

## **Accountability in Government Selected Performance Highlights Fourth Quarter, Fiscal Year 2018**

### **Background**

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

Over the last several years different perspectives have developed between the executive and legislative branches about the importance of performance measures and accountability. The DFA wanted to sharply reduce the number of measures reported by state agencies, while the LFC wanted to maintain meaningful measures. In FY17 DFA and LFC staff cooperated to remove over 600 less useful measures, but DFA nonetheless instructed agencies to shift many FY18 measures to explanatory measures, which do not have targets, or to annual rather than quarterly reporting. Both these steps reduce the opportunity for meaningful tracking and oversight by the Legislature.

Staff at the LFC responded by improving quarterly report cards by adding national benchmarks and other relevant performance data not included in agency performance reports. Two particularly strong examples are the report cards for the Aging and Long Term Services Department and the Department of Health. Hopefully, the quality of agency reporting and performance measures will improve with a new administration more receptive to transparency and accountability.

The measures are listed in tables in the body of the report cards, along with a green, yellow, or red rating that indicates how well the agency is progressing in meeting its performance targets.

Performance of note for the fourth quarter of FY18 by major area:

### **Taxation and Revenue Department** *(page 10)*

The Taxation and Revenue Department (TRD) fell short of achieving most of its performance targets in FY18, perhaps a result of turnover and high vacancy rates in leadership staff. The agency has not yet provided information regarding outstanding tax protest liabilities; LFC's request for that information was made more than one year ago.

TRD missed its 18 percent target for collection of outstanding tax balances, achieving a collection rate of 16.7 percent, or \$116.2 million. In the compliance enforcement division, the FY18 figure for tax investigations referred to prosecutors appears remarkably high; however, the division did not initiate many new cases in FY18 and instead made referrals from prior years. The motor vehicle division (MVD) struggled to meet target wait times in field offices due to REAL ID. For the last half of the year, MVD did not have a contract in place to track call center wait times to reach an agent; however, a contract has been initiated with a new vendor.

### **Human Services and Medicaid** *(page 13)*

The Human Services Department (HSD) experienced several challenges in FY18, including moving forward with a new federal Medicaid waiver renewal, procuring new Medicaid managed care organizations (MCOs), and working on a new consent decree to comply with the long-standing Debra Hatten-Gonzales lawsuit.

The Medicaid and Temporary Assistance for Needy Families (TANF) caseloads were down compared with a year ago, but the rolls for the Supplemental Nutrition Assistance Program (SNAP) were up slightly. This was the first time in several years the state experienced a decline in Medicaid enrollment. The Medicaid caseload in July was 832,599 individuals, a 6.4 percent decrease from one year ago. The TANF caseload was 11,059 in July 2018, a decrease of 3.7 percent from July 2017. The SNAP caseload in July 2018 was 221,195, a 1.4 percent increase from one year ago. Overall Medicaid and CHIP enrollment peaked in March 2017 with 916,855 clients. The enrollment decline reflects HSD's efforts to re-determine eligibility and close out ineligible applications. However, HSD projects Medicaid enrollment will grow by 2.1 percent in 2019 and 1.1 percent in 2020.

The special master in the Hatten-Gonzales lawsuit issued his report in 2018 and concluded there are management problems with the Income Support Division's (ISD) field operations, and management needs to reduce lobby wait times and improve the timeliness of Medicaid and SNAP eligibility determination approvals. HSD indicates the timeliness of approved SNAP applications improved from 86.9 percent on time in January 2017 to 97.6 percent on time in December 2017. The timeliness of denied SNAP applications improved from 21.2 percent in January 2017 to 62.6 percent in December 2017.

### **Behavioral Health**

At the time of this report, LFC had not received the Behavioral Health Services Division (BHSD) performance report for the fourth quarter of FY18. This is a recurring issue with BHSD and detracts from LFC efforts to report agency outcomes

and effectiveness in a timely manner. When the agency performance report is received, the BHSD fourth quarter report card will be posted at [https://www.nmlegis.gov/Entity/LFC/Performance Dashboard](https://www.nmlegis.gov/Entity/LFC/Performance%20Dashboard).

