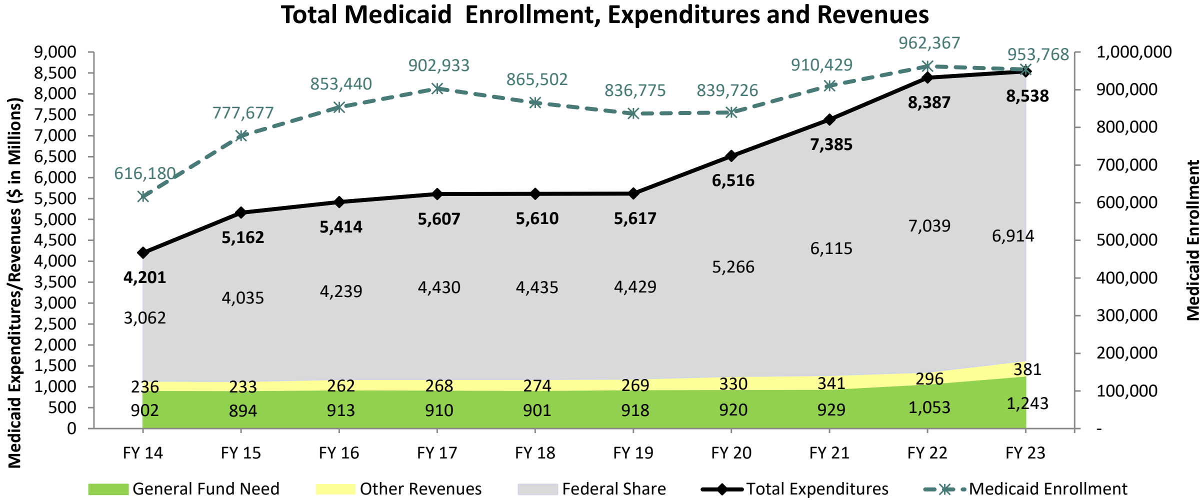


Medicaid managed care organizations (MCOs) receive per member per month (PMPM) payments for most Medicaid enrollees regardless if they access services. Notably, utilization rates appear well below the projected levels on which the PMPM rates were built, resulting in the Medical Assistance Division capturing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

Labor force participation is needed at all levels in the state. However, the Income Support Division's (ISD) Temporary Assistance for Needy Families (TANF) Program reported 0.8 percent out of a targeted 37 percent of TANF recipients were ineligible for cash assistance due to work-related income. The Workforce Solutions Department is tasked with assisting TANF participants with workforce and educational opportunities. ISD and the Child Support Enforcement Division's performance both lagged behind targeted levels for FY22.

Pandemic-Related Enrollment and Funds. The public health emergency (PHE), federal policy, and workforce participation greatly impact the Medicaid program's enrollment, utilization, costs, and outcomes. In 2020, the Families

Total Medicaid Enrollment, Expenditures and Revenues

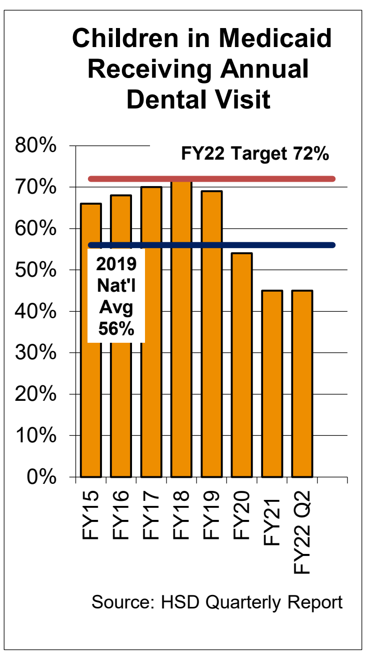


The Office of Superintendent of Insurance (OSI) implemented network adequacy compliance reporting requirements for commercial health insurance beginning January 1, 2022. OSI also implemented more rigorous standards for existing network adequacy compliance reporting.

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

The Medicaid caseload in June 2022 was 968,763 individuals, a 4.2 percent increase over a year ago. The count of Medicaid recipients increased by 1,765, or 0.2 percent, over May 2022.

In June 2022, 385,538 children were on Medicaid, an increase of 4,851 children, or 1.3 percent, over June 2021. However, the number of children on Medicaid decreased by 549 members, down 0.1 percent, from May 2022 to June 2022.



First Coronavirus Response Act included a 6.2 percent increase in the federal Medicaid matching rate. States receiving the increase are required to continue Medicaid eligibility for any individuals enrolled during the public health emergency which extends through December 2022, unless the individual voluntarily terminates eligibility or is no longer a resident of the state. During the PHE between March 2020 and March 2022, Medicaid enrolled over 160 thousand new members, for a total approaching 970 thousand.

Medical Assistance Division

The Medicaid Program received a red rating for the fourth quarter based on reported performance not meeting targeted levels on multiple measures, including infant and maternal health. The program did not report fourth quarter data for HEDIS performance measures highlighted in the report card and is expected to report annual HEDIS performance measure data in the first quarter of FY23. The Medical Assistance Division (MAD) reports it is working with MCOs to ensure every qualified New Mexican receives timely and accurate benefits.

For the third quarter, a reported 7.6 percent out of a targeted 88 percent of children received one or more well-child primary care visits. HSD reports this rate is based on HEDIS technical specifications which applies a member's continuous enrollment specification for the measurement year and does not align with the state fiscal year quarterly reporting. No data was reported for this HEDIS performance measure for the fourth quarter, but with almost 8,000 children added to Medicaid during the federally declared public health emergency, it is critical to have quarterly performance data that monitors the health outcomes for children on Medicaid.

The performance measure, "infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months" is a measure HSD uses to track performance and issue penalties for noncompliance. However, fourth quarter data was not provided for this measure. HSD added the well-child measure as a Medicaid MCO tracking measure in FY22 and requested MCOs provide detailed action plans with their quarterly performance measures. MCO strategies to improve well-child visits include increasing outreach calls; instituting value-based contracts with providers; creating a reward program for well-child visit compliance; offering assistance with scheduling appointments and transportation; and implementing a member texting campaign.

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

Budget: $6,351,758.6 **FTE: 215.5**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months*	52%	51%	N/A	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*	33%	39.5%	88%	No Report	R
Children ages 2 to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	54%	56%	72%	No Report	R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	4.9%	6.7%	<5%	6.8%	R
Hospital readmissions for adults 18 and over within 30 days of discharge	9.3%	8.9%	<8%	8.9%	R
Emergency room use categorized as non-emergent per one thousand Medicaid member months	61%	50%	50%	53%	R
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization*	72%	70%	83%	No Report	R
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was >9 percent during the measurement year*	54%	53%	86%	No Report	R
Program Rating	Y	Y			R

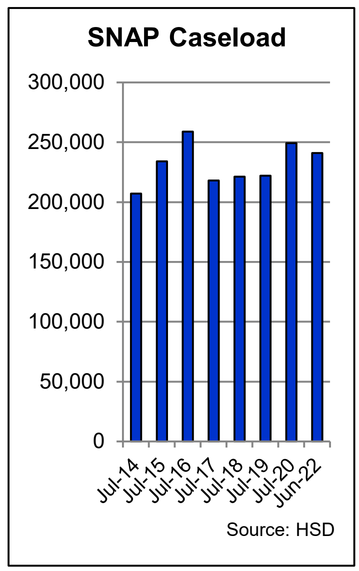
*Measures are Healthcare Effectiveness Data and Information Set (HEDIS) measures, which represent a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. The most recent unaudited data available includes the last quarters of FY21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

The Supplemental Nutrition Assistance Program (SNAP) caseload in June 2022 was 240,950, an 11.3 percent decrease from a year ago, and a decrease of 6,156 cases, or 2.5 percent, below May.

The Temporary Assistance for Needy Families (TANF) caseload was 10,735 in June 2022, a decrease of 11 percent from a year ago, and a decrease of 205 cases, or 1.9 percent, below May.

Income Support Division

The Income Support Division's (ISD) Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads rose over the previous year but began declining at the end of FY22. The performance measure, "TANF recipient's ineligible for cash assistance due to work-related income," reflects adults whose new employment income exceeded TANF guidelines. Despite unemployment substantially declining in New Mexico, less than 1 percent of TANF recipients were ineligible for cash assistance due to work-related income.



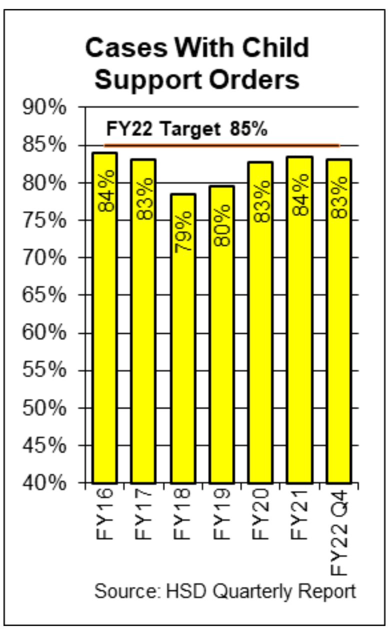
The Workforce Solutions Department (WSD) is partnering with ISD to establish employment placements for TANF Career Link Program and Wage Subsidy Program participants. WSD started a campaign called "Ready NM" with access to training, education and employment resources that c.an assist TANF participants.

HSD reports WSD implemented an internal case management process to utilize its employment services staff and workforce connection online system (WCOS) to directly connect TANF participants to available employment and training opportunities throughout the state. TANF participants identified as job ready are referred to employment services staff who assist in WCOS registration, resume writing, interview preparation and applying for jobs via WCOS. TANF participants who are working with WSD also have direct access to programs offered by other partners such as the Division of Vocational Rehabilitation, Higher Education Department, and other local community partners enhancing opportunities for employment and education for TANF participants.

Budget: $1,080,047.7 **FTE: 1,133**

		FY21 Actual	FY22 Target	FY22 Actual	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	98.8%	98.6%	96%	89%	R
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	98.8%	98.5%	98%	75.5%	R
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	14.1%	7.6%	37%	0.8%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	28.2%	3.5%	52%	2.9%	R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	24.3%	4.2%	37%	2.8%	R
Program Rating	Y	R			R

Child Support Enforcement Division



The Child Support Enforcement Division (CSED) is engaged in modernizing the program to set accurate child support obligations based on the noncustodial parent's ability to pay; increasing consistent, on-time payments to families; moving nonpaying cases to paying status; improving child support collections; and incorporating technological advances and evidence-based standards that support good customer service and cost-effective management practices. These modernization efforts were tested in pilot offices and have since been implemented statewide beginning in February 2022. CSED expected performance to improve with these efforts; however, performance for all FY22 CSED performance metrics fell somewhat short of targeted levels.

CSED reported child support collections totaled $130.3 million and did not meet the FY22 target of $145 million for the year. The decrease in collections began in September 2021 when many non-custodial parents lost unemployment benefits, which were being collected as part of wage withholding payments. The shortfall continued despite an increase in payments due to federal and state tax interceptions in the third quarter. During the 2021 Legislature, statutory changes were made to assist CSED with setting orders based on new guidelines and reviewing cases for possible modifications for right-sized court orders that the non-custodial parents can pay on a more consistent basis. Implementation of those changes began in July 2021 and early data is showing promise for FY23 performance.

Total dollars collected per dollars expended is a federal fiscal year performance measure and no data was yet reported at the close of FY22. CSED expected to see a drop in this measure due to several IT expenditures for modernization projects, the largest of which is the Child Support Enforcement System mainframe platform project, which was implemented in February 2022.

Budget: $32,794.2 **FTE: 370**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Noncustodial parents paying support per total cases with support orders	51.7%	55.7%	58%	52.4%	R
Total child support enforcement collections, in millions	$156.1	$147.4	$145	$130.3	R
Child support owed that is collected	58.7%	60.9%	60%	57.6%	R
Cases with support orders	83.2%	83.5%	85%	83.1%	R
Total dollars collected per dollars expended	$3.44	$2.90	$4.00	No Report	R
Average child support collected per child	NEW	NEW	N/A	$127.92	Y
Program Rating	R	Y			R

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

PERFORMANCE REPORT CARD: Fourth Quarter, FY22
Behavioral Health Collaborative

Despite a substantial investment, behavioral health performance outcomes remain poor in New Mexico and the state continues to have some of the worst behavioral health outcomes in the country. In recent years, state and federal funding for behavioral health has notably increased in both the Medicaid Program and the Behavioral Health Services Division. Several initiatives have been implemented; however, these efforts may not yet be fully reflected in the behavioral health performance outcomes.

The Behavioral Health Collaborative (BHC) needs to enhance its role coordinating overarching behavioral health services across state agencies, including Medicaid. Performance data across agencies would provide a comprehensive overview of the coordination of behavioral health services in the state system, access to services, and systemic outcomes. Currently, the BHC report card primarily consists of performance measures and data from the Behavioral Health Services Division (BHSD) of the Human Services Department representing only a portion of the state's behavioral health system and service dollars.

Existing Problem

New Mexico had some of the poorest substance use and behavioral health outcomes in the country even before the Covid-19 pandemic further exacerbated anxiety, depression, and substance use. In New Mexico, 19 percent of adults experience mental illness, and as of 2020, New Mexico had the second highest suicide rate in the nation, a rate of 24.8 per 100 thousand people BHSD reports in the past year over 60 percent of adults with moderate mental illness and 30 percent of adults with serious mental illness did not receive treatment.

The U.S. Centers for Disease Control and Prevention reports in 2020 New Mexico had the 11th highest drug overdose death rate in the United States. New Mexico's drug overdose death rate was 39 per 100 thousand population. New Mexico's alcohol-related death rate, 86.6 per 100 thousand population, was over twice the U.S. rate of 41.5. About two out of three drug overdose deaths in New Mexico in 2020 involved an opioid, and the methamphetamine death rate grew 2.8 times higher than in 2015. The fentanyl-involved death rate in 2020 was seven times greater than in 2016.

Behavioral Health System of Care

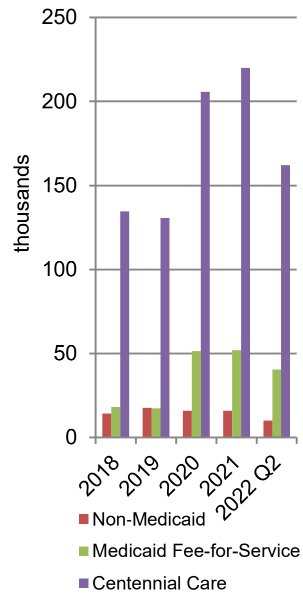
Access to Behavioral Health Services. In 2021, BHSD reported there were 6,295 prescribing and 4,057 non-prescribing Medicaid behavioral health providers in New Mexico. Total behavioral health practitioners increased from approximately 500 providers. Behavioral health organizations grew from 368 in 2020 to 388 in 2021. The total number of behavioral health encounters provided by a behavioral health professional or non-behavioral professional increased from 2,498,234 in 2020 to 2,985,516 encounters in 2021.

A dedicated crisis line was also created for healthcare practitioners. Priorities are to train and provide ongoing coaching to providers on evidence-based practices

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

LFC Progress Report: Addressing Substance Use Disorders

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

Alcohol Abuse, Opioids, and Overdoses

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

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

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

One of the most cited barriers to prevention, treatment and recovery from opioid abuse in Hispanic and Latino communities has been the lack of effective bilingual educational resources. The Human Services Department's YouTube series "¡El Opio Drama!" emphasizes opioid overdose prevention tactics. Since the Spanish-language video series launched, it has received over 700 thousand views.

that can be delivered via telehealth; enhance the statewide crisis and access line; screen, assess, and serve the health workforce; implement peer recovery supports; and support the network of crisis response, including telepsychiatry.

Provision of Behavioral Health Services. During the pandemic, New Mexico Medicaid managed care organization (MCOs) and non-Medicaid programs allowed behavioral health providers to bill for telephone visits using the same rates as in-person visits. In FY20, 22,575 unduplicated members were served through telehealth services. However, in FY22 the use of telehealth and telephone services to provide behavioral health services are declining. In the fourth quarter, 35,062 unduplicated persons were served in rural and frontier areas through telemedicine as compared with 38,096 persons served last year, representing an 8 percent decrease. The decline is attributed to the lag in claims reporting and decreased utilization as the pandemic declines and people return to office visits.

Notably, health providers who do not specialize in behavioral health are providing an increasing number of behavioral health services. This would indicate more people are reaching out to primary care providers for easier access to behavioral health services. HSD's Primary Care Council is intent on incorporating behavioral health into primary to bolster support for a behavioral health workforce that is not large enough to meet the needs of state's residents.

BHC Budget: $756,044.1 **FTE: 53**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	40.6%	38.3%	35%	40%	G
Medicaid members ages 6 to 17 discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	43.2%	53.7%	51%	50.8%	G
Medicaid members ages 18 and older discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	43.2%	53.7%	51%	31.8%	R
Increase in the number of persons served through telehealth in rural and frontier counties*	308%	68.8%	N/A	-8%	Y
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	8.9%	10.8%	5%	8.1%	R
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	273,198	200,932	172,000	212,486	G
Emergency department visits for Medicaid members ages 13 and older with a principal diagnosis of alcohol or drug dependence who receive follow-up visit within seven days and 30 days	14.3% 7day; 21.8% 30 day	13.3% 7 day; 19.7% 30 day	25%	12.6% 7 day; 19.6% 30 day	R
Persons receiving telephone behavioral health services in Medicaid and non-Medicaid programs	NEW	NEW	60,000	62,439	G
Program Rating	R	R			Y

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

PERFORMANCE REPORT CARD: Fourth Quarter, FY22

Department of Health

ACTION PLAN

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

The Department of Health (DOH) reported some improvements in performance targets across the agency at the close of FY22, managing the state's Covid-19 response also continues to result in declining performance for other department programs. As part of the state plan to eliminate the waiting list for the Developmental Disabilities (DD) and Mi Via Medicaid waivers, DDSD has already begun allocations for clients. As of early August 2022, of the 5,650 individuals on the DD waiver central registry 1,920 (34 percent) were in complete status, 774 were on hold (14 percent), 525 (9 percent) had just started the application, 1,066 (19 percent) were child pend, and 1,365 (24 percent) were in the allocation process.

Public Health

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

DOH reported: "Total overdose reversals for clients involved in the Harm Reduction program declined in FY21 related to the Covid-19 pandemic. Because of the huge need including the risk related to increasing fentanyl use, services quickly ramped back up and exceeded targets in FY22. This was aided by multiple increases in the program's budget from the state legislature, which were designated for the purchase of Naloxone, allowing new service modalities and partners. While opioid overdoses continue to rise across the nation, the trend has been better in New Mexico than in most states."

Budget: $181,884.1 **FTE: 786**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Percent of preschoolers (19-35 months) who are indicated as being fully immunized	63%	65%	65%	66%	G
Percent of funded school-based health centers that demonstrate improvement in their primary care or behavioral health care quality improvement focus area	50%	73%	95%	91%	R
Percent of children in the Healthy Kids Healthy Communities with increased opportunities for healthy eating in public elementary schools	98%	98%	89%	99%	G
Percent of female clients ages 15-19 seen in public health offices who are provided most or moderately effective contraceptives	86%	88%	63%	86%	G
Percent of New Mexico adult cigarette smokers who access cessation services	2.6%	1.9%	2.6%	1.9%	R
Number of successful overdose reversals of clients enrolled in the Harm Reduction Program	3,444	2,572	2,750	3,420	G
Program Rating	Y	R			Y

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

Some data noted as "not reported" are a result of survelience system timelines which could not meet the annual report deadline. DOH hopes to submit at a later date.

Epidemiology and Response

The Epidemiology and Response Program (ERD), which also plays a key role in the state's response to the pandemic, through case investigations and contact tracing. Additionally, ERD tracked all the data for the state's Covid-19 response used to inform decisions about protecting the public, vaccine effectiveness, and health equity issues. The program did not meet a majority of performance targets. ERD did not report if most pharmacies in the state are continuing to dispense naloxone, an important tool for substance use treatment and support in the state. DOH also reported the decline in cities and counties with access and functional needs (AFN) plans was largely a result of local emergency managers who were primarily focused on vaccine distribution efforts.