### **Department of Health** *(page 17)*

The Department of Health recently announced several initiatives which could lead to future budgetary challenges, such as adjusting direct-care staff compensation by almost 20 percent above the legislatively-approved 4.5 percent for direct-care staff and submitting a request to the federal government for a 2 percent across the board rate adjustment for developmental disabilities waiver service providers. The department has made progress leveraging Medicaid revenue, more work remains to ensure the department's budget does not go off track. Improving billing for programs such as the Tobacco Use Prevention and Control Program and ensuring the facilities are prepared to leverage Centennial Care 2.0 provisions for substance use disorders will go a long way to ensure department-driven initiatives are fully funded.

In 2018, indicators measuring child health such as infant mortality, low birthweight, immunizations, and early access to prenatal care trended in the wrong direction while rates for child safety, readiness to learn by kindergarten, and 3<sup>rd</sup> grade education trended in the right direction. In the next few months, LFC staff will begin working on an evaluation of early childhood interventions, such as the Women, Infants and Children (WIC) nutritional program, the Family, Infants, and Toddlers (FIT) early intervention program, and the Families First new family coaching program, to shed light on programs effecting early childhood health.

### **Aging and Long-Term Services** *(page 21)*

At the beginning of the year, the Aging and Long-Term Services Department hired a contractor to conduct a review of all six planning and service areas within the state and to consider possible consolidation. Seven other rural states have a "single planning state area" and the state could move to a similar model. Currently, one AAA serves all non-metro non-Native American regions of the state, encompassing almost all of rural New Mexico's three PSAs. According to federal officials, this arrangement is unique nationally. The department promised the results of the report months ago but has yet to provide them.

### **Children, Youth and Families** *(page 23)*

The Legislature has prioritized funding for Early Childhood Services and Protective Services in recent years. Early childhood investments continue to be a key legislative strategy to improve long-term outcomes for New Mexico; however, performance

outcomes for the Children, Youth and Families Department remain mixed. Repeat maltreatment rates improved slightly, but remain well above national benchmarks. The Juvenile Justice Services Program reported reduced violence in committed youth facilities.

**Public Safety** (*NMCD, page 27; DPS, page 29; Public Safety Dashboard, page 31*)

Violence among state prisoners more than doubled in FY18 as inmate-on-inmate assaults spiked from 15 incidents in FY17 to 32 incidents in FY18. Crowded facilities coupled with a 22 percent custody staff vacancy rate means less space and opportunity for evidence-based programming and education. Lack of opportunities for inmates leads to violence within prisons and high recidivism rates outside the walls. The New Mexico Corrections Department continues to struggle with a 49 percent three-year recidivism rate while 9 percent of men and 9 percent of women who could be released on parole if there were adequate resources in the community for them remain behind bars. Illicit drug use remains an issue, with 4 percent of random monthly drug tests being positive in FY18. The department is meeting targets for contacts with high risk offenders in the community and recidivism rates for women graduating from the Recovery Center.

The Department of Public Safety (DPS) plans to be compliant with federal National Incident-Based Reporting System (NIBRS) requirements by 2020 and has joined forces with the Albuquerque Police Department and the Bernalillo County Sheriff to establish an auto theft unit that works on targeted operations and intelligence sharing. Auto thefts are usually linked with other types of crimes such as drug trafficking. Cooperative efforts and improved use of data by DPS should help reduce crime around the state and may already be affecting Albuquerque crime rates. The department met all performance targets in FY18 including important public safety initiatives like drunk driving arrests, strategic traffic enforcement, and crime lab case completion. However, many of the department's performance targets may be set too low and should be revised to better reflect the department's capacity and goals.

LFC staff produced an August criminal justice dashboard focusing on crime, incarceration, and prosecution in Bernalillo County to help address acute issues faced in the Albuquerque area. According to the Albuquerque Police Department, serious crimes decreased to 2,996 in August, or 35 percent year-over-year (August 2018 as compared to August 2017). The number of felony cases sentenced by conviction or plea increased by 31 percent year-over-year, to 258. However, the number of filled attorney positions in the Second DA's office has been declining in spite of FY18 special appropriation funds and increased FY19 operating funds available to help fill critical vacancies and increase staffing.