Budget: $118,065.7 **FTE: 341**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Percent of death certificates completed by Bureau of Vital Records and Health Statistics within 10 days of death	61%	50%	64%	50%	R
Average time to provide birth certificate to customer	NA	3 days	5 days	5 days	G
Number of youth who have completed an evidence-based or evidence-supported sexual assault primary prevention program	13,051	3,112	7,000	6,733	R
Rate of drug overdose deaths per 100,000 population*	30.4	39.7	N/A	Not Reported	R
Percent of NM hospitals certified for stroke care	14%	19%	24%	20%	R
Percent of retail pharmacies that dispense naloxone	95%	88%	85%	Not Reported	R
Percent of opioid patients also prescribed benzodiazepines	11%	10.5%	5%	Not reported	R
Rate of alcohol-related deaths per 100,000 populations*	73.8	86.6	N/A	Not reported	R
Rate of persons receiving alcohol screening and brief intervention services	62.7	52.2	69.1	Not reported	R
Rate of suicide per 100,000 population*	24.1	24.2	N/A	Not reported	R
Percent of cities and counties with Access and Functional Needs plans that help prepare vulnerable populations for a public health emergency	5%	65%	33%	33%	G
Number of community members trained in evidence-based suicide prevention program	1,030	618	225	853	G
Percent of hospitals with emergency department based self-harm secondary prevention program	2.5%	2.5%	7%	5%	R
Percent of cities and counties with Access and Functional Needs plans that help prepare vulnerable populations for a public health emergency	5%	60%	35%	35%	G
Program Rating	Y	R			R

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

Facilities Management

The global pandemic has affected the intake and capacity of the Facilities Management Program (FMD), which provides services for behavioral healthcare for adults and adolescents, addictions treatment services, long-term care, and transitional living services. Many of the state facilities with declining occupancy will also experience significant operational funding strains if they are unable to reverse the trend. To increase census, the program is developing a needs assessment at the facilities level to determine how to safely open more beds, which provided recommendations such as developing a recruitment and retention campaigns and case mix to ensure admitted patients won't require immediate increased staffing. At the close of FY22, the facilities statewide census was 52 percent of total beds. Additionally, the program has continued to report not meeting targeted performance of third-party revenue collections, vital to FMD's financial stability.

Budget: $167,287.2 **FTE: 1,930**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Percent of eligible third-party revenue collected at all agency facilities	81%	92%	95%	92%	R
Number of significant medication errors per 100 patients	0.2	0.6	2	0.2	G
Percent of in-house acquired pressure ulcers for long term care residents – long stays	N/A	N/A	2%	8%	R
Percent of beds occupied	N/A	58%	75%	52%	R
Percent of adolescent residents who successfully complete program	77%	82%	90%	58%	R
Percent of long-term care residents experiencing one or more falls with major injury	5.3%	4%	3.5%	3.9%	Y
Percent of patients educated on MAT option while receiving medical detox services	NA	NA	90%	89%	Y
Percent of Medication Assisted Treatment (MAT) inductions conducted or conducted after referrals on alcohol use disorders	NA	NA	65%	83%	G
Number of Narcan kits distributed or prescribed	NA	231	180	258	G
Percent of medical detox occupancy at Turquoise Lodge Hospital	68%	70%	75%	69%	R
Program Rating	Y	R			Y

Scientific Laboratory

The Scientific Laboratory Division (SLD) provides a wide variety of laboratory services and programs that support the citizen and other agencies in New Mexico. SLD met targeted performance for FY22 and would like to add additional quarterly performance measures . The SLD Toxicology staff analyze samples for blood alcohol concentration (BAC) and drugs to determine cause of impairment in drivers as well as support the Office of the Medical Investigator (OMI) by testing samples for carboxyhemoglobin. The Chemistry Bureau staff analyzes water samples for contaminants in drinking water and including forever chemicals and lead. The Biological Sciences Bureau staff analyzes human and environmental samples that could pose a risk of outbreaks in our state and nationwide.

Budget: $174,908.1 **FTE: 188**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases that are completed and reported to law enforcement within 30 calendar days	91%	98%	90%	98%	G

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

Budget: $174,908.1 **FTE: 188**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Percent of environmental samples for chemical contamination that are completed and reported to the submitting agency within 60 business days	91%	97%	90%	93%	G
Percent of public health threat samples for communicable diseases and other threatening illnesses that are completed and reported to the submitting agency within published turnaround times	97%	98%	90%	98%	G
Program Rating	Y	R			G

Developmental Disabilities Supports

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

The Department of Health, Developmental Disabilities Supports Program (DDSD) plans to send over 600 allocation letter for individuals on the waiting list on September 6, 2022. These letters will provide allocations to individuals who have been waiting since 2017, or 5 years. This is a significant decrease in wait time due to the state's super allocation plan, previously individuals waited for 12 or more years on average. Additionally, DDSD plans to send the next round of allocation letter in November for individuals on the wait list since 2019.

Budget: $14,825.2 **FTE: 190**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Number of individuals on the Developmental Disabilities Waiver waiting list*	4,743	4,669	N/A	2,610	
Number of individuals receiving Developmental Disability Waiver services*	4,934	5,111	N/A	5,416	
Number of individuals receiving developmental disability supports waiver services*	N/A	70	N/A	220	
Percent of Developmental Disabilities Waiver applicants who have a service plan and budget within 90 days of income and clinical eligibility	96%	97%	95%	96%	G
Percent of adults of working age (22 to 64 years), served on the DD Waiver (traditional or Mi Via) who receive employment supports	28%	18%	27%	9.8%	R
Percent of Developmental Disabilities Waiver providers in compliance with General Events timely reporting requirements (2-day rule)	87%	83%	86%	85%	Y
Program Rating	Y	R			G

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

Health Certification Licensing and Oversight

The Health Certification, Licensing, and Oversight Program met a majority of performance measures targets for FY22. The program did not report on the rate of re-abuse for individuals on the Developmental Disabilities and Mi Via waivers, is a key indicator for safety.

Budget: $14,371.1 **FTE: 182**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Rate of abuse for Developmental Disability Waiver and Mi Via waiver clients*	12.8%	5.5%	N/A	8%	
Rate of re-abuse for Developmental Disabilities Waiver and Mi Via Waiver clients*	8.5%	6.1%	N/A	Not Reported	
Percent of abuse, neglect, and exploitation investigations completed within required timeframes	82%	96%	86%	95%	G
Percent of (acute and critical care) health facility survey statement of deficiencies (CMS form 2567/state form) distributed to the facility within 10 days of survey exit	75%	71%	85%	63%	R
Percent of nursing home citations upheld as valid when reviewed by the Centers for Medicare and Medicaid Services (CMS) and through informal dispute resolution	86%	90%	90%	90%	G
Percent of (IMB) assigned investigations initiated within required timelines	90%	94%	86%	95%	G
The number of Caregiver Criminal History Screening Appeal Clearance recidivism/re-offense (conviction) after a successful appeal	0	6	12	0	G
Percent of Acute and Continuing Care health facility survey statement of deficiencies distributed to the facility within 10-days of survey exit	82%	82%	85%	86%	G
Program Rating	Y	R			G

Aging and Long Term Services

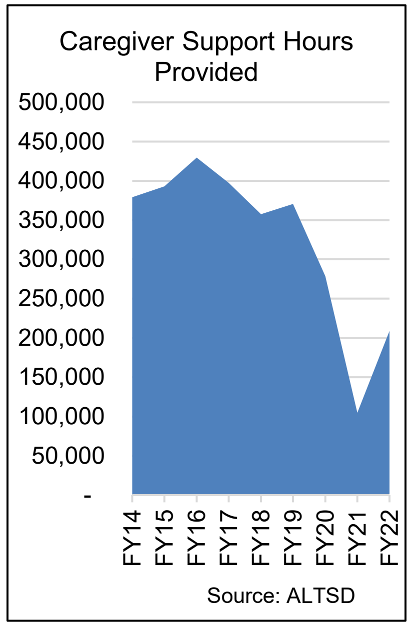
The Aging and Long-Term Services Department (ALTSD) continued to miss a significant portion of its targets at the close of FY22. The department's mission is to serve older adults and adults with disabilities so that they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

ACTION PLAN

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

Comsumer and Elder Rights

During FY21, the Aging and Disability Resource Center (ADRC) began answering calls with a live operator again. During the fourth quarter of FY22, ADRC received 6,899 calls, an average of 110 per day, on trend with the close of FY21 but lower than pre-pandemic levels. During FY22, ADRC operated with an average of 5 FTE to answer calls live, half of budgeted FTE for this purpose. The department reported consistent turnover contributed to the high vacancies and low performance. Additionally, the program is exploring an upgrade to the call system to alleviate the issue of abandoned calls, allowing immediate callbacks instead of calls going to voicemail. The top topics people contact the ADRC include assistance with Medicaid, Medicare, senior centers, and Covid-19.

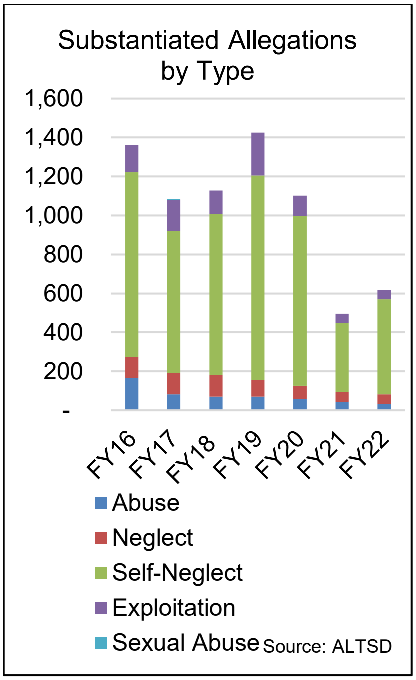


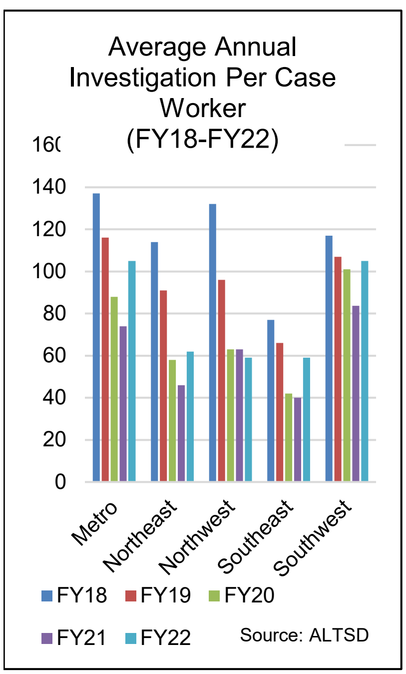
Budget: $5,000.7 **FTE: 48**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator	55%	44%	90%	52%	R
Percent of residents who remained in the community six months following a nursing home care transition	82%	84%	90%	86%	R
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	N/A	99%	80%	81%	G
Percent of facilities visited monthly	N/A	18%	40%	32%	R
Percent of ombudsman complaints resolved within sixty days	100%	93%	97%	99%	G
Program Rating	R	Y			Y

Adult Protective Services

The Adult Protective Services Program (APS) began reporting repeat maltreatment substantiations within six months of a previous substantiation of abuse or neglect in FY21. This performance measure assists the state in assessing the effectiveness of the program in preventing maltreatment. In the fourth quarter of FY22, the program continued to report no instances of repeat maltreatment. Additionally, the program reported an increase in the number of investigations but did not meet targeted performance. The program met the performance target for priority investigations, making face-to-face contact quickly. APS plans to increase





outreach events. Previously, the department was providing outreach through virtual platforms but is now returning to a regionally based outreach approach.

Budget: $13,848.1 **FTE: 128.0**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	5,494	4,355	6,150	5,550	R
Percent of emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	99%	99%	G
Percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	N/A	3.7%	5%	0%	G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	205	132	141	180	G
Percent of contractor referrals in which services were implemented within two weeks of the initial referral	80%	64%	99%	60%	R
Number of referrals made to and enrollments in home care and adult daycare services as a result of an investigation of abuse, neglect, or exploitation.	N/A	89	600	238	R
Percent of priority two investigations in which a caseworker makes initial face to face contact with the alleged victim within prescribed time frames	95%	99%	95%	98%	G
Program Rating	R	Y			Y

Aging Network

The Aging Network did not meet targeted performance for the hours of caregiver support for FY22 and continues to fall below prepandemic levels. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. These services are provided by area agencies on aging, contract providers, and the New Mexico chapter of the Alzheimer's Association. The agency reported the Covid-19 pandemic and executive emergency declarations closed adult daycare centers, and the remaining services were affected by the stay-at-home and social-distancing orders. The department reported the number of hours of caregiver support were 17,503 hours of respite care, 11,862 of adult day care, 15,355 hours of homemakers, and 5,458 hours of other support services. Additionally, the department and the Area Agency on Aging are developing a plan to establish Medicaid funded adult daycare and other services. This could significantly increase both funding resources and services availability of adult daycare services by senior centers statewide.

.**Budget:** $43,415.5 **FTE: 15**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Percent of older New Mexicans receiving congregate, and home delivered meals through Aging Network programs who are assessed with "high" nutritional risk	N/A	16%	15%	15%	G
Number of hours of services provided by senior volunteers, statewide	957,031	607,258	1,700,000	733,910	R

Number of outreach events and activities to identify, contact and provide information about aging network services to potential aging network consumers who may be eligible to access senior services but are not currently accessing those services	N/A	1,135	50	802	G
Number of meals served in congregate, and home delivered meal settings	N/A	5,141,387	4,410,000	4,443,066	G
Number of transportation units provided	N/A	68,180	637,000	136,426	R
Number of hours of caregiver support provided	278,513	104,730	444,000	167,701	R
Program Rating	Y	R			Y

PERFORMANCE REPORT CARD: Fourth Quarter, FY22

Corrections Department

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

Population trends and admissions data suggest inmate population may be stabilizing after falling almost every month for over three years. The total prison population averaged 5,703 in FY22, down 5.7 percent from FY21 and 22.9 percent lower than the population high in FY16. Although the average number of people incarcerated in New Mexico's prisons fell between FY21 and FY22, changes in population trends are usually offset from changes in admission trends due to sentence length. Admissions to prison in FY22 increased for the first time since FY15, rising 2 percent compared with FY21. A total of 2,409 people were admitted to prison over the course of the year, including 2,076 men and 333 women. This increase was driven by new convictions, which rose 11 percent compared with FY21 and made up 60 percent of total admissions compared with 55 percent in FY21.

Inmate Management and Control

Recidivism. The overall three-year recidivism rate of offenders released from NMCD's custody decreased 7 percentage points between FY21 and FY22, with the fourth quarter marking the sixth consecutive quarter of improvement in this crucial area. Recidivism due to new offenses remained relatively stable between FY21 and FY22, while recidivism due to technical parole violations fell 6 percentage points over the same period. Reduced recidivism aligns with the reduction in prison admissions due to parole revocations, which fell 13 percent in FY22 compared with FY21, and went from comprising 41 percent of total admissions in FY21 to 35 percent in FY22.

Improved recidivism rates may reflect improved reentry programming, but other factors upstream in the criminal justice system, such as arrests, could also impact recidivism. Despite meeting the target for overall recidivism, the measure's rating remains yellow due to a lack of historical data with which to compare current results (see Data Quality Concerns on page 2).

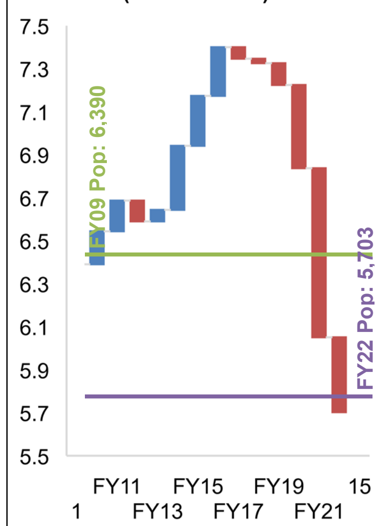
Staffing. Public and private correctional officer vacancies remain high, at 29 percent and 32 percent, respectively, for FY22. The Penitentiary of New Mexico (PNM) drives public correctional officer vacancies, with an average of about 100 correctional officer positions unfilled during the course of FY22. As of June 1, 111 correctional officer positions at PNM were vacant.

Guadalupe County Correctional Facility (GCCF) in Santa Rosa and Northeast New Mexico Correctional Facility (NENMCF) in Clayton continue to operate at

ACTION PLAN

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

Change in Prison Population
FY09 to FY22
(in thousands)

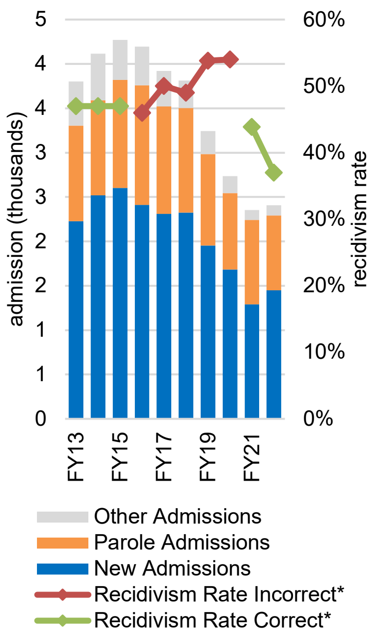


Source: Sentencing Commission

Population Projection

The Sentencing Commission's July 2022 prison population projection anticipates total prison populations will average 5,513 over the course of FY23, a 3.3 percent drop from FY22's average population of 5,703. This reduction is projected due to falling male inmate populations, which the commission estimates will fall 4 percent between FY22 and FY23; female populations are projected fall an average of 1.1 percent between FY22 and FY23, but the commission anticipates female prison populations will rise during the course of FY23.

Prison Admissions and Recidivism Rates



*NMCD has reported overall recidivism was calculated incorrectly between FY16 and FY20, but has not provided corrected numbers (see Data Quality Concerns, below).

Source: NMCD, Sentencing Commission, LFC files

half capacity due to vacancies among custody staff. Last spring, high vacancies among correctional officers at GCCF prompted NMCD to reduce the inmate population at that facility to less than half its capacity, and as vacancy rates among correctional officers at NENMCF began to increase significantly this fall, the agency similarly reduced the population housed at that facility to under half capacity. While GCCF has seen improvements in vacancies over the past six months, with rates falling from 58 percent in December to 53 percent in June, NENMCF has seen a significant increase in vacancies over the course of the year, rising from 33 percent in July to 49 percent in June. As of August 31, GCCF housed 240 inmates (40 percent of its 600-bed capacity) and NENMCF housed 277 inmates (44 percent of its 628-bed capacity).

Central New Mexico Correctional Facility (CNMCF) in Los Lunas and Southern New Mexico Correctional Facility (SNMCF) in Las Cruces had the lowest vacancies this year, averaging 22 percent over the course of FY22. CNMCF's low vacancy rate is a result of the transfer of 93 vacant positions to GCCF and WNMCF-S when NMCD took over operations of those facilities in November, and CNMCF employed 28 fewer officers in June than at the beginning of FY22. Due to its location, SNMCF has generally not struggled with vacancies to the same degree as other facilities, although it is worth noting it lost a net 27 officers over the course of the year.

In-House Parole. NMCD's reporting on release-eligible inmates imprisoned past their release dates (those serving "in-house parole") continues to not comply with guidance from DFA and LFC (see Data Quality Concerns, below). The number of in-house parolees decreased by an estimated 8 percent between FY21 and FY22, but the second half of FY22 saw significant increases, with an average of approximately 92 in-house parolees in the fourth quarter. These levels have since decreased, from 96 on July 15 to 76 on August 31.

Health. Drug use among inmates rose significantly in FY22 compared with FY21, with the positivity rate of randomly-administered drug tests averaging 3.2

Data Quality Concerns

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

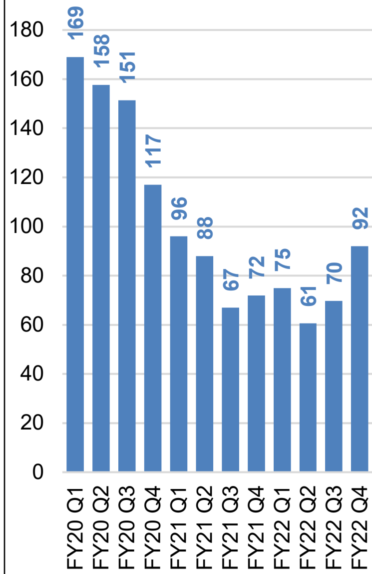
Measure(s)	Issue(s)
Prisoners reincarcerated within 36 months	In the first quarter of FY21, NMCD reported its overall three-year recidivism rate had been reported incorrectly since 2016 due to a database error that erroneously counted all intakes to the parole system as prison admissions for purposes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

percent. This reverses three years of reduced drug use, with test positivity rates falling from 3.9 percent in FY18 to 2 percent in FY21. However, the positivity rate did see a significant drop in the fourth quarter of FY22, with just 1.7 percent of inmates testing positive, a rate more in line with FY21.

In FY22, NMCD treated 649 inmates for hepatitis C with a treatment success rate of at least 80 percent, bringing the total number of inmates treated since the agency began its concentrated effort to eliminate the disease from prisons to 929, about 30 percent of the total infected population housed in New Mexico's prisons. The department has expended $15.3 million of the total $22 million appropriated for this purpose, as well as $5.2 million from its operating budget. During the 2022 legislative session, the special appropriation was extended through FY23. Based on current treatment rates, it may be necessary to extend the appropriation for an additional one to two years to fully complete the project.

As of September 1, there were no active Covid-19 cases reported in New Mexico's prisons. Overall, the agency reported a total of 4,104 positive cases, 4,030 recoveries, and 29 deaths over the course of the pandemic. However, as these numbers have not changed in the past three months, it is not clear if inmates have continued to be tested for Covid-19. The largest number of positive cases were at Lea County Correctional Facility, the facility with the largest prison population, while 12 of the 29 deaths were at CNMCF, which houses inmates in need of serious and long-term medical care.

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

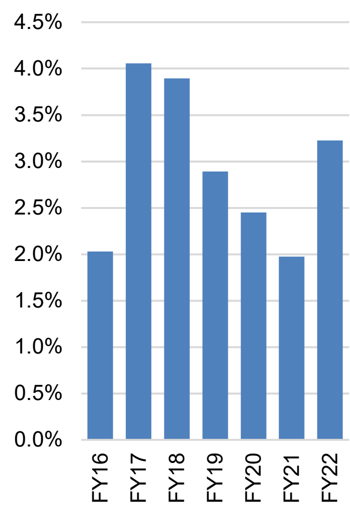


Source: NMCD, LFC files

Budget: $297,755.7 **FTE:** 1,941

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Recidivism					
Prisoners reincarcerated within 36 months[1]	54%	44%	42%	37%	Y
Prisoners reincarcerated within 36 months due to new charges or pending charges	12%	14%	15%	14%	G
Sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	2%	6%	3%	1%	G
Residential drug abuse program graduates reincarcerated within 36 months of release*	21%	22%	N/A	22%	
Prison Violence					
Inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	31	6	15	4	G
Inmate-on-staff assaults resulting in injury requiring off-site medical treatment.	7	3	0	4	R
In-House Parole					
Release-eligible female inmates still incarcerated past their scheduled release date[2]	7.7%	0.6%	6%	1.3%	R
Release-eligible male inmates still incarcerated past their scheduled release date[1]	6.4%	1.4%	6%	1.4%	Y
Staffing					
Vacancy rate of correctional officers in public facilities	31%	27%	20%	29%	R
Vacancy rate of correctional officers in private facilities	46%	25%	20%	32%	R
Education					
Eligible inmates enrolled in educational, cognitive, vocational and college programs	62%	41%	68%	45%	R
Participating inmates who have completed adult basic education*[3]	77%	9.7%	N/A	7.7%	
Percent of eligible inmates who earn a high school equivalency credential[3]	77%	9.7%	80%	7.7%	R

Inmate Drug Test Positivity Rate



Source: NMCD

Education and Programming

Inmate participation in educational, cognitive, vocational, and college programs fell well below the target in FY22. The number of inmates who earned a high school equivalency certificate dropped 31 percent compared with FY21, which may reflect a lagging effect of reduced instructional time during the pandemic.

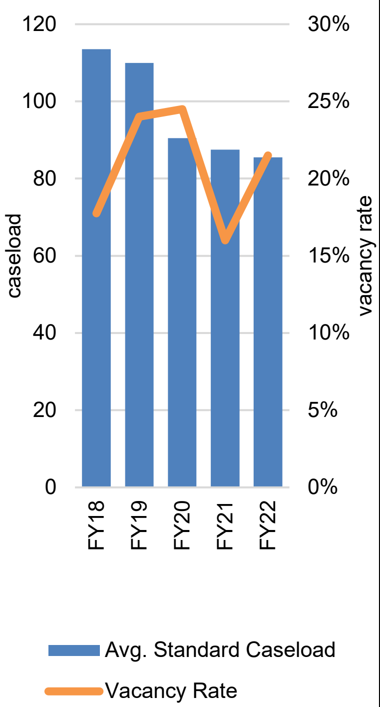
Budget: $297,755.7 **FTE:** 1,941

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Number of inmates who earn a high school equivalency credential	134	118	150	82	R
Health					
Standard healthcare requirements met by medical contract vendor	87%	90%	100%	95%	Y
Random monthly drug tests administered to at least 10 percent of the inmate population that tests positive for drug use*	2.5%	2%	N/A	3.2%	
Program Rating	R	R			R

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

Community Offender Management

Probation and Parole Vacancies and Caseloads



Source: NMCD

Staffing. Vacancy rates among probation and parole officers averaged 22 percent over the course of FY22, with the fourth quarter representing the sixth quarter in a row in which NMCD has reported an increase in vacancies for these positions. Although vacancies have risen 6 percentage points compared with FY21, they have not yet reached the 25 percent average vacancy rate in FY20. Still, these data suggest the dramatic improvement in vacancies in FY21 (over which vacancy rates averaged 16 percent) may be reversing. The agency attributes rising vacancies to retirements and attrition to other law enforcement agencies that offer significantly higher salaries, such as the Albuquerque Police Department and federal law enforcement agencies.

Recovery Academies. In FY22, recidivism at both the men's and women's recovery academies showed significant improvement over FY21, with the men's recidivism rate falling 10 percentage points and the women's falling 9 percentage points, and both measures achieved their targets. However, a sharp increase at the women's academy in the fourth quarter is notable and concerning, with recidivism almost doubling between the third and fourth quarters, from 15 percent to 29 percent. This comes after four consecutive quarters of improvement, which NMCD credited to the initiation of new, evidence-based programs, including trauma-informed programming specifically intended for women.

Budget: $41,576.0 **FTE:** 378

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Prisoners reincarcerated within 36 months due to technical parole violations[1]	13%	30%	15%	24%	R
Graduates from the women's recovery center who are reincarcerated within 36 months	25%	27%	20%	18%	G
Graduates from the men's recovery center who are reincarcerated within 36 months	23%	28%	20%	18%	G
Average standard caseload per probation and parole officer	91	88	100	86	G
Contacts per month made with high-risk offenders in the community	96%	94%	97%	97%	G
Vacancy rate of probation and parole officers	25%	16%	20%	22%	R
Program Rating	R	R			Y

1. Measure has outstanding reporting issues; see Data Quality Concerns on page 2.

PERFORMANCE REPORT CARD: Fourth Quarter, FY22
Department of Public Safety

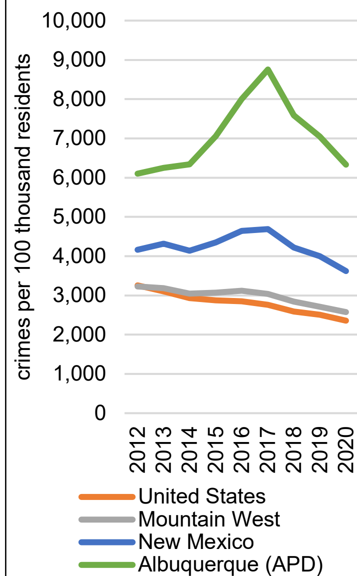
ACTION PLAN

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

Albuquerque drives New Mexico's high violent crime rates, making up almost half the state's violent crimes despite comprising only about a quarter of the state's population. Concerns over crime in Albuquerque were a focus of the 2022 legislative session, with data from the Albuquerque Police Department (APD) indicating increases in violent crime in 2021, including a record number of homicides.

New Mexico's policymakers are often forced to make decisions without the benefit of timely data on statewide crime trends. The Department of Public Safety (DPS) is in the midst of a multi-year transition to the new National Incident-Based Reporting System (NIBRS), which should allow it to provide more timely and comprehensive data, but in July, 51 of 115 law enforcement agencies were not reporting to NIBRS, including the two largest agencies in the state, APD and the New Mexico State Police (NMSP). Delays in DPS's implementation of a new records management system create further delays in NMSP's reporting.

New Mexico and Albuquerque Crime Rates vs. Regional and National Trends



Source: FBI, U.S. Census Bureau

Law Enforcement

Operations. In FY22, NMSP conducted 22 percent more DWI checkpoints than in FY21, and although the agency fell slightly short of its target, it did see improved results as DWI arrests rose 14 percent compared with last year. This aligns with preliminary data from the Department of Transportation showing alcohol-involved traffic fatalities are up about 18 percent compared with FY21. However, enforcement and arrests are not always clearly correlated; for example, in the fourth quarter of FY22, saturation patrols increased 32 percent compared with the third quarter but DWI arrests fell 32 percent. Notably, DWI arrests have fallen substantially over the past five years, with arrests in FY22 down 44 percent compared with FY18.

State police arrests fell 7 percent overall in FY22, with misdemeanor arrests down 17 percent and felonies down 26 percent; however, 14 percent of total arrests were not classified as either felony or misdemeanor at the time of reporting.

DPS substantially exceeded its target for the number of commercial vehicle safety inspections conducted in FY22, with 35 percent more inspections completed this year than in FY21. State police issued 17.7 thousand commercial motor vehicle citations in FY22, about 17 percent of the total number of inspections conducted, in line with the average of 19 percent between FY18 and FY21.

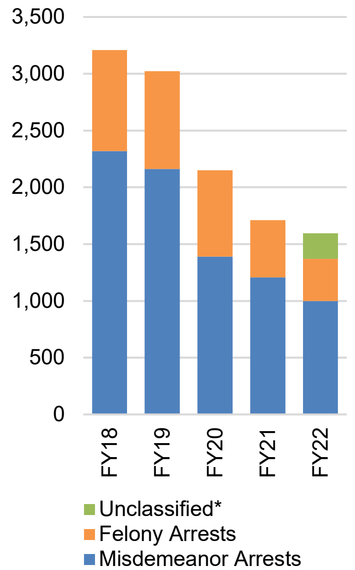
State Police FY22 Stats

88%	homicide clearance rate
6,804	cases investigated
1,494	felony arrests
3,992	misdemeanor arrests
108	crime scenes investigated
329	stolen vehicles recovered

Manpower. DPS reported the state police force comprised a total of 636 commissioned state police officers at the close of FY22, a vacancy rate of about 12 percent. In the fourth quarter, 30 officers graduated from recruit and lateral schools, increasing the force by a net of 18 officers compared with the third quarter. NMSP force strength averaged 635 over the course of FY22, its lowest levels since prior to FY16 and 5 percent lower than FY21.

The 2022 GAA provided $2 million for NMSP to expand its recruit and lateral schools beginning in FY23, which will be necessary to combat unusually large

Average Quarterly NMSP Arrests
FY18 to FY22



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

Source: DPS

State Police Force Strength

Fiscal Year	Recruit and Lateral Officer Hires	Total Force Strength*
FY18	60	665
FY19	47	662
FY20	52	674
FY21	22	656
FY22	46	636

*Reflects force strength at the close of the fiscal year.

Source: Department of Public Safety

retirement rates. A record 46 officers retired in FY22, more than double the retirements in FY21 and 140 percent more than the average 19 retirements between FY16 and FY21.

The Legislature also made significant investments to retain high-quality law enforcement officers, including almost $9 million to provide pay increases to NMSP officers. Overall, state police officers, sergeants, lieutenants, and captains received 15 percent raises while majors and deputy chiefs received 14 percent raises in July. Eligible officers, sergeants, and lieutenants also received one-step increases. In June, DPS also used its vacancy savings to provide $1,700 one-time retention stipends to all officers in June.

DPS and the Legislature have also targeted high vacancy rates among dispatchers and transportation inspectors, providing pay increases for these positions in FY21 and FY22. Vacancy rates among transportation inspectors fell from almost 30 percent in FY20 and FY22 to about 11 percent in FY22. However, vacancies among dispatchers rose significantly despite these pay increases, from about 25 percent in FY21 to 37 percent in FY22. For FY23, the Legislature provided funds for 19.5 percent pay increases for transportation inspectors and 18.4 percent increases for dispatchers, which the department implemented in July.

Budget: $130,229.2 **FTE:** 1,093.3

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
DWI checkpoints conducted	123	231	150	188	G
DWI saturation patrols conducted	1,933	2,290	3,000	2,805	Y
Commercial motor vehicle safety inspections conducted	68,378	76,269	90,000	102,972	G
Misdemeanor and felony arrests*	New	6,844	N/A	6,375	
DWI arrests*	1,647	1,272	N/A	1,450	
Commissioned state police officer vacancy rate*	New	8.7%	N/A	12.1%	
Commissioned state police officer turnover rate*	New	6.44	N/A	10.87	
Graduation rate of the New Mexico State Police recruit school*	New	71%	N/A	53.6%	
Program Rating	G	Y			G

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

Statewide Law Enforcement Support

Forensic Laboratory. During the course of FY22, the forensic laboratory completed analysis on 31 percent more cases than in FY21, while the total number of cases received for analysis fell 2 percent. Overall, the laboratory's outstanding case backlog fell by almost 2,000 cases, or 29 percent, between the end of FY21 and FY22, to almost 4,900 cases outstanding at the close of FY22. The reduction in backlog was largely driven by the Chemistry Unit, which received 2 percent fewer cases in FY22 than in FY21 and completed 39 percent more. This unit filled one of its vacant positions in May. Additionally, the Latent Print Unit has almost eliminated its backlog, with just seven cases outstanding at the end of FY22. This unit filled one of its two vacant positions in March.

The Firearm and Toolmark Unit received 40 percent fewer cases in the fourth quarter of FY22 than in the third, allowing it to reduce its case backlog. Although it did not reach its target for FY22, the unit completed 90 percent more cases than it did in FY21. The unit is now fully staffed, and one of its staff members will be beginning to work independently in the first quarter of FY23. The Biology Unit completed 2 percent more cases in FY22 than in FY21; however, the unit received 8 percent more cases and completed 88 percent of cases it received this year.

Department of Public Safety
FY22 Q4 Forensic Cases Received and Completed

Unit	Cases Received	Cases Completed	Completion Rate	Pending Cases	Scientist/ Technician Vacancy Rate
Firearm and Toolmark	175	219	125%	1,844	0%
Latent Print	86	96	112%	7	17%
Chemistry	1,230	1,495	122%	1,387	28%
Biology	477	427	90%	1,659	27%

Source: DPS, State Personnel Office organizational listing report

The vacancy rate among forensic scientists and technicians rose about 2 percentage points in FY22 compared with FY21, with an overall vacancy rate averaging 25 percent. While vacancies have historically impacted the laboratory's productivity, turnover also significantly affects case completions, as new scientists may require extensive training before they can be as productive as more experienced staff. Retention is therefore a high priority for the laboratory. Almost $600 thousand in recurring general fund appropriations in the GAA support reducing laboratory backlogs by adding support staff and increasing forensic scientist and technician compensation. The agency plans to add higher level forensic scientist positions, providing more options for career advancement among laboratory staff and improving retention.

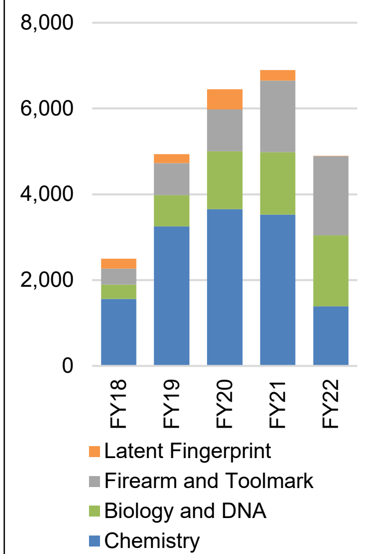
Law Enforcement Academy Board. After carrying a backlog of complaint cases in FY19 and FY20, in FY21 and FY22 the Law Enforcement Academy Board began cutting down on this backlog, and at the close of FY22, 44 cases were outstanding. Although it did not meet in the third quarter, the board met twice in June to adjudicate misconduct cases. Significant changes to law enforcement officer training and certification are set to take place in FY24 under legislation passed during the 2022 session.

Budget: $22,253.2 **FTE:** 161.0

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Forensic firearm and toolmark cases completed	80%	37%	100%	81%	Y
Forensic latent fingerprint cases completed	65%	150%	100%	155%	G
Forensic chemistry cases completed	93%	103%	100%	146%	G
Forensic biology and DNA cases completed	73%	93%	100%	88%	Y
Forensic scientist and forensic technician vacancy rate*	New	22.9%	N/A	25%	
Complaint cases reviewed and adjudicated by the New Mexico Law Enforcement Academy Board* [1]	43%	194%	N/A	130%	
Program Rating	Y	G			G

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

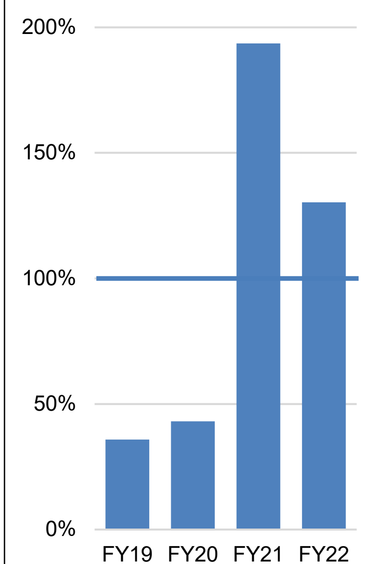
Forensic Laboratory Backlog



Note: Backlog is as of the close of the fiscal year for FY18 - FY22.

Source: DPS, LFC files

Percent of Complaint Cases Adjudicated



Source: DPS

Courts and Justice

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

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

Courts

Administrative Support. In FY22, the judiciary maintained a "clearance rate" above 100 percent, indicating courts are working to clear dockets more quickly than cases pile up. However, New Mexico courts continue to lag in providing timely justice, a key aspect of a functional judicial system, with the average time to disposition for criminal cases in district courts at 259 days, and the average age of pending cases at 524 days (the highest in three years) in FY22. Magistrate and metropolitan courts performed better than district courts for days to disposition in criminal cases, bringing the combined average below the target.

The average cost per juror rose, and while jury trails increased slightly year over year, courts still held only 60 percent of the trials held pre-pandemic in FY22. More than two years after the start of the public health emergency, the judiciary must better manage the cost of holding in-person trials in compliance with internal public health policies. The average interpreter cost per session remains below the target, but agency analysts warn the figure may be artificially low due to the continued low number of court hearings.

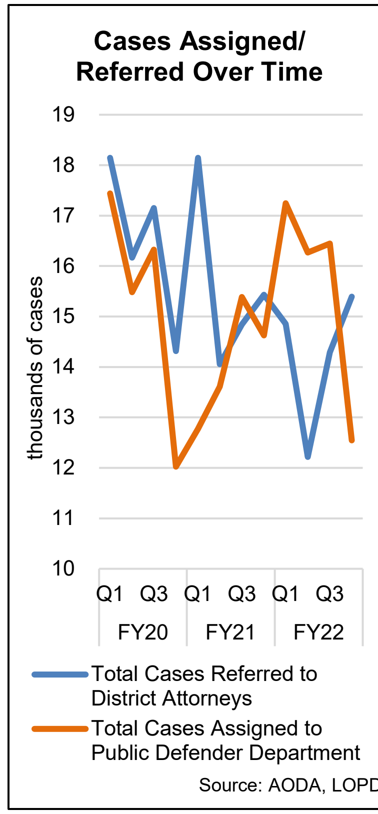
Budget: $15,305.2 **FTE:** 49.25

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Average cost per juror	$49.2	$54.8	$55.0	$56.4	G
Number of jury trials for metro, district, and statewide courts*	725	517	N/A	574	
Average interpreter cost per session	$117.1	$63.4	$150.0	$64.1	G
Age of active pending criminal cases for district, magistrate, and metropolitan courts, in days	NEW	364	180	524	R
Days to disposition in criminal cases in district and magistrate courts	NEW	207	180	145	Y
Cases disposed as a percent of cases filed	123%	135%	100%	101%	G
Program Rating	Y	Y			Y

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

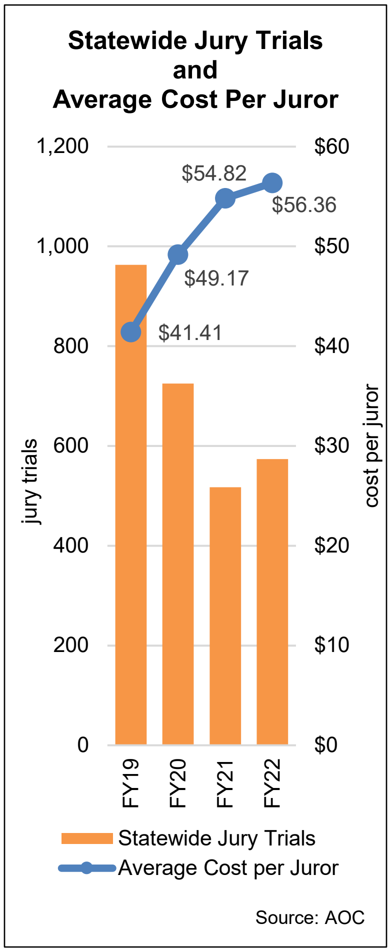
ACTION PLAN

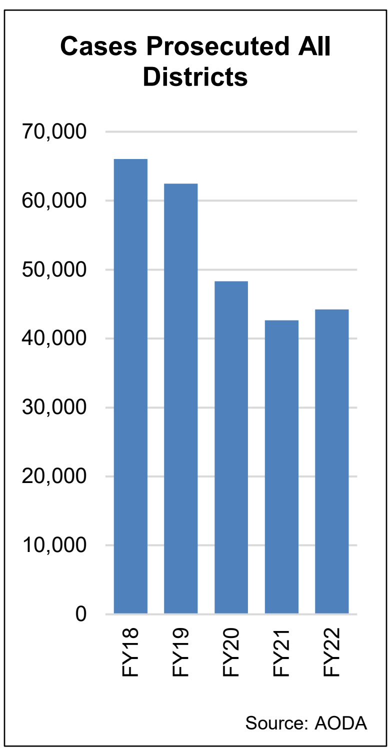
Submitted by agency?	PDD Only
Timeline assigned?	No
Responsibility assigned?	No



Warrants

AOC reports 206.3 thousand active warrants related to 185.5 thousand defendants as of September 6, with the number of defendants with outstanding warrants equal to almost 9 percent of the state's total population. The majority of these outstanding warrants are for failure to appear (40.2 percent) or bench warrants (40.1 percent), while almost 10 percent of warrants are nonarrestable parking warrants. Of the active warrants, almost 27 percent were issued at least 20 years ago, with the oldest active warrant over 50 years old.