## **Courts and Justice** *(page 32)*

For the first time in FY18, all justice partners began reporting quarterly. The district attorneys and the Public Defender Department joined the courts in the new, comprehensive report format. Although statewide revenues have contracted, the “three legs” of the justice system, the courts, the district attorneys, and the public defenders, have collectively grown an average 2 percent per year over the last five years, and the improved reporting is supportive of legislative efforts to understand and address challenges facing New Mexico’s criminal justice system.

In FY18, the Public Defender Department made notable progress in expanding performance reporting and expanded meaningful measures threefold. Meaningful measures are still lacking for the district attorneys and the judiciary, although reporting frequency has improved. Valuable information related to pretrial reform, crime, and sentencing is lacking. To close the information gap, performance measurements should include rates of appearance, reoffenders, and pretrial detention.

Caseloads continue to drop from a peak in FY10. The continuing decrease in cases entering the justice system appears to be driven by improved safety in the state, as indicated by preliminary crime data for FY18. As the number of cases referred to district attorneys decreases, caseloads also decrease for the courts and the Public Defender Department. Despite decreases in workload, funding has increased, which has resulted in improved performance in FY18, as indicated in caseloads per attorney and case outcomes.

Responding to legislative interest, the district attorneys continue to progress on a comparable unified budget system for FY20.

## **Public Education** *(page 36)*

First Judicial District Court Judge Sarah M. Singleton’s ruling on the public education funding sufficiency lawsuit noted that New Mexico’s level of funding and distribution method for public schools were insufficient. Judge Singleton’s ruling also highlighted disparities in student achievement, particularly for at-risk children, as evidence of the state’s failure to provide adequate educational opportunities for all students and noted the Public Education Department (PED) did not fully exercise its authority over districts to ensure at-risk students received adequate support.

Statewide, student achievement has shown modest growth over four years. While the positive trajectory is promising, results show over 70 percent of fourth and eighth graders are not proficient in reading and math – indicating the state has much more

room for improvement. Additionally, disparities exist between different student subgroups, highlighting the need for the state to consider more targeted interventions for lower-performing subgroups.

Preliminary figures show the state enrolled 2,081 fewer students in FY18, continuing a downward trend from FY17 when the state also saw a decrease of 2,331 students. Prekindergarten programs continue to serve more children in extended-day programs and enrollment capacity for K-3 Plus programs is at a record high. Additionally, schools participating in the principals pursuing excellence and teachers pursuing excellence programs are outperforming demographically-similar schools and the statewide average.

### **Higher Education** (*page 40*)

Higher education institutions have made solid gains in year-over-year graduation rates, particularly in the four-year research sector. The four-year sector, representing the largest volume of undergraduate students, showed on average almost five percent improvement over the prior year. Each of the research institutions exceeded their annual targets. The two-year sector needs improvement.

Despite beating their annual targets, colleges and universities are underperforming their national peers, indicating target levels are too low and insufficient to inspire performance levels on a trajectory to surpass national peers.

Based on current performance levels, the Governor's Route-to-66 attainment goal will be met without increasing target levels. However, that goal is aimed at increasing the number of adults that hold *any* postsecondary credential. Unfortunately, New Mexico falls behind the national average for the number of bachelor's and graduate degrees colleges produce compared to lower level degrees and certificates.

### **Natural Resources** (*EMNRD, page 44; NMED, page 47; OSE, page 49*)

State park visitation declined four percent from FY17, driven by fire, drought, and park closures. However, the revenue impact of this decline was offset by an increase in visitor revenue of \$654 thousand. The Oil Conservation Division surpassed its target for timely processing of drill permits. Oil spills have declined, partly due to increased awareness of best management practices within the industry and development of new spill rules. New Mexico producers flare between 50 and 100 million cubic feet per day of natural gas, but industry and state agencies have yet to

develop economic incentives or other means to market flared natural gas, or any additional regulations related to air quality.