Special Court Services. The Legislature has prioritized treatment courts in the last five years, and AOC reported specialty court outcomes quarterly for the first time in several years, in part due to new drug court reporting software funded by the Legislature. The agency also voluntarily reported enrollment in drug and DWI court programs, with 496 defendants referred to the programs in FY22, compared to 328 in FY21. Even with increased enrollment, cost per client for drug court participants continued to increase in FY22.

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

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Cases to which CASA volunteers are assigned*	1050	2,430	N/A	1,448	
Monthly supervised child visitations and exchanges conducted	11,412	11,211	N/A	12,012	G
Average time to completed disposition in abuse and neglect cases, in days.*	124	161	N/A	148	
Recidivism rate for drug-court participant	18.4%	10.4%	12.0%	14%	Y
Recidivism rate for DWI-court participants	7.1%	7.6%	10.0%	6.1%	G
Graduation rate for drug-court participants*	59.3%	61.0%	N/A	59.2%	R
Graduation rate for DWI-court participants*	80.9%	79.0%	N/A	89.5%	G
Cost per client per day for all drug-court participants*	$25.4	$28.8	N/A	$37.10	
Program Rating	Y	R			G

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

Statewide Judiciary Automation. AOC began reporting on new measures for the first quarter of FY20 to better gauge the success of the Statewide Judiciary Automation Program. Previous targets, which measured call times in hours regardless of difficulty, were unattainable, however, AOC has surpassed the target (now measured in days) two consecutive years, indicating a need to adjust the target.

Budget: $11,564.3 **FTE:** 12

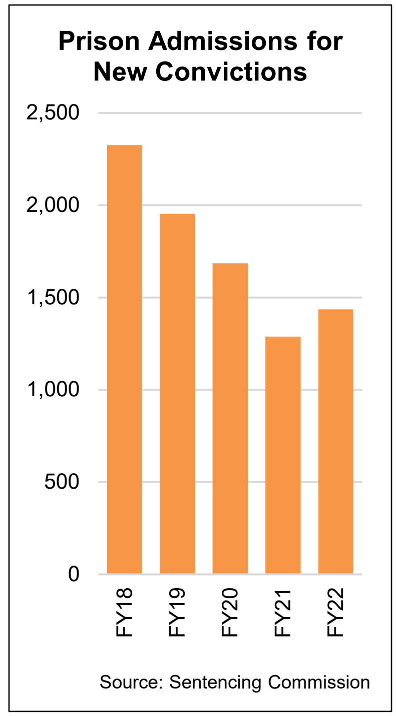
	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Average time to resolve calls for assistance, in days	0.6	0.5	5	.02	G
Program Rating	G	G			G

District Attorneys

Performance measures for district attorneys' offices that examine elements of the agencies' work outside of prosecution, such as pretrial detention motions and referrals to alternative sentencing treatments, are reported inconsistently by different agencies, making it difficult to track these important metrics related to criminal justice reform implementation.

Attorney workload for nearly every district continues to fall below pre-pandemic levels, and no single prosecution office had an average new caseload at or above the FY22 target of 170 cases per attorney with the exception of the 11th (Div. II), which faces persistent attorney vacancies. However, the Administrative Office of the District Attorneys reports many offices face constraints due to an insufficient number of attorneys.

The 2022 GAA provides funding to provide targeted increases for all attorneys employed by district attorneys' offices, including 3.5 percent for attorneys in urban areas and 6.5 percent for those in rural areas. These increases are not mandated and are in addition to the 7 percent statewide employee compensation package.



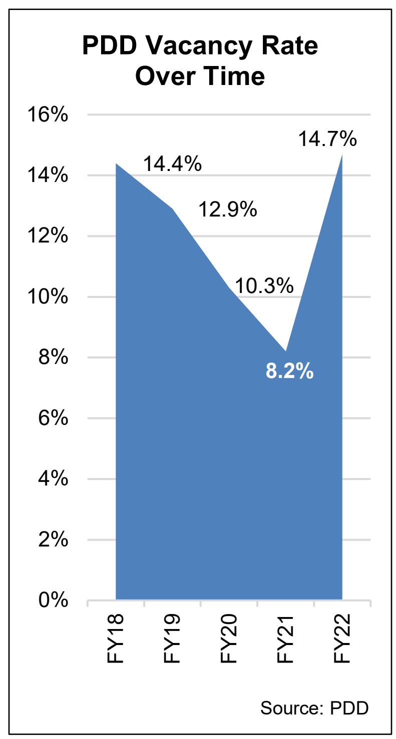
Budget: $188,605.5 **FTE:** 305

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Average cases added to attorney caseload	264	205	170	92	G
Number of cases referred for screening*	73,256	73,386	N/A	59,063	
1st District	5,888	4,985	N/A	4,105	
2nd District	24,859	21,806	N/A	16,434	
3rd District	1,878	5,244	N/A	5,174	
4th District	1,888	1,734	N/A	1,914	
5th District	7,510	7,163	N/A	6,147	
6th District	2,737	2,621	N/A	2,593	
7th District	2,107	1,747	N/A	1,796	
8th District	2,005	1,758	N/A	1,683	
9th District	3,150	2,840	N/A	2,412	
10th District	902	670	N/A	683	
11th Division I.	5,298	5,128	N/A	5,133	
11th District Div. II	2,603	2,279	N/A	2,172	
12th District	2,936	2,850	N/A	2,678	
13th District	5,803	5,647	N/A	6,139	
Average cases referred into pre-prosecution diversion programs*	92	84	N/A	77	
Program Rating	Y	R			G

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

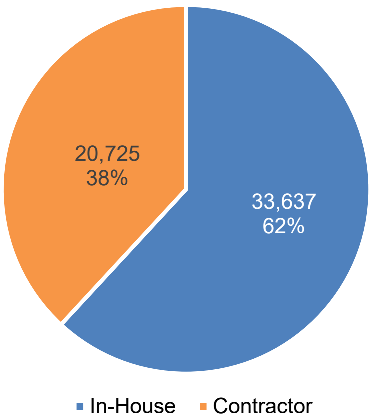
Public Defender

Like other criminal justice partners, the Public Defender Department (PDD) has difficulties recruiting and retaining legal professionals in rural areas. PDD implemented geographical pay differentials and expanded recruitment tactics (a strategy the district attorneys have since adopted) which decreased the agency's historically high vacancy rate and reduced attorney caseloads. However, labor constraints felt by much of the state throughout the pandemic once again brought vacancy rates to double digits in FY22. The department reports losing a total of 65 attorneys in FY22, which it attributes to increased workloads, low pay, and competition within state agencies as courts and district attorney offices ramp up hiring efforts.



The FY23 budget provides a 9.5 percent recurring increase for PDD, which includes $200 thousand for targeted compensation increases and $415 thousand to increase pay for rural contract attorneys. The department will need to revamp recruitment initiatives to retain existing attorneys and recruit new staff the Legislature funded for FY23.

FY22 PDD Cases Opened



Source: PDD

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

PDD currently does not require contract attorneys to regularly close cases in the case management system, likely resulting in underreporting. This may contribute to poor outcomes for contract attorneys, but the agency also notes low base rates result in attorneys dedicating limited time to cases, also leading to poor outcomes. PDD began a pilot program in 2019 to compensate contract attorneys hourly on designated cases, receiving additional funds in the 2020 legislative session and flexibility to use funds for the same purpose. Many of the early pilot cases have been resolved (with just three outstanding cases likely to resolve in FY23), and should provide data linking the compensation rate for contract attorneys and case outcomes. This data will be critical to the agency, as 18 counties with no public defender office rely solely on contract attorneys.

Budget: $55,488 **FTE:** 439

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	63%	48%	70%	44%	R
In-house attorneys	78%	51%	70%	45%	R
Contract attorneys	21%	40%	70%	41%	R
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	8,003	6,312	5,000	7,090	G
In-house attorneys	6,956	4,570	4,000	5,333	G
Contract attorneys	1,047	1,742	1,000	1,837	G
Cases assigned to contract attorneys*	35%	36%	N/A	34%	
Average time to disposition for felonies, in days*	269	295	N/A	336	
In-house attorneys*	247	270	N/A	308	
Contract attorneys*	290	320	N/A	363	
Cases opened by Public Defender Department *	61,294	56,403	N/A	54,362	
In-house attorneys*	40,074	35,993	N/A	33,637	
Contract attorneys*	21,220	20,410	N/A	20,725	
Program Rating	G	G			Y

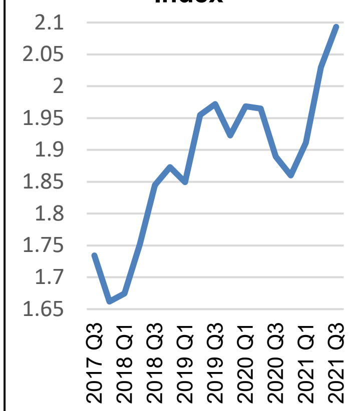
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD: Fourth Quarter, FY22
Department of Transportation

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

ACTION PLAN

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



Source: Federal Highway Administration

Project Design and Construction

To judge the performance of the department's project planning and execution, measures covering the ability of the department to plan and complete projects on-time and within budget are tracked. The department has significantly improved its ability to put projects out to bid as scheduled. Including re-bid projects, NMDOT scheduled 11 projects for letting in the fourth quarter; 10 projects were put out to bid, although 3 projects received no bids, which is not reflected in department statistics. The department let 39 projects in FY22, for a year end total of 98 percent of projects bid as scheduled, improving significantly from prior year performance. Although construction costs continue to climb, cost overruns remain below the target of 3 percent; with construction projects closing in the third quarter over budget by $3.4 million.

On-time project completions recovered in the fourth quarter, with all ten projects completing on time, up from 77 percent in the third quarter. The year-end result of 91 percent meets, but global supply chain issues and increases in the number of construction projects generally may continue pose operational challenges for the department in FY23.

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

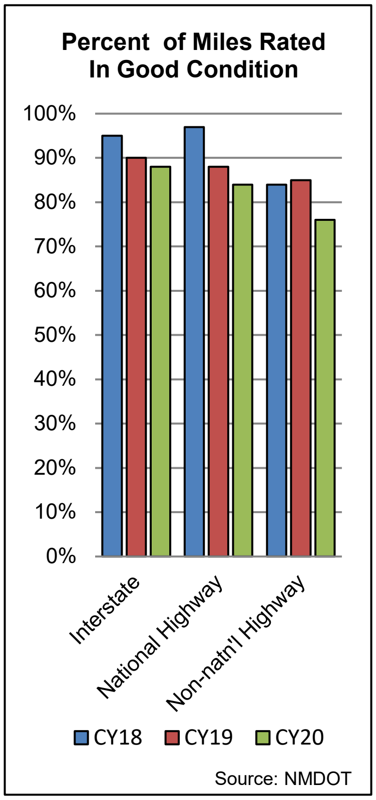
Budget: $613,837.9 **FTE: 368**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Projects put out for bid as scheduled	75%	77%	67%	98%	G
Projects completed according to schedule	92%	94%	88%	91%	G
Final cost-over-bid amount on highway construction projects	1%	1.8%	3.0%	1.2%	G
Program Rating	G	G			G

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

Highway Operations

For FY22, the department substantially surpassed the FY22 target for roadway preservation. Overall, the number of bridges rated in poor condition remains below target; in future years the department will have access to additional federal and state funds to remediate the 4 percent of bridges currently listed in poor condition.



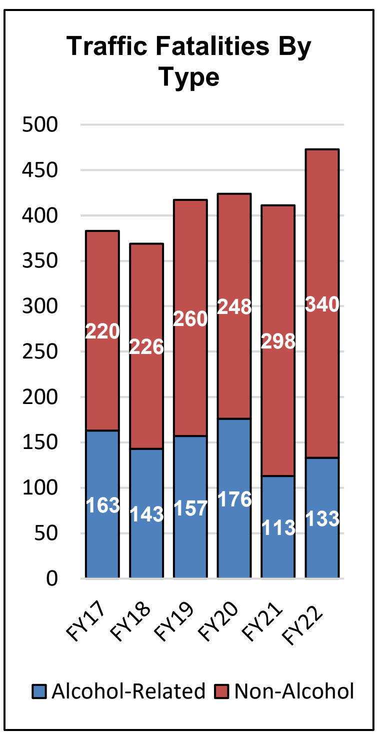
Budget: $277,882.6 **FTE: 1,829.7**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Statewide pavement miles preserved	3,970	3,852	3,000	4,373	G
Bridges in fair condition or better, based on deck area	96%	96%	90%	96%	G
Program Rating	G	G			G

DOT assesses all New Mexico roads each calendar year using a Pavement Condition Rating (PCR) score to measure roadway condition. For calendar year 2020, road condition data show New Mexico roadways deteriorated significantly from the prior year with lane miles in deficient condition increasing 54 percent year-over-year.

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

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



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

Modal

Nationwide, traffic fatalities have increased, with federal data indicating more traffic fatalities in 2021 than in any year since 2005. NMDOT data reflects this increase. Total fatalities surpassed levels seen in FY20 and FY21, 30 percent over the target amount. Alcohol-related fatalities surpassed the target by a lower rate and remain below FY20 levels. Pedestrian fatalities and unbelted fatalities remain persistently high. Recently, NMDOT began a public awareness campaign in a effort to reduce pedestrian fatalities

The state's Park and Ride program continues to lag prior ridership levels, with fourth quarter ridership of 29.6 thousand, still roughly half the fourth quarter ridership from 2019 and less than half of the target level. However, year-over-year ridership nearly doubled, from 16.3 thousand in FY21. Improvements in New Mexico Rail Runner ridership has been higher, driven by 75 percent fare discounts and record high gas prices. The train saw ridership of 104.2 thousand in the fourth quarter, or about 74 percent of FY19 levels.

Budget: $77,875.2 **FTE: 126**

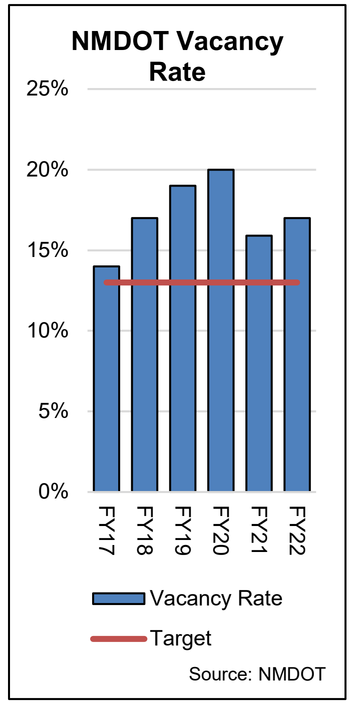
	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Traffic fatalities	424	411	<357	464	R
Alcohol-related traffic fatalities	176	113	<125	133	Y
Non-alcohol-related traffic fatalities	248	298	<232	340	R
Occupants not wearing seatbelts in traffic fatalities	158	171	<133	190	R
Pedestrian fatalities	83	76	<72	105	R
Riders on park and ride, in thousands	175	53.6	235	100.4	R
Riders on rail runner, in thousands*	516	40.9	N/A	317.2	
Program Rating	R	R			R

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

Program Support

The department notes continued difficulty in recruiting employees due to the tight job market and strong private sector competition for engineers and other qualified professional. However, the department continues to maintain a vacancy rate lower than the overall rate for state government. Additionally, the department recently began a recruitment campaign to lower vacancy rates and improve service levels.

Department efforts to related to employee safety have minimized injuries. Although incidents remain at roughly half of the target, there was a slight uptick in reported injuries versus FY21. The increase could be related to higher exposure as maintenance and construction activity picks up.



Budget: $43,856.7 **FTE: 252.8**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Vacancy rate in all programs	20.4%	15.9%	13.0%	17%	Y
Employee injuries	54	35	90	45	G
Percent of invoices paid within 30 days	93%	93%	90%	93%	G
Employee injuries occurring in work zones	13	11	35	17	G
Program Rating	G	G			G

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

Department of Transportation Special Appropriations

In the fourth quarter NMDOT expended $52 million from special transportation appropriations, with nearly 60 percent of appropriations made before the end of FY21 spent. However, less than half of 2019 appropriations for major investment projects (MIPs)—large investments designed to expand capacity or significantly improve existing infrastructure—has been spent, though the department has committed nearly all of the funds to specific projects that are currently under construction. The department was given 5 years to spend these funds, which will revert at the end of FY24. From 2019 through 2022, the Legislature has funded 80 major investment projects across the state. A list of ten select major investment projects and project status is attached.

Projects planned but not yet awarded are not included on this tracking sheet. The department has programmed $90.5 million in funding from the 2021 special session and $107.9 million from the 2022 session for specific projects, as shown in the attached project sheet. In the fourth quarter, the department awarded $7.3 million for essential air service and $6.6 million for five rural airports. Additionally, the department has released a draft plan for the build out of electric vehicle charging infrastructure. So far, $2.7 million in state funds have been awarded to purchase electric vehicle charging stations.

Special Transportation Appropriations, 2019 to 2022

Expenditures and Encumbrances through June 2022

Year	Type	Appropriation	Expended	Encumbered	Spent in Q4	Percent Expended	Reversion Date
2019	for state roads, MIPS	$175,000,000	$91,577,746	$66,305,984	$11,952,881	52%	6/30/2024
2019	for state roads, maintenance	$100,000,000	$96,912,077	$2,338,486	$2,549,732	97%	6/30/2024
2019	for local roads	$50,000,000	$47,347,109	$788,051	$1,670,545	95%	6/30/2024
	Subtotal: 2019	**$325,000,000**	**$235,836,933**	**$69,432,520**	**$16,173,158**	**73%**	**6/30/2024**
2020	for state roads, maintenance/MIPS	$135,000,000	$129,036,018	$4,386,972	$5,243,641	96%	6/30/2023
	Subtotal: 2020	**$135,000,000**	**$129,036,018**	**$4,386,972**	**$5,243,641**	**96%**	**6/30/2023**
2021	for state roads, MIPS	$170,000,000	$47,157,477	$13,869,690	$14,393,362	28%	6/30/2025
2021	for local roads	$121,000,000	$36,342,484	$69,518,963	$17,593,758	30%	6/30/2025
2021	for essential air service	$9,000,000	$0	$7,300,000	$0	0%	
	Subtotal: 2021	**$300,000,000**	**$83,499,962**	**$90,688,653**	**$31,987,121**	**28%**	**6/30/2025**
2021 Sp.	for state roads, MIPS	$142,500,000	$0	$0	$0	0%	6/30/2025
2021 Sp.	for roadw ay beautification	$10,000,000	$597,088	$1,340,437	$597,088	6%	6/30/2025
2021 Sp.	for regional airports	$10,000,000	$0	$6,550,000	$0	0%	6/30/2025
2021 Sp.	for electric vehicle charging	$10,000,000	$0	$2,713,651	$0	0%	6/30/2025
	Subtotal: 2021 Special	**$172,500,000**	**$597,088**	**$10,604,087**	**$597,088**	**0%**	**6/30/2025**
2022	for state roads, MIPS	$247,500,000	$0	$0	N/A	0%	6/30/2025
2022	for I-40/I-10 Planning	$25,000,000	$0	$0	N/A	0%	6/30/2025
2022	for regional airports	$5,000,000	$0	$0	N/A	0%	6/30/2025
2022	for equipment/district offices	$9,000,000	$0	$0	N/A	0%	6/30/2025
2022	for the transportation project fund	$60,000,000	$0	$0	N/A	0%	6/30/2025
2022	for rest area improvements	$20,000,000	$0	$0	N/A	0%	6/30/2025
2022	for essential air service	$5,000,000	$0	$0	N/A	0%	6/30/2025
2022	for w ildlife corridors	$2,000,000	$0	$0	N/A	0%	6/30/2025
	Subtotal: 2022	**$373,500,000**	**$0**	**$0**	**$0**	**0%**	**6/30/2025**

Source: SHARE

Department of Transportation Major Investment Projects Status Report, Q4 2022

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
1	I-10	Lordsburg Bridge Replacement	Project is substantially complete.	**$10,481,791**	**$1,098,738**	**$11,580,529**

G

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

Expenses by Quarter	
FY22 Q1	$1,847,897
FY22 Q2	$2,178,000
FY22 Q3	$1,378,077
FY22 Q4	$3,213,990

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

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
1	NM-404	Bridge replacement at I-10 interchange	Contractor working on the second half of the bridge	**$15,045,574**	**$1,202**	**$15,046,776**

G

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

Expenses by Quarter	
FY22 Q1	$2,517,795
FY22 Q2	$2,887,994
FY22 Q3	$2,744,713
FY22 Q4	$1,687,791

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

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
2	US-285	US-285 Corridor, Phase 1	Project is under construction and progressing, however, estimated completion date is not available	**$30,132,165**	**$15,189,338**	**$45,321,503**

G

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

Expenses by Quarter	
FY22 Q1	$1,851,590
FY22 Q2	$2,307,657
FY22 Q3	$2,338,641
FY22 Q4	$5,671,169

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

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
3	I-25	Los Lunas Corridor, I-25 Interchange and E-W Corridor from I-25 to NM-47	NMDOT reports a local lead agreement has been executed; construction expected to begin this spring.	**$1,851,920**	**$5,000,000**	**$6,851,920**

R

Lead Agency: Village of Los Lunas

Expenses by Quarter	
FY22 Q1	$0
FY22 Q2	$941,908
FY22 Q3	$529,314
FY22 Q4	$254,307

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

Department of Transportation Major Investment Projects Status Report, Q4 2022

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
4	NM-39	Pavement rehabilitation north of Logan	Funds encumbered in Q4; work began in Q1 of FY23.	**$0**	**$21,000,000**	**$0**

R

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

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

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

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
4	US-54	Reconstruction and Rehabilitation, East side of Tucumcari	Project is under construction, scheduled completion, August 2022	**$22,811,318**	**$7,897,628**	**$30,708,946**

G

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

Expenses by Quarter	
FY22 Q1	$718,994
FY22 Q2	$3,651,741
FY22 Q3	$2,170,650
FY22 Q4	$3,578,411

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

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
5	I-25	La Bajada slope mitigation; preliminary engineering and construction	Construction began end of June; building detours and crossovers	**$2,408,999**	**$42,554,366**	**$44,963,365**

G

Letting Date: 2/18/2022
Completion: Not Reported

Expenses by Quarter	
FY22 Q1	$0
FY22 Q2	$459,618
FY22 Q3	$433,641
FY22 Q4	$270,891

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$1,397,269
Federal Funds	$38,567,380
2021 Bonding Program	$37,001,414
State Road Fund	$6,832,133
Total Cost Estimate	**$83,798,196**

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
5	NM-68	Road reconstruction and bridge rehabilitation, miles 7 to 10, north of Alcalde	Project is in construction	**$9,029,826**	**$2,803,366**	**$11,833,192**

G

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

Expenses by Quarter	
FY22 Q1	$788,543
FY22 Q2	$1,156,507
FY22 Q3	$928,669
FY22 Q4	$1,166,002

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

Department of Transportation Major Investment Projects Status Report, Q4 2022

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
6	I-40	Allison Corridor Project, from NM 118 to Kachina Road in Gallup	Project is in design; construction estimated to begin in 2023. NMDOT reports price escalations not reflected in the STIP and a funding shortfall of $40.5 million	**$2,198,177**	**$541,711**	**$2,739,887**

Y

Letting Date: Part A: 2/17/2023
Part B, C, D: 9/17/27
Completion: Not Reported

Expenses by Quarter	
FY22 Q1	$83,326
FY22 Q2	$291,105
FY22 Q3	$593,195
FY22 Q4	$552,021

Statewide Transportation Improvement Program Estimates	
GAA Section 9 (2019)	$4,500,000
GAA Section 9 (2021)	$9,000,000
Federal Funds	$16,708,320
State Road Fund	$3,097,298
Capital Outlay (General Fund)	$1,500,000
Total Cost Estimate	**$34,805,618**

District	Road	Project and Location	Status Note	Amount Expended	Amount Encumbered	Total
6	US-491	Reconstruction and Rehabilitation of Carbon Coal Road and Intersection at US-491, Gallup	Project is under construciton with estimated completion date in November	**$15,679,555**	**$11,937,032**	**$27,616,588**

G

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

Expenses by Quarter	
FY22 Q1	$2,005,078
FY22 Q2	$2,197,993
FY22 Q3	$4,014,063
FY22 Q4	$1,836,666

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

Notes

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

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

HB2 Funds Programmed in State Transportation Improvement Program (STIP)
Funds Appropriated at the December 2021 Special Session and the 2022 Regular Session

District	County	Project	Letting Date	HB2 Funds	Other Funds	Total Project Estimate
1	Grant	US-180 Widening, Near Bayard and Hurley	5/19/2023	$25,000,000	$0	$25,000,000
3	Bernalillo	NM-317/Coors Blvd. Intersection	Local Project	$115,200	$12,021,548	$12,136,748
4	Harding	NM-39, Phase 2, North of Logan	2/16/2024	$9,000,000	$0	$9,000,000
5	San Juan	East Pinon Hills, Planning	Local Project	$920,000	$0	$920,000
5	San Juan	East Pinon Hills, Phase 1	Local Project	$6,559,236	$0	$6,559,236
5	San Juan	East Pinon Hills, Phase 2	Local Project	$22,627,754	$0	$22,627,754
5	San Juan	East Pinon Hills, Phase 3	Local Project	$9,893,010	$1,463,015	$11,356,025
6	McKinley	I-40 Widening, Northwest of Coolidge	10/23/2023	$16,400,000	$37,925,144	$54,325,144
		2021 Special Session Total		**$90,515,200**	**$51,409,707**	**$141,924,907**
		Unallocated		*$51,984,800*		
District	**County**	**Project**	**Letting Date**	**HB2 Funds**	**Other Funds**	**Total Project Estimate**
1	Dona Ana	NM-404 Widening	9/23/2022	$13,350,000	$50,618,960	$63,968,960
1	Socorro	Nogal Canyon Bridge Replacement	7/19/2024	$2,000,000	$26,038,451	$28,038,451
2	Chaves, Lea	US-380, Phases 1C, 1D, and 2	6/8/2022	$5,000,000	$3,623,592	$8,623,592
3	Valencia	NM109 Railroad Overpass, South of Belen	12/16/2022	$32,000,000	$14,600,000	$46,600,000
4	Colfax	Raton Pass Project	5/19/2023	$25,000,000	$2,239,000	$27,239,000
5	Santa Fe	Cerrillos Road Reconstruction	3/15/2024	$30,500,000	$0	$30,500,000
		2022 Session Total		**$107,850,000**	**$97,120,003**	**$204,970,003**
		Unallocated		*$139,650,000*		

Source: NMDOT eSTIP

PERFORMANCE REPORT CARD: Fourth Quarter, FY22

Environment Department

The performance of the Environment Department (NMED) continues to be mixed, with most below-target performance results associated with low inspection rates. The agency reported working with the State Personnel Office (SPO) to reclassify positions to improve vacancy rates and reorganize some bureaus to better serve the agency's objectives. NMED was able to significantly reduce the time to fill new and vacant positions from over 200 days on average to as little as seven days after a mission-critical position became vacant. NMED invested $31.6 million in communities for water infrastructure, drinking water testing, technical trainings, scientific and engineering consultation, field sampling and analysis, abandoned site clean-up, and other services to the public and stakeholders. In FY22 NMED staff conducted 8,916 compliance inspections and collected $2.4 million in civil penalties that were reverted to the general fund. NMED continues to make progress toward achieving its performance goals despite personnel challenges and contends that additional state resource investments will be necessary to continue these positive trends.

ACTION PLAN

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

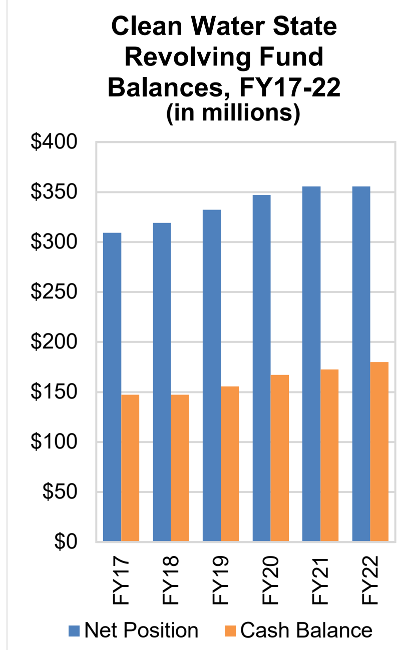
Water Protection

Drinking Water. More than 1.7 million New Mexicans, or 91 percent, received drinking water that met all health-based standards in the fourth quarter of FY22. This data is based on NMED's sampling of 570 community water systems. Starting this year, NMED changed which data is used to calculate this measure to include all uncorrected violations rather than only new ones identified. This reduced the reported performance on this measure from prior fiscal years.

The Drinking Water Bureau is actively recruiting for 18 vacant positions, which are causing delays in compliance determinations and violation notices, and restructuring to maximize resources. The agency expects to hire additional staff with increased funding for the drinking water state revolving loan program and set-aside grants from the federal Infrastructure Investment and Jobs Act.

Surface and Groundwater Inspections. The Surface Water Quality Bureau (SWQB) completed 31 annual inspections, exceeding the 20 in their FY22 target. Because inspections can span across quarters due to the length of time between inspection open and close, and the 30-day time period between the close of the inspection and the completion of the inspection report, the reported number does not include inspection reports in progress as of June 30, 2022. To report meaningfully on this performance measure, NMED would need to either assume authorization from the U.S. Environmental Protection Agency to implement the National Pollutant Discharge Elimination System Program or develop a state surface water discharge permitting program. In support of this, SWQB initiated the process to create three new positions funded through a one-time appropriation from the Legislature of $190 thousand that will be filled in FY23.

The number of groundwater permittees increased again in the fourth quarter to 605, and the Ground Water Quality Bureau conducted 46 inspections. Inspections typically occur at sites requiring immediate attention due to complaints, failures, or other causes outside normal operations. To optimize resources, staff make



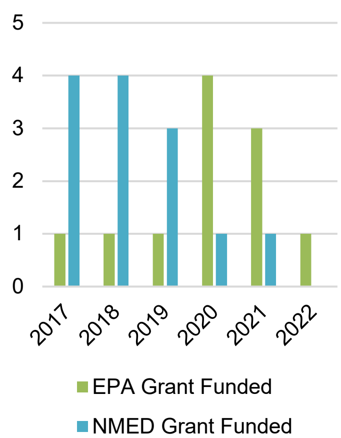
Through the clean water state revolving fund (CWSRF), local communities secure affordable financing for a wide range of projects. Communities benefit from CWSRF loans to finance essential wastewater, storm water, and solid waste projects at interest rates between 0 percent and 1 percent and loan terms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

Source: Office of the State Auditor

PFAS

In June 2022, the U.S. Environmental Protection Agency (EPA) released new acceptable exposure limits for two common per- and polyfluoroalkyl substances (PFAS), lowering the limit from the previous 70 parts per trillion to just 0.002 and 0.04 parts per trillion—less than a thousandth of the previous level.. EPA is expected to move forward with proposing a PFAS national drinking water regulation in fall 2022. To date, NMED estimates the state has spent over $6 million to protect communities from PFAS contamination.

Brownfield Cleanups Completed



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

Source: Environmental Council of the States Results Project

additional inspections of nearby systems to increase efficiency in travel planning and time in the field. Nine of the bureau's 28 inspector positions are vacant, and program staff are working with SPO on reclassifications to make positions more competitive.

Water Infrastructure. The new measure (new water infrastructure projects) reports the number of funding agreements executed each quarter for drinking water, wastewater, and stormwater infrastructure projects supported by capital outlay funding, the clean water state revolving fund (CWSRF), or the Rural Infrastructure Program. These projects are managed by NMED's Construction Programs Bureau (CPB) and improve ground, and surface-water quality and increase access to reliable and safe drinking water across New Mexico. In the fourth quarter, CPB executed six new funding agreements, and disbursed $10.1 million to communities, bringing total water infrastructure investments for FY22 to $31.1 million.

Budget: $30,576.4 **FTE:** 184.3	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Percent of the population served safe and healthy drinking water	97%	97%	92%	91%	Y
Surface water permittees inspected	NEW	NEW	10%	39%	G
Ground water permittees inspected	47%	19%	65%	21.1%	R
New water infrastructure projects	NEW	NEW	75	114	G
Program Rating	Y	G			Y

Resource Potection

The Petroleum Storage Tank Bureau (PTSB) reports the cumulative number of cleanups, not the actual cleanups that take place each quarter. A petroleum storage tank release site is granted no further action (NFA) status only once the soil and groundwater have met all applicable state standards. This does not reflect the ongoing work to clean up sites to achieve NFA status. In FY22 NMED completed cleanups at 20 of the 892 remaining sites with leaking storage tanks. The Solid Waste Bureau (SWB) inspected six solid waste or medical facilities this quarter, or 13 percent of the 45 active, permitted facilities, which led to missing the annual target. SWB maintained two vacancies this quarter. They are actively filling one, and the other is being reclassified to a higher level. This will create a new career ladder the agency hopes will improve this bureau's historically high turnover rate. The Hazardous Waste Bureau's inspection performance in FY22 doubled the target. The Resource Protection Division's performance goals were consolidated and clarified in FY22, resulting in fewer, but more meaningful measures.

Budget: $16,651.1 **FTE:** 142.3	FY20 Actual	FY21 Actual	FY22 Target	FY22 Total	Rating
Completed cleanups of petroleum storage tank release sites that require no further action*	NEW	NEW	1,938	1,964	G
Solid and infectious waste management facilities inspected	NEW	NEW	85%	47%	R
Hazardous waste facilities inspected	NEW	NEW	2%	4%	G
Program Rating	Y	G			Y

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

Environmental Protection

The Environmental Protection Division inspected 2.5 percent of Xray machine registrants and radioactive material licensees this quarter out of 1,752 registrants and licensees in total. The agency reports additional funding is needed to sufficiently train and equip staff to perform inspections, but a budget increase for the Radiation Control Bureau was not requested in FY22 or FY23. In the Air Quality Bureau, NMED reports vacancies continue to hamper inspections but a reorganization that will hopefully improve recruitment and retention is in process.

Budget: $28,466.1 **FTE:** 281.6	FY20 Actual	FY21 Actual	FY22 Target	FY22 Total	Rating
Ionizing/non-ionizing radiation sources inspected	NEW	NEW	85%	12.56%	R
Air emitting sources inspected	NEW	NEW	50%	20.49%	R
Percent of the population breathing air meeting federal health standards	NEW	NEW	95%	98.4%	G
Program Rating	G	G			Y

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

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

Environmental Health

The Environmental Health Division did not close any inspections with violations in the fourth quarter, however, overall results for FY22 show the Occupational Health and Safety Bureau found violations in 54 of 85 inspections. The Food Safety Bureau (FSB) achieved the target percentage for restaurant and food manufacturer inspections despite vacant positions in strategic geographical locations. However, FSB was unable to conduct desired in-person reinspections of noncompliant facilities and was instead reliant on the receipt of written responses from operators. The Onsite Wastewater Program nearly achieved the target percentage for inspections in FY22 despite vacant positions throughout the states. Continued staffing challenges in strategic locations throughout the state and increases in construction inspection requests may present challenges in meeting these goals during FY23. Wastewater system inspections are critical to maintaining groundwater quality and will continue to be a priority for NMED.

Budget: $28,466.1 **FTE:** 281.5	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Number of employers that did not meet occupational health and safety requirements for at least one standard	NEW	NEW	55%	63.5%	R
Percent of restaurants/food manufacturers inspected	NEW	NEW	80%	90%	G
Percent of new or modified liquid waste systems inspected	NEW	NEW	85%	82%	Y
Program Rating					G

PERFORMANCE REPORT CARD: Fourth Quarter, FY22

Energy, Minerals and Natural Resources

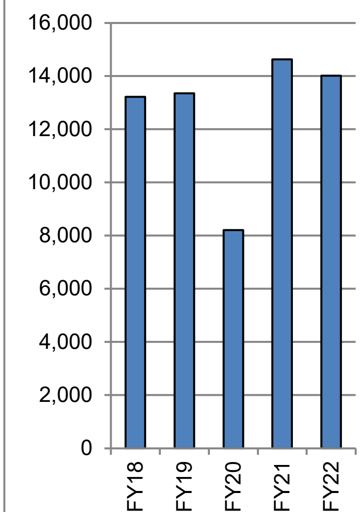
ACTION PLAN

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

In the Energy, Minerals and Natural Resources Department (EMNRD), the forest and watershed treatment done by the State Forestry Division was forced to wind down earlier than usual due to an early and severe wildfire season. The importance of this work was evident during a recent fire that slowed when it entered a treated forest area. State Park visitation rebounded in the fourth quarter, resulting in an annual total of 5.2 million visitors. The Oil Conservation Division has prioritized high-risk well inspections and severely degraded orphan well sites. OCD exceeded the target for inspections and only fell one well short of its target for the number of orphaned wells properly plugged.

The Legislature made significant investments in forestry work and state parks infrastructure with federal pandemic relief funding and other nonrecurring revenue. Expenditures will continue to be closely monitored in the coming years to ensure the agency is meeting expectations to implement high-impact infrastructure investments, particularly state park repairs and upgrades and natural resource remediation.

Forest and Watershed Acres Treated
(Out of 43 million acres)



Source: EMNRD

Healthy Forests

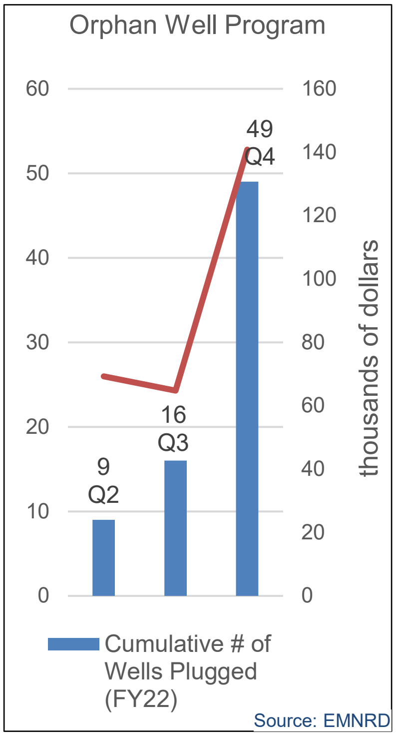
The Healthy Forests program, also known as the State Forestry Division (SFD), holds wildland firefighter trainings throughout the state, primarily between October and April. The division saw minimal training activity in the fourth quarter and the final numbers fell short of the FY22 performance goal. Due to the unprecedented early fire season, the division could not host trainings in April and May but expects that nonfederal cooperators will be more interested in wildland training, and numbers will rebound in FY23. SFD plans and implements restoration treatments within the top 500 at-risk watersheds identified in the *New Mexico Forest Action Plan*. SFD was on course to meet its FY22 performance target as of the third quarter, but work slowed due to the limitations of treating forests during wildfire season. Work is expected to proceed at or above normal pace once fire conditions ease and restrictions are fully retracted.

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

Budget: $16,278.7 **FTE:** 79	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Total**	**Rating**
Nonfederal wildland firefighters provided training	1,229	1,229	1,500	883	R
Acres treated in New Mexico's forests and watersheds	8,213	14,637	14,500	14,020	Y
Program Rating	Y	Y			Y

State Parks

Despite wildfires around the state that had resulted in park closures and restrictions, the State Park Division saw a significant rebound in visitation numbers in the fourth quarter. Revenue per visitor is higher than previous years. The State Parks Division's plan for increasing visitation is to continue normal marketing and outreach programming with a focus on rural markets and leveraging the national reach of the reservation system marketing platform. The division has taken actions to significantly reduce the high FTE vacancy rate and will continue to recruit and retain permanent, temporary employees, and



volunteers to ensure that state parks are managed safely and effectively to meet and exceed visitor expectations.

Budget: $24,173.5 **FTE:** 234.7	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Total**	**Rating**
Number of visitors to state parks, in millions*	3.9	4.4	N/A	5.2	G
Self-generated revenue per visitor, in dollars	1.04	$0.65	$0.94	$1.01	G
Program Rating	Y	Y			G

Mine Reclamation

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

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

Oil and Gas Conservation

The Oil Conservation Division (OCD) met the annual target for oil and gas wells inspected and in compliance through a significant improvement in fourth quarter inspections performed. OCD recently implemented a tiered method of scheduling inspections to better target higher priority inspections, typically more complex and time-consuming than the average inspection. OCD staff approved 74.4 percent of drilling permits within 10 business days in the fourth quarter of FY22, allowing most operators to conduct business without unnecessary delays.

OCD has recently been focusing its well-plugging efforts on a large oil field containing old, poorly maintained orphan well sites that require additional time and resources to remediate. Since 2015, OCD has plugged 234 wells on state and private land. In FY22 OCD has spent $1.6 million in recurring funds, and $1.8 in other state funds on well plugging. OCD secured the services of four rigs and intends to plug more wells using monies from the reclamation fund and a sizeable grant from the federal government. Plugging cost per well have doubled from FY21 to FY22.