The New Mexico Environment Department reports eight percent of New Mexicans served by community water systems do not have access to water that meets drinking water health-based standards. Inspections of groundwater discharge facilities and large quantity hazardous waste generators declined due to a focus on permit hearing preparation and personnel vacancies. Water infrastructure project needs for local communities continue to overshadow funds awarded.

The Water Resource Allocation Program of the Office of State Engineer has a vacancy rate of 22 percent, contributing to an increase in backlogged applications. Staff resources have been diverted to investigations in response to complaints of illegal water use. Reservoirs are severely depleted due to historic low snowmelt runoff combined with almost no stored water from previous years. El Vado and Elephant Butte reservoirs are projected to be almost empty by the end of this year, raising concerns for irrigation needs in 2019.

### **Economic Development and Tourism** (*EDD, page 51; Tourism, page 53*)

The tourism industry in New Mexico is still strong when compared with other industries, and the agency is continuing to focus efforts on local advertising initiatives. Workforce Solutions Department data show the leisure and hospitality industry had the second largest numeric increase in jobs in the state in FY18. The change in employment in the leisure and hospitality industry met the annual target, with a 3 percent increase. *New Mexico Magazine* exceeded the annual target for advertising revenue per issue, reaching an average of \$81 thousand and also surpassing FY16 and FY17 levels.

The Economic Development Department's (EDD) performance results for FY18 improved from FY17 for a significant number of measures, including overall jobs created, rural jobs created, and jobs created due to use of Local Economic Development Act (LEDA) funds. The Economic Development Division awarded 15 companies \$10.5 million in LEDA funds in FY18 and created 2,613 jobs. Of the 15 companies awarded LEDA funds, eight were in rural areas. The Job Training Incentive Program (JTIP) board approved 90 businesses for funding in FY18, including 41 in rural communities, with a total of \$15.3 million in awards.

The New Mexico Film Office and the Taxation and Revenue Department reported the film tax credit was fully expensed for FY18, reaching the cap of \$50 million dollars. The film tax credit is also already maxed out at the \$50 million credit for FY19, with payments that have been approved but not processed. There is currently

\$40 million in backlog from prior and current years that have been approved but not paid and \$80 million in applications that have not been approved yet, resulting in a total backlog of approximately \$120 million.

### **Workforce Solutions Department** (*page 55*)

The Workforce Solutions Department reported the Unemployment Insurance trust fund balances for FY18 grew from \$417.5 million to \$444.8 million, or 6.5 percent. Total contributions for the year were \$172.7 million and total benefit payouts were \$145.5 million. Nationally, unemployment rates are declining and New Mexico followed this trend with an unemployment rate of 4.7 percent, ranking the state 46<sup>th</sup> in the nation.

### **General Government** (*GSD, page 58; SPO, page 61; DOT, page 62*)

Despite a transfer of \$30 million from General Services Department's risk funds, the balances of these funds has increased over the past fiscal year. While GSD requested a medical insurance increase of 5 percent for FY20, the department has experienced a medical cost trend of 8 to 9 percent for the past several years, higher than the industry average of 6 to 7 percent. Although the state workforce has shrunk significantly since FY09, state space utilization has not, and GSD is not tracking the number of FTE per square foot in state-owned and leased facilities.

The State Personnel Office reports persistently high vacancy rates across the executive branch. The current rate of 18 percent is unchanged from FY17 but higher than the 15 percent reported in FY16. The time to fill positions also increased from 65 days in FY16 to 71 days in FY18. Improving the time to fill vacant positions is key to reducing vacancy rates and allowing the state to hire the best-qualified workers.

Department of Transportation data show 95 percent of New Mexico's bridges are in fair condition or better based on deck area. Road conditions, however, continue to deteriorate across the state. The number of lane miles in deficient condition increased four percent, and 21 percent of non-national highway system miles are considered in poor condition. Rail Runner ridership declined six percent between FY17 and FY18; ridership has not increased since FY10. Traffic fatalities declined from 374 in FY17 to 359 in FY18.