OCD has the additional responsibility of overseeing the Carlsbad brine well remediation project, which is not captured in the division's performance measures. The remediation project was expected to be completed in spring 2022. However, depressurization has taken longer than originally anticipated, which is still underway. Remaining budget has allowed for post-remediation monitoring to occur for the next two years, ensuring site stability.

Budget: $11,221.5 **FTE:** 72	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Total**	**Rating**
Inspections of oil and gas wells and associated facilities showing compliance with permits and regulations	36,852	35,757	31,000	31,154	G

Application to drill permits approved within 10 business days	94.6%	87.6%	95%	88%	Y
Abandoned oil and gas wells properly plugged	36	49	50	49	G
Violations issued*	2,176	3,174	N/A	3,213	
Program Rating	G	Y			Y

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD: Fourth Quarter, FY20

Office of the State Engineer

Leadership at the Office of the State Engineer (OSE) is working to refocus the agency's priorities on big-picture planning and investments that can mitigate the impact of water scarcity on New Mexico's residents and economy. The Governor's 50-year water plan prepared by the Interstate Stream Commission (ISC) is expected to be available to the public, with recommendations coming out of a new water policy and infrastructure task force in mid-October 2022. In recent discussions with interim committees, it is apparent that the OSE/ISC will be called upon to take a more active role in water planning and project development as well as compliance and enforcement than its mission, mostly regulatory functions, and capacity have allowed to date.

Water Resource Allocation\

The Water Resource Allocation Program (WRAP) has an internal goal of keeping the number of backlogged water rights permit applications under 499, which it achieved for the first time this fiscal year. The program met the target for applications processed per month in the first quarter and fourth quarters but fell one short of the FY22 target. WRAP also had an additional workload resulting from drought conditions as well as numerous cannabis water right validation reviews in support of the Regulation and Licensing Division's producer licensing process, and "agency review" duties for the New Mexico Finance Authority's Water Trust Board, which provides funding for water-related projects. The purpose of WRAP is to provide for the administration, distribution, protection, conservation, and development of the state's surface water and groundwater resources, including the implementation of active water resource management.
The Dam Safety Bureau's performance measure is related to the number of publicly owned dams with problematic inspection findings. Written notice of a dam's condition, including any deficiencies and potential issues, is a required component of dam safety inspections conducted by the Dam Safety Bureau in WRAP. The State Engineer will work to change this performance measure in the next fiscal year to more accurately reflect the services provided by this bureau. Currently, dam construction project management is not a part of its mission or budget.

Budget: $15,153.5 **FTE:** 171	FY20 Actual	FY21 Actual	FY22 Target	FY22 Total	Rating
Unprotested and unaggrieved water rights applications backlogged*	502	522	N/A	499	
Unprotested water rights applications processed, per month	39	30.5	40	39	Y
Transactions abstracted annually into the water administration resource system database	20,432	24,029	20,000	28,665	G
Notices issued to owners of publicly-owned dams notifying them of deficiencies or issues	58	78	45	61	G
Program Rating	Y	Y			G

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

Interstate Stream Compact Compliance

The Pecos River Compact report for water year 2021, issued on June 25, 2022, included an annual debit to New Mexico of 4,400 acre-feet, resulting in a

ACTION PLAN

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

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

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

Source: OSE

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

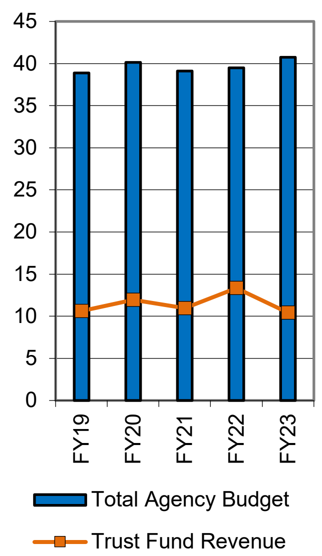
cumulative Pecos River Compact credit of 157.2 thousand acre-feet. OSE attributes New Mexico's cumulative credit in large part to investments the state made in implementing the 2003 Pecos Settlement Agreement, such as purchasing water rights and constructing and operating two augmentation wellfields.

New Mexico's Rio Grande Compact engineer advisor reports New Mexico under-delivered by approximately 30,800 acre-feet in 2021, resulting in a calculated accrued debit of 127,100 acre-feet for calendar year 2022. The Middle Rio Grande Conservancy District will begin the 2022 irrigation season with no native water in storage, and received only about 50 percent of a full allocation of San Juan Chama project water due to water supply conditions in the San Juan basin.

New Mexico's legal and technical teams are optimistic about Rio Grande Compact litigation with Texas reaching a settlement, while continuing to prepare for trial. Attorneys for the parties have been negotiating a settlement and are aiming to complete the deal by September 23. Absent a settlement agreement, the case will likely have a hearing to discuss the mechanics of a trial and set a trial date for early January.

The purpose of the ISC compliance and water development program is to ensure the state's continued compliance with interstate stream compacts, resolve federal and interstate water issues, develop water resources and stream systems in an environmentally sound manner, and plan for the future use of water to ensure maximum sustained beneficial use of available water resources.

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



Source: LFC Files

Budget: $12,037.7 **FTE:** 44	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Total**	**Rating**
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	166.3	161.6	>0	161.6	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre feet	-38.8	-96.3	>0	-127.1	R
Cumulative New Mexico unit fund expenditures, in millions*	$20.1	$22.1	N/A	$22	
Program Rating	G	G			Y

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

Litigation and Adjudication

The two Litigation and Adjudication Program (LAP) measures track progress toward the completion of the adjudication of water rights in New Mexico. The percentage of water rights that have judicial determinations represents the percentage of water rights that have been determined by court orders entered as a share of all water rights adjudication suits to date. It is not expressed as a percentage of all water rights that have been and will be adjudicated in the future because that number cannot be determined before suits are filed for areas yet to be adjudicated. The program exceeded its FY22 target despite the lower number of offers made to defendants.

Offers to defendants in adjudications are currently low because activity in the Lower Rio Grande Bureau has a disproportionate effect on the measure; adjudications in other parts of the state are mostly in earlier stages or are correcting existing subfiles rather than initiating new offers. OSE will work to develop a performance measure that will more broadly capture their progress than this current longstanding goal for the next fiscal year.

Budget: $7,201.7 **FTE:** 58	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Total**	**Rating**
Offers to defendants in adjudications	444	381	325	142	R
Water rights that have judicial determinations	76%	76%	74%	77%	G
Program Rating	G	G			Y

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD: Fourth Quarter, FY22

General Services Department

ACTION PLAN

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

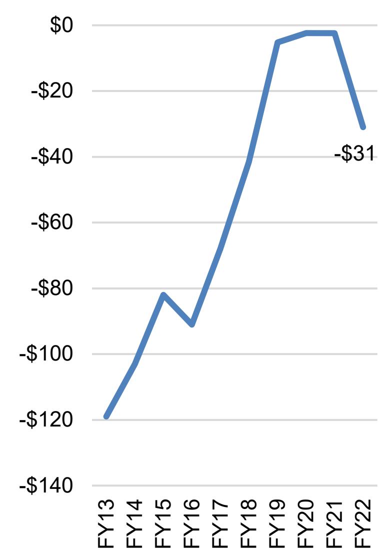
Operations of the General Services Department (GSD) continue to be affected by the Covid-19 pandemic, from volatility in health insurance claims payments to the ability of the agency to conduct scheduled preventive maintenance at state facilities. Troublingly, the department reports a mounting deficit in the agency's largest program, employee group health benefits. Performance data indicate medical expenses are increasing while premiums have not increased to match expenses to revenues. Under these conditions, the department will be challenged to contain costs in FY23. Improved health benefits performance reporting is vital to provide insight into cost drivers, care quality, and employee satisfaction with the benefits offered.

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

Risk Management Funds

Overall, the financial position of the three funds, determined by dividing the current assets by the current liabilities, is 78 percent, with projected assets short of projected liabilities by $31 million. In FY21, assets were short of liabilities by only $2 million, but the year-end results represent an improvement in earlier results where assets were short of liabilities by $67 million. The funds remain above the 50 percent target. Changes were driven mostly by the public liability fund, with a reduction in projected assets of $10.7 million and an increase in projected liabilities of $16.4 million versus FY21. The department has said it is developing an improvement action plan for the public liability fund, but deadlines for plan delivery have not been provided

Net Position of Major Risk Funds
(in millions)



Source: GSD and LFC Files

Budget: $100,427.9 **FTE:** 0.0

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Projected financial position of the public property fund*	736%	523%	N/A	443%	G
Projected financial position of the workers' compensation fund*	60%	61%	N/A	60%	G
Projected financial position of the public liability fund*	103%	112%	N/A	66%	Y
Program Rating	G	G			G

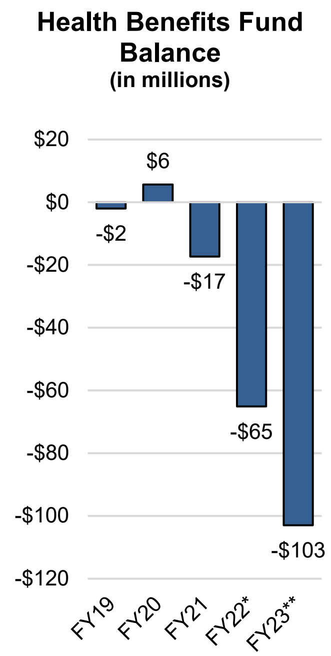
*Measure is classified as explanatory and does not have a target.

Stay Well Health Center

The department reports fewer state employees are visiting the Stay Well Health Center, a state-funded clinic for members of the state's group health benefits program where members can access treatment for minor illnesses at no cost. The purpose of the center is to reduce health care costs by providing access to routine care internally, rather than through private providers billing the state's insurance system. However, to realize cost savings the program needs to operate at scale. Members designating the center as their primary care provider fell in FY22, from 535 FY22.

Group Health Benefits

Despite provisions of state law designed to prevent agencies from spending without available funds (see Section 6-5-6 NMSA 1978), the employee group health benefits program has been operating at a deficit. LFC analysis indicates, given current spending patterns and rates, the fund could end FY23 with a deficit of more than $100 million. Despite persistent shortfalls, the department has not increased health insurance rates for participating employees resulting in mounting shortfalls. Although the Legislature authorized a 5 percent rate increase for FY23, the governor vetoed funding for the increase, stating there would be no premium increase for FY23. The department reports per-member-per-month increases in healthcare costs of 5 percent, in line with the amount appropriated by the



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

Legislature. The financial position of the health benefits fund makes cost containment an even more pressing concern; however, a cost-containment strategy alone will not enable the department to close the funding gap in the absence of rate increases.

For FY24, the Department of Finance and Administration did not include an increase in FY24 health benefits rates in budget instructions for state agencies.

Budget: $419,936.0 **FTE: 0.0**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Change in average per-member-per-month total healthcare cost	-2.5%	5.9%	<5%	5%	G
Year-end fund balance of the health benefits fund, in millions*	NEW	-$17.3	N/A	-$65.1	R
Annual loss ratio for the health benefits fund	NEW	NEW	98%	-118%	R
State group prescriptions filled with generic drugs	87.2%	86.5%	80%	87%	G
Number of visits to the Stay Well Health Center	7,801	6,248	N/A	4,540	Y
Percent of available appointments filled at the Stay Well Health Center*	NEW	50%	N/A	81%	Y
Percent of eligible state employees purchasing state medical insurance*	NEW	81%	N/A	80%	
Rate per one thousand members of emergency department use categorized as nonemergent*	NEW	21.8	N/A	22.6	
Program Rating	G	R			R

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

Facilities Management

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

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

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

FMD reports less than 60 percent of scheduled preventive maintenance activities were completed on time. The division reports long wait times for materials to complete projects; although the department report capital projects are mostly completed on time.

The department reports 100 percent of office leases met adopted space standards but notes leases with a space standard waiver are not included in this calculation. For example, the department excluded five of six leases processed in the fourth quarter, meaning only 20 percent of fourth quarter leases met space standards. The state has yet to realize projected cost savings from the green energy initiatives, with the department reporting $181.5 thousand in energy savings in FY22. In August 2019, FMD began a $32 million project to reduce energy use in state facilities, estimated to save at least $1.4 million per year, with guaranteed savings of $1.1 million.

The General Services Department has received $3 million in capital outlay funding for renovations to offices at the PERA building for the Chilren, Youth and Families Department and the Early Childhood Education and Care Department, but a recent site visit showed continued teleworking and staff vacancies led to underutilized office space.

Budget: $15,481.2 **FTE: 148**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Capital projects completed on schedule	96%	88%	90%	93%	G
Preventive maintenance completed on time	75%	48%	80%	59%	R
New office leases meeting space standards	93%	100%	85%	100%	
Amount of utility savings resulting from green energy initiatives, in thousands*	NEW	$281.4	N/A	$181.5	Y
Program Rating	G	R			

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

State Purchasing

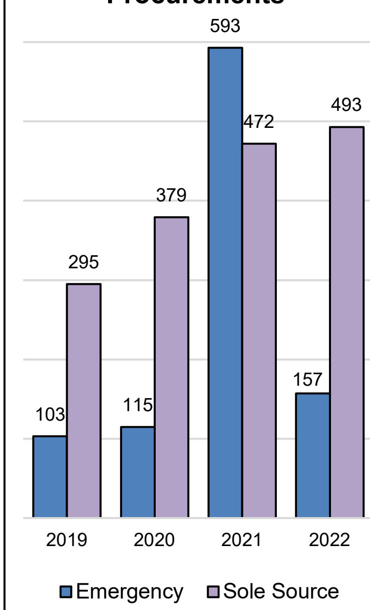
The program reports all 76 executive agencies had designated chief procurement officers at the end of FY22, and the agency met targets for procurement completion and timely contract review. The department reported an uptick in revenue received from pricelist purchases, rising from $3 million in FY21 to $3.8 million in FY22, a 27 percent increase, pointing to a rise in the number of agencies using price lists for procurement.

Budget: $2,263.4 **FTE: 29**

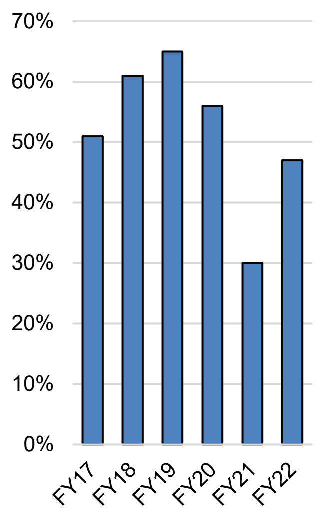
	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Agencies with certified procurement officers	92%	95%	90%	100%	G
Procurements completed within targeted timeframes	NEW	NEW	80%	88.5%	G
Revenue generated through pricelist purchases, in thousands*	NEW	$2,988	N/A	$3,803	
Percent of estimated payments received from vendor sales	NEW	NEW	80%	99%	G
Percent of invitations to bid awarded in 90 days of assignment	100%	64%	90%	92%	G
Average number of days for completion of contract review	NEW	8.1	<5	4	G
Program Rating	Y	G			G

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

Number of Sole Source and Emergency Procurements



Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

Transportation Services

Although the Legislature recently appropriated $1.3 million for GSD to replace state vehicles, agencies continue to underutilize vehicles, with only 47 percent of leased vehicles being used daily or for at least 750 miles per month. Although the agency states daily vehicle use will increase as state government returns to normal business operations, the agency may need to consider the impact of increased telework arrangements, which have the potential to permanently alter normal business operations. Additionally, even prior to pandemic-induced stay-at-home orders, vehicle use was below the 70 percent target level. The department reports cost per mile increased by 30 percent and is above the target of 59 cents per mile, likely due to an increase in fuel costs.

Budget: $9,426.5 **FTE: 31**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Vehicle operational cost per mile	$0.48	$0.49	$0.59	$0.64	R
Vehicles used 750 miles per month	56%	30%	70%	47%	R
Program Rating	Y	Y			R

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

State Printing

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

Budget: $2,038.9 **FTE:** 9	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Revenue exceeding expenditures	5%	-0.6%	5%	21%	G
Percent of printing jobs delivered on time	99%	100%	99%	100%	G
Sales growth in revenue	8.6%	-11%	20%	-2%	R
Program Rating	Y	Y		G	G

State Personnel System

The state continues to face challenges related to employee recruitment and retention. The State Personnel Office (SPO) reports the classified service vacancy rate is 22.8 percent, up from 20 percent in FY21 and 21 percent in FY22. State agencies continue to take longer to fill vacant positions, with "time to fill" averaging 64 days in the fourth quarter, an improvement on the 72 days reported at the beginning of FY22. Once positions are filled, fewer employees are completing their probationary period, with only 57 percent completing it in the third quarter, despite new hires being offered salaries above pay band midpoints.

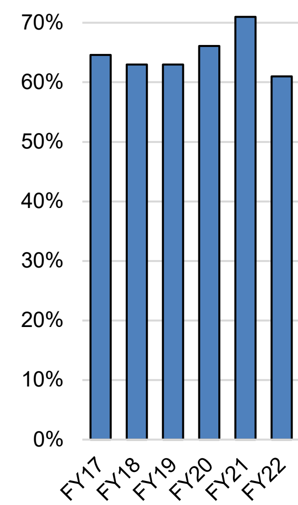
SPO has created a task force with agency human resources officers to reduce the time it takes to fill vacant positions. One factor could be agencies increasing the time a job is posted in an effort to find more qualified applicants in a tight job market. To better identify which agencies have longer time-to-fill results, SPO has said it will work to improve agency access to performance data. The agency should provide regular follow-up and support to help agencies not meeting targets to improve internal procedures. Additionally, the Legislature should consider agency performance in filling vacant positions as part of the FY24 budget process.

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

ACTION PLAN

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

New Employees Completing One Year Probation Period



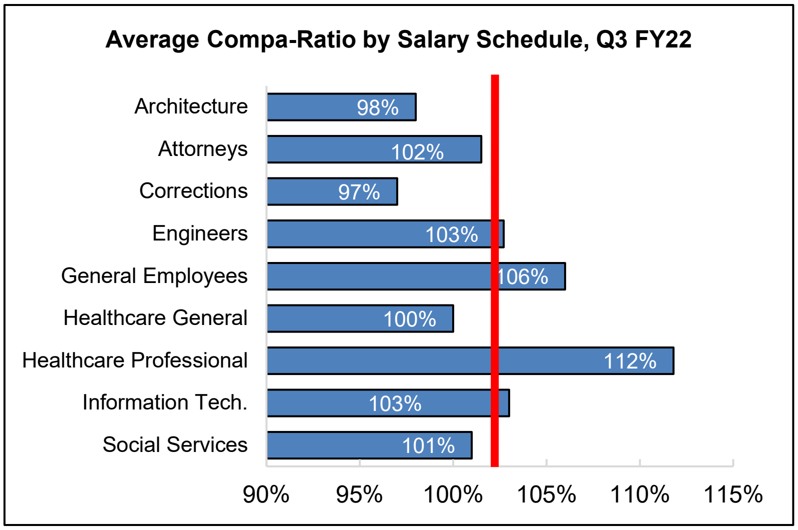
Source: SPO

Budget: $3,875.9 **FTE: 44**

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Classified service vacancy rate*	21%	19.9%	N/A	22.8%	R
Average days to fill a position from the date of posting*	56	50.5	N/A	69	R
Average state classified employee compa-ratio	103%	103%	100%	105%	R
New employees who complete their first year of state service*	66%	71%	N/A	61%	R
Classified employees voluntarily leaving state service*	12%	13%	N/A	19.5%	R
Classified employees involuntarily leaving state service*	2%	1.6%	N/A	1%	
Number of hires external to state government*	NEW	1,996	N/A	2,969	G
Program Rating	Y	R			R

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

SPO's quarterly report does not include information on salary competitiveness or turnover by job type, but measures of compa-ratio, or salary divided by midpoint of salary range, continue pointing to salary inadequacy for some employees. While compa-ratio for occupation-specific salary schedules are generally competitive, the average compa-ratio is 106 percent for employees on the general salary schedule. The Personnel Board recently took action to increase the pay band ranges for some healthcare professional pay, which is not reflected in the data and will likely lower the average for healthcare professionals.



For FY23, on average, state employees received a 9 percent salary increase, although increases varied from as little as 4 percent to as high as 30 percent, depending on an employee's pay band and compa-ratio. This increase was on top of an across-the-board 3 percent increase effective in April 2022. Notably, employees on occupational salary schedules received an across-the-board 4 percent increase, despite high vacany rates and turnover among some of these professions, including correctional officers and child protective service employees. For FY24, the Legislature may need to consider targeted pay increases in these areas to aid recruitment and retention.

Teleworking Policies. A recent LFC evaluation of the state's personnel system found the state may not be taking advantage of a potential recruitment tool by building a system of remote work that reflects the modern job market. Although some employees continue to work from home on a part-time basis, the state does not have a formal, statewide teleworking policy, and allows individual agencies to set policies. Evidence suggests current job seekers consider teleworking policies when choosing places to work; lack of permanent policies may harm competitiveness and lead to ad hoc policies more likely to impact agency service delivery.While it is not possible for many state employees to function remotely, an April 2022 review of state records showed 26 percent of employees were teleworking more than half of the time under current nonmandatory teleworking policies. Meanwhile, the state is spending $71 million annually to provide 3.7 million square feet of office space, including space for employees working teleworking for most of the time. While in the short term, current teleworking polices have likely helped state agencies retain employees who may have left state employment if forced to return full-time, on a long-term basis the state should investigate ways to use telework where appropriate.

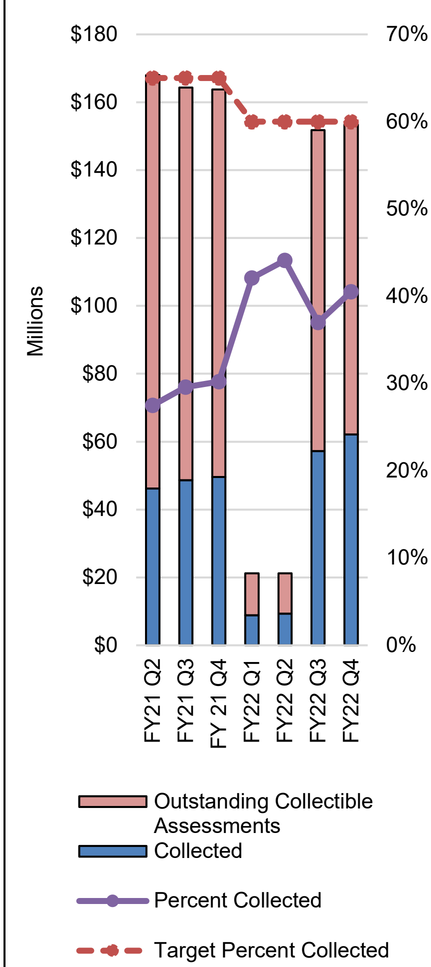
PERFORMANCE REPORT CARD: Fourth Quarter, FY22
Taxation and Revenue Department

The Taxation and Revenue Department's (TRD) Program Support Division surpassed the annual target of resolved tax protest cases, ensuring compliance with state laws and promoting taxpayer understanding of those laws. The Audit and Compliance Division met the target for implementation of internal audit recommendations, but the Tax Administration Division fell short on targets for collecting outstanding tax balances—an issue which was the subject of a 2021 LFC Program Evaluation and continues to warrant improvements. The Property Tax Division (PTD) reached its target of returning recovered property taxes to New Mexicans, reducing the total amount of delinquent property taxes statewide to $56.9 million. TRD's Compliance Enforcement did not reach the target of tax investigations referred to prosecutors. The Motor Vehicle Division is continuing to fill vacancies and work with vendors to improve appointment queuing processes; as of June, TRD's agencywide vacancy rate was 25 percent.

ACTION PLAN

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

Collections as a Percent of Collectible Audit Assessments



Program Support

TRD Program Support Division reviewed and resolved 1,690 protest cases. In the fourth quarter, 378 protest cases were reviewed and resolved, with five percent of the cases having a hearing at the Administrative Hearings Office. This included scheduling, merits, motions, and continuous hearings.

Budget: $9157.6 **FTE:** 101

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Tax protest cases resolved	1,744	1,590	1,525	1,690	G
Internal audit recommendations implemented	95%	100%	92%	97%	G
Program Rating	G	G			

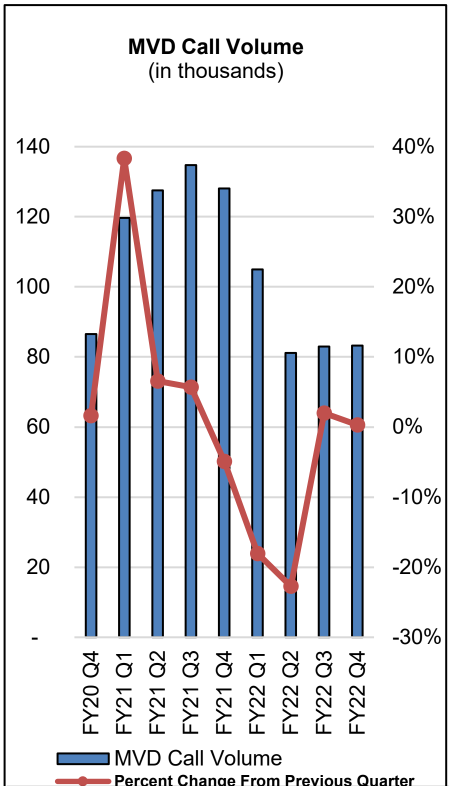
Tax Administration

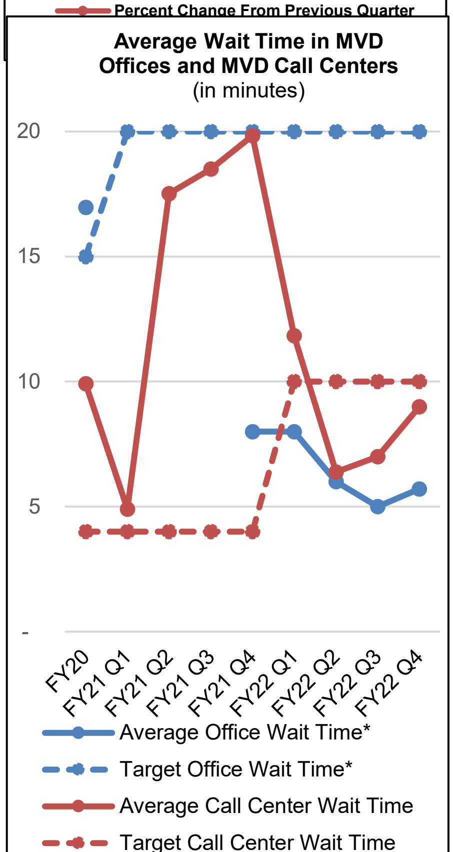
At the beginning of the fiscal year, the Tax Administration program had a collectible balance of $963 million, of which the program collected $149.5 million, or 15.5 percent of the total. The accounts receivable reductions resulted from amended returns, abatements, deactivations, bankruptcy, and reversals. The total FY22 reduction, beginning with accounts receivable, was $411.9 million, bringing the balance to $813.5 million.

Budget: $23,082.0 **FTE:** 344

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	19%	17.6%	25%	15.5%	R
Collections as a percent of collectible audit assessments generated in the current fiscal year	26%	30.3%	60%	40.5%	R
Program Rating	R	R			

*Target is cumulative





Source: TRD Quarterly Reports
*Only MVD q-matic equipped offices

Motor Vehicle

An increase in the number of registered vehicles with liability insurance was attributed to the annual process in which insurance companies remove all policies from the MVD system and resubmit all current policies. There was an increase, but the actual number could be higher, TRD reported. Along with ongoing issues with insurance companies incorrectly reporting fleet and commercial policies, the uninsured rate reported could be inflated. The insured vehicle data was collected on a weekly, monthly, and quarterly basis to monitor compliance. MVD is exploring options to increase compliance among all jurisdictions and demographics.

The average call center wait time to reach an agent was nearly nine minutes. An increase of one minute and 39 seconds since the third quarter is due to high call volumes and an increased number of vacancies at the center. Because field offices are open by appointment only, customers frequently reach out to the call center. Turnover was due to staff moving to other TRD divisions for promotional opportunities, including a MVD senior agent position. The MVD call center is working to fill six vacancies, which will help to maintain and improve wait times. The MVD vacancy rate has decreased from 19.3 percent in July 2021 to 14.2 percent in June 2022, the lowest vacancy rate of all TRD's divisions.

Budget: $51,343.7 **FTE:** 331

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Registered vehicles with liability insurance	91%	91%	93%	91.1%	Y
Average wait time in "q-matic" equipped offices, in minutes	16:29	8:00	<20:00	6.48	G
Average call center wait time to reach an agent, in minutes	3:55	15:11	<10:00	8:38	Y
Program Rating	Y	Y			G

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

Property Tax

Preliminary delinquent property taxes collected and distributed to counties is $10.6 million. The Property Tax Division (PTD) reached its target of returning $12 million in recovered property taxes to New Mexico's counties. There is an additional upside from the counties that have data submissions owed to PTD. The total of delinquent taxes statewide totals $56.9 million. Through TRD's detection and correction of faults in software, delinquency lists have improved reliability every quarter.

Budget: $5,326.2 **FTE:** 39

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Actual	Rating
Delinquent property tax collected and distributed to counties, in millions	$10.4	$8.2	$12.0	$12.0	G
Percent of total delinquent property taxes recovered	18.7%	18.7%	15%	23%	G
Program Rating	G	G			

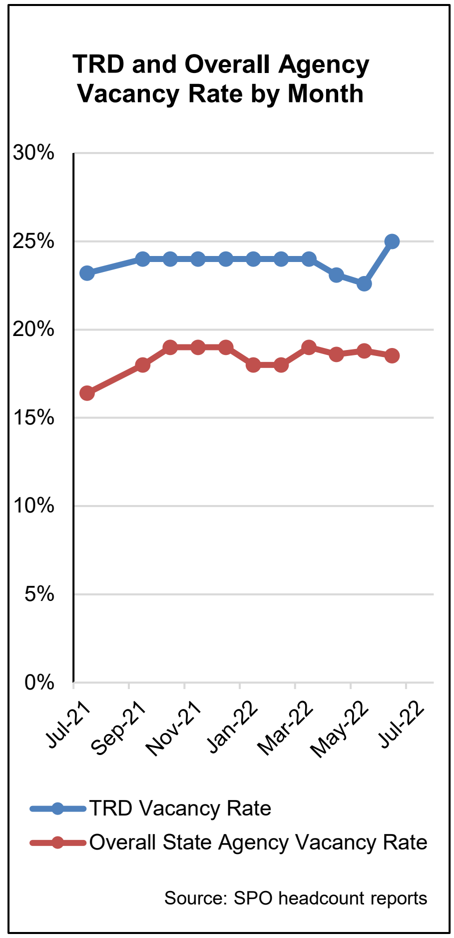
Compliance Enforcement

The Tax Fraud and Investigation Division (TFID) has assisted numerous third-party agencies with financial and investigative expertise on different cases throughout FY22. Tax investigations referred to prosecutors as a percent of total investigations assigned during the year decreased since last quarter, resulting in a cumulative total of 50 percent. Only one case was referred to the court system during the quarter and eight were opened. TRD indicates there is a delay between the initiation of a case and the referral to prosecution, which could potentially result in a lower reported percentage of investigations. Within respective quarters, case referrals can sometimes match the total cases submitted for the fiscal year, indicating a high referral rate based on case completion. TFID conducts extensive analysis to provide the best evidence for prosecution which will extend the life of the case.

Budget: $1642.6 **FTE:** 21

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

*Measure is explanatory and does not have a target



IT Project Status Report – FY22 Fourth Quarter

Over time, a number of projects have experienced significant schedule delays and cost overruns, often resulting from unexpected vendor changes, pending federal approvals, or supply chain issues. However, four projects have moved from a red risk rating to a yellow risk rating and others have shown improved budget or schedule risk since FY21. Project budget totals reflect new funding appropriated during the 2022 legislative session.

Project Status Legend

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

DoIT-Led Projects

Y ⇨ The **P25 public safety radio project** ($65.2 million; 59.5 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated cost of $170 million. The agency is undergoing design review for its' southwest expansion project, which includes 10 tower sites, three communications centers, and the Southern New Mexico Correctional facility, with deployment to follow.

Y ↗ DoIT's **cybersecurity project** ($7 million; 79.1 percent expended) aims to monitor and address state cybersecurity risks. DoIT continues monthly vulnerability scanning efforts with 66 identified agencies. A sub-group of LFC is meeting to determine the need for recurring cybersecurity funding beyond the scope of this certified project. DoIT initiated a gap analysis to implement a state security operations center—a key deliverable of the project—by June 2023, which reduces project risk.

Y ⇨ DoIT's **rural broadband project** ($10 million; 80.7 percent expended) aims to maximize statewide availability of broadband with a particular focus on rural areas. DoIT reports spending 60 percent of available funds and reported an additional obligation of $1.9 million to expand help desk services to additional populations, including veterans. Funding has been used for several connectivity projects and has supported strategic plan development, mapping, and printing services.

R ⇨ 2021 legislation created a new **statewide broadband program** ($237.2 million; 0 percent expended) within DoIT and the new Office of Broadband Access and Expansion, to be tracked separately from the rural broadband project. The program is rated red pending clearer direction and permanent staff. However, the director of the office has been hired and four positions have been posted, which should improve risk. The connect New Mexico council is undergoing rulemaking for distribution of $123 million in federal funds, and some funds have been encumbered to facilitate digital equity planning efforts so far.

Executive Agency IT Projects

G ⇨ The State Land Office's **royalty administration and revenue processing system (RAPS) project** ($11.9 million; 94.9 percent expended) will replace the agency's existing royalty system. SLO has closed out this portion of the project, which included percent interest enhancements and trespass royalty functionalities. RLD is going into requirements gathering for the renewables portion, to be completed in a separate certified project.

Y

The Human Services Department’s (HSD) **child support enforcement system replacement (CSESR) project** ($32.9 million; 38.3 percent expended) aims to replace the legacy child support application at a cost of $70.8 million. Initially expected to complete in 2019, HSD recently completed the refactoring and re-platforming for converting the system code base and the system is live and in production, marking the end of phase one. Subsequent phases will develop a public-facing portal and additional functionalities for the system replacement.

Y

HSD’s **Medicaid management information system replacement (MMISR) project** ($294.5 million; 51.9 percent expended)**,** which will replace the legacy MMIS application, is supported by a 90 percent federal funding match at a total estimated cost of $346.3 million. The project has seen substantial delays—estimated to complete in FY27—and cost overruns. However, HSD received final approval from the federal partners for all project aspects, resulting in a reduced risk and budget status. The consolidated customer services center module is federally certified as of May 2022, and HSD submitted for approval of the financial services module, expected to start in August 2022.

Y

The Children, Youth and Families Department’s **comprehensive child welfare information system (CCWIS) project** ($17.5 million; 50.6 percent expended) intends to replace the old family automated client tracking system, or FACTS. The agency shifted to a competitive procurement strategy, contributing to project budget increases and an expanded timeline, initially expected in FY23 now estimated to complete in FY25. Project costs increased from $45 million to $71 million to account for staff, hardware, travel, and other costs not initially budgeted. The agency released its request for proposals at the end of June, with proposals due by late September.

Y

The Correction’s Department’s **offender management system replacement project** ($15.5 million; 99.9 percent expended) will replace the 15-year-old legacy client server for $15.5 million. All deliverables from the initial request for proposals have been completed as of June 30, 2022. However, the agency is undergoing a six month training period and is finalizing training modules for adult prisons and probation and parole divisions.

G

The Department of Public Safety’s (DPS) **records management system (RMS) project** ($7.4 million; 37.7 percent expended) will provide public safety agencies with a new data repository for $7.4 million. The schedule accommodates the computer-aided dispatch project. Although the executive steering committee and the vendor previously thought configurations and GIS enhancements should allow for an earlier March 2023 closeout, the agency may still experience a two to three month delay to migrate and test the data.

G

DPS’s **computer aided dispatch (CAD) project** ($3 million; 26.2 percent expended) will implement a new computer aided dispatch system for $3 million, as the current system is no longer supported. The project schedule is concurrent with the records management system project. As with the above project, additional data migration activities and vendor changes may result in a two to three month delay, as previously expected.

G

The Higher Education Department’s **longitudinal data system (LDS) project** ($7.5 million; 8.4 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico’s education and workforce data for a total estimated cost of $9.9 million, down from an estimated $11 million. HED will receive $2 million in congressionally directed funds and a $500 thousand Gates Foundation grant. Partner agencies will begin ingesting data incrementally starting October 2022, though public access is not expected until June 2023.

G

The Regulation and Licensing Department's **permitting and inspection software modernization project** ($7.3 million; 50.7 percent expended) will replace the legacy system Accela for $7.3 million. The Manufactured Housing Division and Construction Industries Division phases closed out within budget. Six boards have been completed in the Boards and Commissions phase. RLD is undergoing discovery and development for the next six boards. However, the agency entered into a new vendor contract in May 2022, which may cause some delay to implementing the final boards.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

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

OVERVIEW

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

Project Description:

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

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) received an additional $26 million in severance tax bond revenue during the 2022 legislative session to continue the project. The agency continues development at the East Mountain sites and 21 other site expansion locations. The agency is undergoing design review for its southwest expansion project, which includes 10 tower sites, three communications centers, and the Southern New Mexico Correctional facility, with deployment to follow.

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

Budget

Total available funding includes $1.3 million from the equipment replacement fund and $1.5 million repurposed from another DoIT project. DoIT has been appropriated only 38 percent of the total project budget so far, including its most recent appropriation. Project spending this quarter is $120 thousand less than the previous quarter due to the agency identifying power poles for the Chilili site that could be funded by a credit in an existing contract, resulting in the reduced amount.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$65,164.3	$0.0	$65,164.3	$38,864.6	$26,419.7	59.5%

Schedule

The five-site and Sandoval project expansions are underway. Segments located at A Mountain were deployed in April on schedule. The project may also experience supply chain disruptions, which could cause deployment delays. However, DoIT still expects project closeout in June 2027 and updates deployment plans on an ongoing basis dependent on interest from communities and available funding.

Risk

The high cost of the project and reliance on capital funding result in a continued high risk rating. The agency is also proposing two new annual performance measures to track the percentage of geographic coverage and number of new subscribers to the digital trunked radio system. This should help with oversight and transparency on project progress over time.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

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

OVERVIEW

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

Project Description:

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

Enterprise Cybersecurity (EC) Project

Overall Status

DoIT monthly scanning has improved the state's cybersecurity posture as more agencies are onboarded, and the department has identified the remaining agencies in need of participation and is working to onboard them next quarter. A sub-group of LFC is meeting to determine the need for recurring cybersecurity funding beyond the scope of this certified project.

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

Budget

DoIT received $1 million in operating funds and $20 million for broadband and cybersecurity purposes during the most recent legislative sessions, of which the department plans to use $19 million for cyber efforts. This quarter, the agency reported additional spending of $517 thousand. The agency will likely support further cybersecurity initiatives operationally through a recurring funding source, rather than through computer systems enhancement funds.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$7,000.0	$0.0	$6,951.1	$5,570.1	$1,380.9	80.1%

Schedule

Cybersecurity upgrades and management will be an ongoing priority for the agency, but project-specific activities are expected to close out in June 2023. DoIT initiated a gap analysis to implement a state security operations center, a key deliverable of the project. The center is expected to be fully executed by June 2023 for DoIT and 18 DoIT-supported agencies.

Risk

DoIT continues monthly vulnerability scanning efforts with 66 agencies, including over 24 thousand IP addresses. DoIT is using the findings from its enterprise risk assessment, given to state CIOs, to improve visibility into the state’s IT systems. These efforts, combined with the gap analysis to support establishment of a state security operations center and efforts of the LFC working group to determine recurring funding mechanisms for cybersecurity, has resulted in decreased project risk.

OVERVIEW

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

Project Description:

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

New Mexico Rural Broadband Project

Overall Status

DoIT is supporting efforts for broadband expansion through operational initiatives as well as through this $10 million certified project. DoIT reports obligating all funds for the project this quarter. Funds were used to support broadband connectivity projects for rural areas in Chavez, Sierra, and Lea counties, Cochiti Pueblo, Edgewood, Southeast New Mexico, and the Permian Basin from Carlsbad to Jal. The funding has also been used to support development of strategic plans, mapping, printing services, and a help desk.

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

Budget

Additional funding appropriated in the 2021 and 2022 legislative sessions will not be part of the $10 million total budget but will be monitored seperately. DoIT reports spending 60 percent of available funds and reported an additional obligation of $1.9 million to expand help desk services to additional populations, including veterans. This service will help expand enrollment in federal broadband subsidy programs.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$10,000.0	$0.0	$10,000.0	$6,021.1	$3,978.9	60.2%

Schedule

The project is estimated to complete in 2023, but the department's role in supporting broadband will continue beyond the scope of this project as the administrative support for the Office of Broadband Access and Expansion. As the project has reported obligating all funds, DoIT anticipates closeout of the project on or before June 2023, which reduces the schedule risk rating as the project moves towards an on-time closeout.

Risk

DoIT reports spending or obligating all remaining funds, but strategic plans and other reports commissioned using project funds have not resulted in a uniform, comprehensive strategy for expanding broadband statewide or a five-year statewide broadband plan as is required for future federal funding opportunities. However, those efforts should inform larger strategic planning efforts of the broadband office and the project has been successful in serving rural areas.

OVERVIEW

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

Project Description:

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

Statewide Broadband Program

Overall Status

The Office of Broadband Access and Expansion's (OBAE) statewide broadband program is reported seperately from the $10 million certified rural broadband project. The director of the office has been hired and four positions have been posted for an assistant director, a compliance manager, a grant manager, and an operations manager. Once staffed, the office should continue to prioritize development of both a spending plan and a 3- to 5-year broadband plan.