### **Information Technology Projects** (*page 65*)

The estimated cost for the 12 key projects included in the IT status report is over \$279 million, including \$175.6 million for HSD's Medicaid Management



Information System replacement (MMISR) project (90/10 federal match). The multi-year phased project was expected to continue through 2019, however HSD is requesting CMS approval of a \$27.7 million increase in the MMISR budget, with project completion extended to 2021.

This quarter's report includes status on functionality for completed or nearly completed projects when the system is not functioning as planned or if other there are issues with implementation. For example, while the State Treasurer's implementation of its Integrated Treasury Solution is complete, manual processes remain for SHARE and the system does not completely meet the agency's full business needs, therefore functionality has a red rating.

TRD's Severance Tax project implementation improved the filing and amendment process, and increased accuracy and efficiencies of severance tax collection, however ongoing concerns with incorrect data reporting remain. Procurement review and contract approval delays are impeding progress for the ONGARD replacement project. The Public Employees Retirement Association (PERA) Retirement Information Online (RIO) enhancement project received a red rating for schedule due to delays with contract renewal and vendor deliverables. Two projects, HSD's MMISR project and CYFD's Enterprise Provider Information Constituent Services project (EPICS), have red ratings due to risk associated with large complex multi-year projects.

## **Investments** *(page 72)*

In FY18, the aggregate value of New Mexico's combined investment holdings for the pension and permanent funds grew by nearly \$2.4 billion, or 4.8 percent, to end the fiscal year at \$50.8 billion. Over the last five years, the state's combined investment holdings grew \$11.5 billion, or 29.4 percent.

One-year returns ranged from 6.9 percent to 8.4 percent. Over the last 10 years, investment returns ranged from 5.5 percent to 6.8 percent. ERB and SIC's funds outperformed their long-term targets for the one-, three-, and five-year periods. PERA's fund outperformed its long-term target for the five-year period.

When compared with peer funds greater than \$1 billion on a net-of-fee basis, the ERB fund performed in the highest quartile for the quarter, three-year, and ten-year periods, and it performed above the median for the one-year and five-year periods. The permanent funds performed above the median for the quarter, one-, three-, and five-year periods, and the LGPF performed at the median for the 10-year period. The PERA fund performed in lowest quartile for all periods reported.

## PERFORMANCE REPORT CARD

Taxation and Revenue Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

TRD's GenTax software has not enabled the agency to regularly pull reliable reports on the value of claimed business tax credits because duplicate entries appear if a claim is amended. It is not clear if or when TRD will be able to resolve this issue to provide reliable credit data to the public on an ongoing, timely basis.

### Taxation and Revenue Department

The Taxation and Revenue Department (TRD) fell short of achieving most of its performance targets in FY18, a result of turnover and high vacancy rates in leadership staff. Of the 13 top leadership positions within TRD, nine are either vacant or filled with acting personnel, including the cabinet secretary, tax policy director, chief economist, and tax fraud division director.

Though the governor vetoed more than a dozen new performance measures for FY19, LFC staff, in collaboration with DFA and TRD, developed many improved measures for the FY20 budget cycle. Some new measures include tracking tax protests referred to the Administrative Hearings Office, personal income tax (PIT) returns processed, and PIT returns flagged as questionable. Other measures proposed and vetoed are tracked by the department, and provided by request.

During the August 2017 revenue estimate in Taos, the department promised to provide LFC with information regarding outstanding tax protest liabilities to the state. In April 2018, as part of an overview of the tax protest process, TRD provided a part of the information request and again reassured the committee the remainder of information would be provided. Now, more than a year after the initial request, LFC staff have yet to receive any such information.