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

Budget

The office has yet to develop a comprehensive spend plan for administering its available funding. However, the Connect New Mexico Council is undergoing rulemaking for distribution of connect New Mexico funds and is launching the broadband pilot grant program using $123 million in ARPA funds appropriated to the Department of Information Technology. The office has encumbered $130 thousand to support digital equity planning.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$112,680.6	$124,566.8	$237,247.4	$0.0		0.0%

[1] Program funding includes $100 million to the connect New Mexico fund to be provisioned by the OBAE and $137.2 million to DoIT, including $123 million in federal funds allocated to DoIT from federal ARPA funds and $1.5 million in CARES Act funding.

Schedule

The OBAE has established a timeline for administering the $123 million pilot grant program, with the first round of awards expected in late September. The office has also met deadlines so far for federal grant opportunities, having submitted the required letters of interest to participate in the federal Broadband Equity, Access and Deployment (BEAD) grant program and submitted a request for $740 thousand for digital equity planning and $5 million for BEAD planning.

Risk

Delays to standing up the council and staffing the office resulted in delays and posed risk to securing additional federal funding, but progress is being made to meet deadlines for federal programs and the office is engaging with stakeholders to promote coordinated planning to ensure funds are spent most effectively across the state.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

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

OVERVIEW

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

Project Description:

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

ONGARD Replacement—Royalty Administration and Revenue Processing System Project

Overall Status

The State Land Office (SLO) team has completed percent interest enhancements and tresspass royalty in kind functionalities, which allows the agency to better track and identify trespass royalties for collection. The agency decided not to continue with accounting functionalities but did not incur addditional costs for the proof of concept. SLO has closed out this portion of the project and is going into requirements gathering for the renewables portion, to be completed in a separate certified project.

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

Budget

SLO received $50 thousand back for software after deciding not to move forward with accounting functionalities and incurred no additional costs for the proof of concept. The agency spent nearly 95 percent of available funding and will revert arounf $681 thousand. Additional funds received during the 2022 legislative session will be used to support the next portion of the project for renewable energy and accounting functions.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$11,850.0		$11,850.0	$11,249.4	$600.6	94.9%

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

Schedule

The project has been closed as of June 2022, and SLO has initiated the subsequent lease invoice and accounting project. Percent interest enhancements and trespass royalty in kind capabilities are working as expected. Despite prior delays, the additional time allowed the agency to undergo adequate testing and ensure proper functionality.

Risk

SLO effectively managed project risk despite small delays to the project schedule. Proof of concept for accounting functions will be further explored in the separate lease invoice and accounting project. The project closed out with a green rating from independent verification and validation vendor reports, having implemented intended functions.

OVERVIEW

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

Project Description:

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

Child Support Enforcement System (CSES) Replacement Project

Overall Status

The Human Services Department (HSD) completed the refactoring and replatforming for converting the system code base is live and in production, marking the end of phase one. The agency continues to monitor schedule risks, which pose the biggest risk to the project primarily relating to integration with HSD's other IT project, MMISR, and are seeking federal approvals of planning documents.

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

Budget

HSD was appropriated roughly $4.9 million in state funding to support the project during the 2022 1egislative session, with an associated federal match of roughly $9.5 million. HSD has been appropriated almost half of the total project cost, including the most recent project appropriation. The agency reports spending an additional $2 million in the last quarter.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$10,018.6	$22,848.0	$32,866.6	$12,586.6	$20,280.0	38.3%

Schedule

Although two months later than initially expected due to testing issues, the agency successfully went live with the CSES refactor and HSD completed the CSES rollout to 14 field offices. Pending federal approvals have caused prior delays to project implementation at the agency, so the project should be monitored and meetings with federal partners should continue to prevent any potential delays.

Risk

The agency submitted planning documents to the federal Office of Child Support Enforcement for approval. Integration with MMIS is still planned for 2024, posing risk as delays or changes to one project may cause changes to the other.

OVERVIEW

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

Project Description:

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

Medicaid Management Information System Replacement (MMISR) Project

Overall Status

Schedule risks remain high for the Human Services Department's (HSD) Medicaid management information system replacement project after several delays, and HSD faces risks inherent risks with multi-agency projects. The consolidated customer services center module is federally certified as of May 2022, which allows the agency to receive enhanced federal matching funds for the Medicaid-related operations of that module (75 percent), and HSD submitted for approval of the financial services module, expected to start in August 2022.

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

Budget

HSD received final approval from the federal partners for all project aspects, resulting in a reduced risk and budget status. The agency was appropriated an additional $8.4 million in state funding during the 2022 legislative session, with an associated federal match of roughly $68 million. HSD was approved by the project certification committee for a $1.4 million cost increase due to contract negotiations.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$30,331.7	$264,215.6	$294,547.2	$152,743.0	$141,804.2	51.9%

Schedule

The agency continues to submit annual required updates to federal partners for advanced planning documents alongside the Children, Youth and Families Department. While it will not require an additional cost, the agency is moving back its Yes NM portal release to March to accommodate translation services required via the Hattan-Gonzalez lawsuit, requiring the agency to provide information in several languages.

Risk

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

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

OVERVIEW

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

Project Description:

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

Comprehensive Child Welfare Information System (CCWIS) Replacement Project

Overall Status

Improvements to leadership, vision, and the change to a competitive procurement strategy last quarter resulted in an overall impoproved risk status for the Children, Youth and Families Department's (CYFD) child welfare information system replacement project. However, the agency is still anticipating project budget increases and an expanded timeline through FY25. The agency released its request for proposals at the end of June, with proposals due by late September.

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

Budget

The total project cost increased to $71 million reports producing more accurate cost estimates, including staff, hardware, and other costs wihich were not included in prior budget estimates. CYFD did not receive additional funding in the 2022 legislative session but received reauthorization for use of a $7 million prior appropriation. Federal contributions are still being verified, though planning documents have been approved.

Budget Status Overview
(in thousands)

State	Federal*	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$16,524.2	$930.8	$17,455.0	$8,842.8	$8,612.2	50.6%

*Amounts reflect verified receipt of federal funds, which may differ from general appropriation act estimates. An estimated $17.1 million in federal funding for FY22 was reduced to just under $5 million upon approval of planning documents.

Schedule

The project certification committee previously approved an 18-month schedule extension for the project due to previous project delays and the shift to a competitive procurement strategy. The delay is intended to accommodate the time needed to complete a request for proposals, which was released at the end of June 2022, and a longer proposed implementation timeframe of 24 months.

Risk

The agency continues to submit its annual updates to the federal partners on the project advanced planning document with the Human Services Department. The largest risk is the project schedule, as the agency changes its strategy for implementation, but budget risks should also be monitored to prevent scope creep and related cost increases.

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

OVERVIEW

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

Project Description:

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

Offender Management System (OMS) Replacement Project

Overall Status

The New Mexico Corrections Department (NMCD) continued to perform system patches and prioritize fixing critical bugs for the offender management system replacement project. The project schedule should be monitored for future delays but the overall direction of the project remains positive. Training that will take place over an estimated 6 month period should improve system roll out amongst staff and other users despite small delays.

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

Budget

The project is fully funded and NMCD did not receive additional funding in the 2022 legislative session. However, the total project budget includes $1.4 million contributed from busoness areas and the agency operating budget. NMCD has spent nearly all available funding and is anticipating reversions of only around $10 thousand.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$14,230.2		$15,702.7	$15,687.9	$14.8.	99.9%

[1]Amount includes $1.4 million contributed from business areas and the agency operating budget.

Schedule

The agency is undergoing staff training for the next six months, with production use at the department starting late 2022 and closeout to follow. However, all deliverables from the initial request for proposals have been completed as of June 30, 2022. Delays to accommodate training should help ensure proper functionality, and the agency is finalizing training modules for adult prisons and probation and parole divisions.

Risk

Though the agency is experiencing some delays in final go-live due to patches and timing of tests, the system should meet full functionality upon closeout. Independent verification and validation reports continue to trend green, showing manageable risks as the agency moves towards closeout of the project.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

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

OVERVIEW

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

Project Description:

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

Records Management System (RMS) Project

Overall Status

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

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

Budget

The agency did not receive additional funds from the 2022 legislative session but did receive a reauthorization of a nearly $5.5 million prior appropriation. As the project is estimated to complete in March 2023, the agency is not requesting additional funding for FY24 and the project is currently on budget.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$7,381.3		$7,381.3	$2,787.6	$4,593.7	37.7%

Schedule

The project schedule includes accommodations for the computer-aided dispatch (CAD) project. DPS reported contracting with a different vendor for migration, as Mark43 no longer offers migration support. Although the executive steering committee and the vendor previously thought configurations and GIS enhancements should allow for adequate time for migration with an earlier March 2023 closeout, the agency may still experience a two to three month delay to migrate and test the data.

Risk

Risks associated with accommodating two IT projects simultaneously are being managed via combined weekly meetings with both project core teams. The agency continues training and work on interfaces. The agency also reports around 50 percent of required circuits have been updated at the Department of Information Technology data center. Progress should be monitored to prevent additional delays.

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

OVERVIEW

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

Project Description:

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

Computer Aided Dispatch (CAD) Project

Overall Status

DPS plans to go live with the Computer Aided Dispatch (CAD) and Record Management System (RMS) projects simultaneouy. The project schedule was moved back to March 2023 due to adequate progress being made on system configurations, geographic information system (GIS) enhancements, and system interfaces this quarter, however additional data migration activities and vendor changes may result in a two to three month delay as previously expected.

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

Budget

The project is currently within budget, with full funding currently certified by the project certification committee. DPS did not request additional funding for the project in FY24 as the porject is expected to close sometime in FY23.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$3,000.0		$3,000.0	$787.3	$2,212.7	26.2%

Schedule

The project schedule includes accommodations for the computer-aided dispatch (CAD) project. Although the executive steering committee and the vendor previously thought configurations and GIS enhancements should allow for adequate time for migration with an earlier March 2023 closeout, the agency may still experience a two to three month delay to migrate and test the data. Production of the systems are expected to begin in October 2022.

Risk

Risks associated with accommodating two IT projects simultaneously are being managed via combined weekly meetings with both project core teams. The agency reports network installations have been completed and have moved to a managed service contract. The agency continues training and work on interfaces and received a preview of the GIS data at the end of June, with some geolocation still to be completed.

OVERVIEW

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

Project Description:

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

New Mexico Longitudinal Data System (NMLDS) Project

Overall Status

The NMLDS Project entered the Implementation Phase early June 2022. The NMLDS partner agencies (HED, ECECD, PED, DWS) have been onboarding vendors and attending vendor-led kick-off and technical workshops through this quarter. The Division of Vocational Rehabilitation (DVR) has become a data partner for the project and the agencies will begin ingesting data incrementally starting October 2022, though public access is not expected until June 2023.

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

Budget

The project received $3.3 million during the 2022 legislative session, with an associated $1 million federal contribution. HSD entered into a memorandum of understanding with the Early Childhood Education and Care Department regulating $500 thousand of federal CRRSA Act funds transferred to the project and will receive congressionally directed funds for an additional $2 million. The agency is also requesting $3 million in a separate congressional request and was approved for a $559 thousand grant from the Gates Foundation that has not yet been released.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$3,954.3	$3,500.0	$7,454.3	$453.4	$4,989.6	8.4%

[1]Amount includes $5.6 thousand from DWS and $23.7 thousand from HED. Federal amount includes $500 thousand from ECECD.

Schedule

The agency is seeking additional federal funds and external grant funds, but a misalignment in the timing of federal award determinations and the state appropriations cycle could pose difficulties in determining extent of budgetary need in future years for the project, and pending federal award determinations could pose risk to the project schedule for this reason.

Risk

HED has contracted with independent verification and validation vendor for the project, which is a best practice oversight that reduces project risk. HED is also expecting the assistance of a Harvard data fellow who will be extensively trained in the system needs for the project, in addition to existing internal staff.

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

OVERVIEW

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

Project Description:

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

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) is underway with the Boards and Commissions Division (BCD) phase and is planning for the next set of six boards. However, the agency notes a potential for delays due to system integrator changes, with a new vendor onboarded in May 2022, and critical bug issues that are currently out of scope for this phase.

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

Budget

The project remains within budget of total appropriated funds and within budget for the current phase. The agency did not receive additional funding for FY23, as the project is expected to complete by the end of July 2022. The agency expects the project to close out at a total cost of around $6.6 million, which is under budget from initial estimates.

Budget Status Overview
(in thousands)

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

Schedule

The first six boards have moved to production. However, the agency entered into a new vendor contract in May 2022, which may cause some delay to implementing the final boards. RLD is undergoing discovery and development for the next six boards, including private investigators, physical therapy, message therapy, occupational therapy, dental, and pharmacy. However, progress on requirements gathering is slower than expected.

Risk

RLD has deployed the counseling and therapy, accountancy, psychology and social work, and real estate boards or commissions as of January 2022. RLD provided an update to the project certification committee in April 2022. IV&V reported some remediation efforts are underway to fix critical bugs. RLD has entered into contract with an external Help Desk for one year to assist with the increase in issue tickets resulting from project vendor changes.

Investment Performance Quarterly Report, Fourth Quarter, FY22

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

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

Markets continued to drop in the fourth quarter of FY22, with state investments losing value. Market volatility has increased due to stubborn inflation, federal funds rate hikes, unpredictable oil prices, geopolitical turmoil in Europe, and a growing recession risk. Despite a strong first half of the fiscal year, annual returns have turned negative for all funds except ERB; however, the state's risk-averse investments performed better than peer funds in the near-term amid the increasing volatility. Some state investment portfolios will undergo an asset allocation and risk profile review later this year.

Investment Performance Highlights

- For the quarter ending June 2022, the value of New Mexico's combined investment holdings shrunk by $4.04 billion, to an ending balance of $62.3 billion. For the year, funds lost $1.18 billion, or 1.9 percent. Over the last five years, the state's combined investment holdings grew $13.9 billion, or 28.6 percent.
- One-year returns dipped negative for most funds, ranging from -4.39 percent (STPF) to 1.0 percent (ERB). Average investment returns over the last 10 years ranged from 7.2 percent (STPF) to 8.5 percent (ERB).
- ERB's 1-year fund balance dropped despite having positive annual returns due to about $500 million, about three to four percent of the fund balance, of excess benefit payments over contributions. Similarly, roughly 75 percent of PERA's loss in fund balance is due to benefit payments. Conversely, the LGPF saw their fund balance grow despite annual losses due to contributions from royalty payments.
- No funds met their return targets for the quarter or year, but ERB and LGPF hit their targets in the out-periods, when annualized.[1] Both ERB and PERA consistently outperformed their policy indices.
- When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's investment funds performed well in the quarter and year, with all funds ranking in the top quartile. ERB performed in the top ten percent for all periods. STPF performed near or in the lowest quartile for 3- through 10-year returns, while PERA performed near the median, an improvement from years of underperformance. The LGPF ranked above the median and near the top quartile for long-term returns, an improvement from last quarter.

Returns as of June 30, 2022 (Net of Fees)[1]

	PERA		ERB		LGPF		STPF	
Returns (%)	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**
Quarter	-5.85	**-11.28**	-4.70	**-6.00**	-6.84	**-7.05**	-6.84	**-6.93**
1-Year	-1.67	**-10.51**	1.00	**-2.80**	-2.22	-1.72	-4.39	-3.73
3-Year	6.30	**3.03**	**8.80**	**7.20**	**7.21**	7.54	5.16	6.43
5-Year	6.44	**4.26**	**8.40**	**7.50**	**7.14**	**7.37**	5.85	6.75
10-Year	**7.48**	**6.38**	**8.50**	**7.70**	**7.99**	8.07	**7.21**	7.77

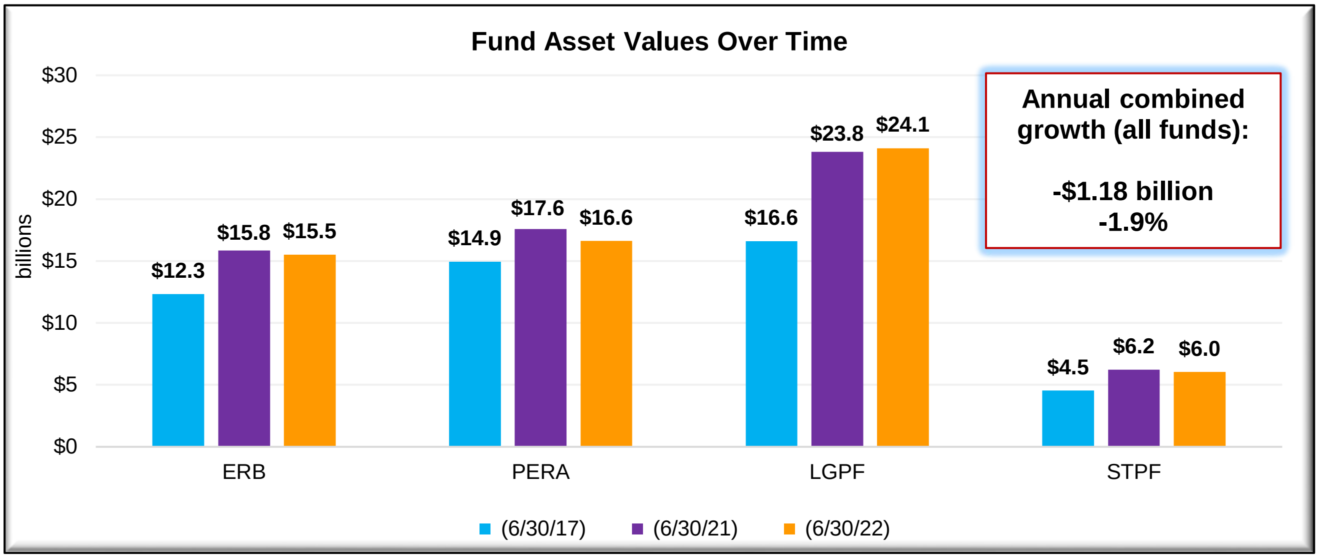
Note: A bolded fund value indicates returns that exceed the fund's long-term target. A bolded policy index value indicates returns that exceed the policy index. Quarterly data is not annualized.

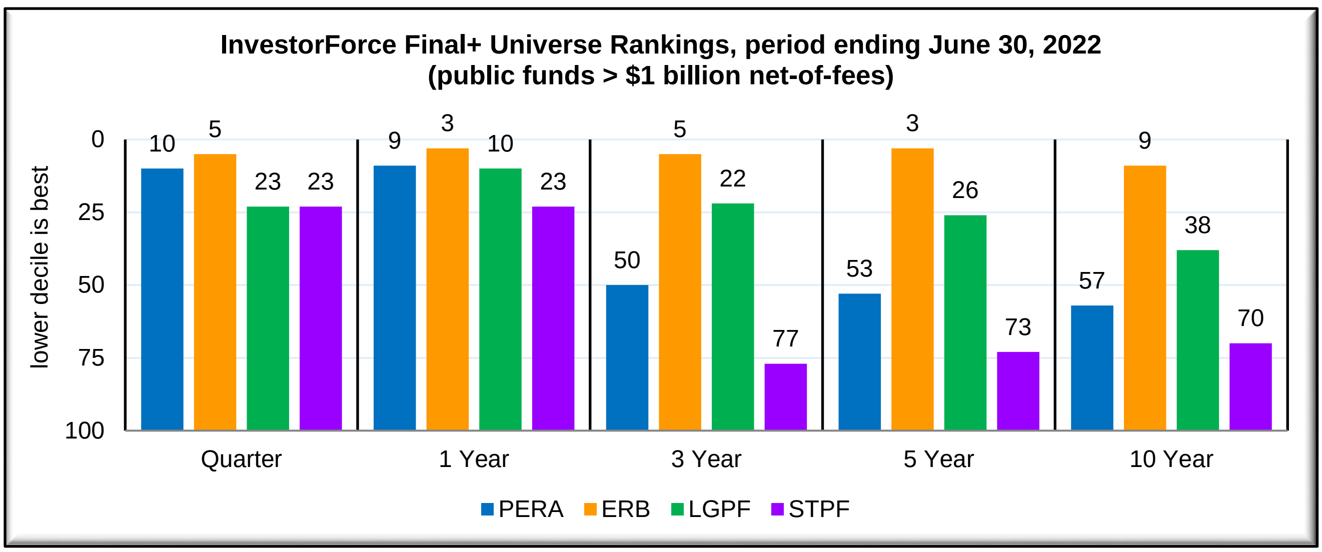
[1] The funds' long-term return targets are 7.25 percent (PERA), 7 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

Investment Agency Performance Dashboard

Quarter Ending June 30, 2022

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





Risk Profiles, Five Years Ending 6/30/22, Net of Fees				
Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	6.5	7.3	9.1	8.9
Sharpe Ratio**	1.1	0.7	0.7	0.6
Beta***	0.3	0.4	0.4	0.4

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

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

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

Aggregate Value of New Mexico Investment Holdings

$62.3 billion

Source: Agency Investment Reports