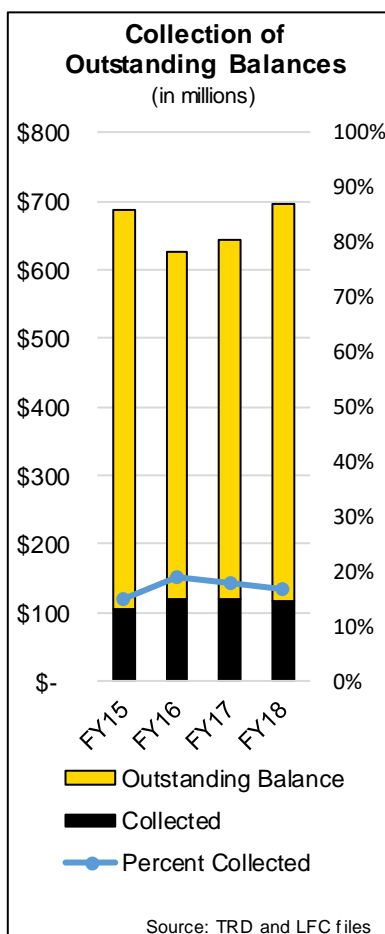
### Tax Administration

The program did not meet targets for any of its key performance measures. For FY18, \$116.2 million, or 16.7 percent, of the \$697.5 million of collectible outstanding balance was collected, falling short of the 18 percent collection target. The target has remained the same since FY14; however, the Legislature adopted an increase to 28 percent along with a modest funding increase for personnel in FY19. The percent of electronically filed income tax returns declined compared with FY18; however this is an explanatory measure. The agency reports of the 662 thousand income returns received, 529.5 thousand were submitted electronically.

**Budget:** \$29,844.0 **FTE:** 496

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year	19.3%	18.4%	18%	16.7%	R
Collections as a percent of collectible audit assessments generated in the current fiscal year plus assessments generated in the last quarter of the prior fiscal year	43%	58%	60%	50%	R
Electronically filed personal income tax and combined reporting system returns*	85%	86%	N/A	80%	
<b>Program Rating</b>					R

\*Measure is classified as explanatory, provided for informational purposes. The measure does not have a target.



## PERFORMANCE REPORT CARD

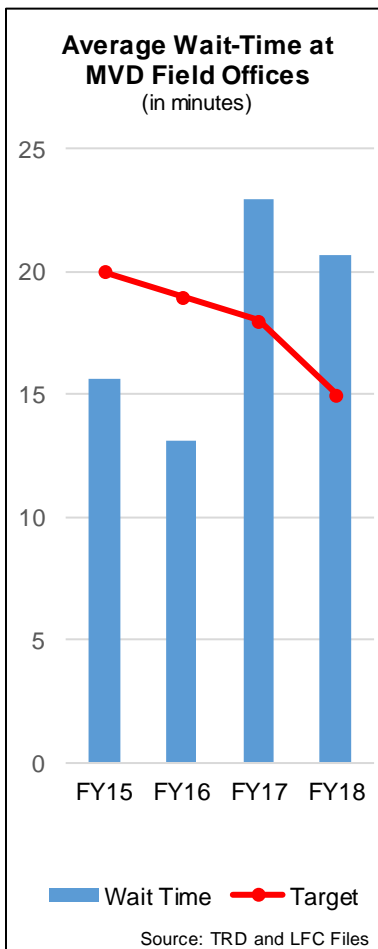
Taxation and Revenue Department  
Fourth Quarter, Fiscal Year 2018

### Compliance Enforcement

The division focused more on investigations from prior fiscal years. In doing so, there was an increase in adjudication of investigations by the district attorney's office. In total, eight cases were assigned to program agents and nine were referred to prosecutors, exceeding the FY18 target. The agency reported it was unable to effectively initiate new cases due to severe turnover throughout the year.

**Budget:** \$1,555.3 FTE: 21

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	88%	67%	85%	113%	Y
<b>Program Rating</b>					Y



### Property Tax

The Property Tax Program exceeded its annual target, for the third year in a row, of delinquent property tax collected and distributed to counties. The program collected and returned \$2.3 million during the fourth quarter, exceeding the annual target by \$1.2 million. The amount collected and distributed is expected to increase due to late accountings of some counties.

**Budget:** \$3,796.6 FTE: 39

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Delinquent property tax collected and distributed to counties, in millions	\$11.6	\$11.5	\$11.6	\$12.8	G
<b>Program Rating</b>					G

### Motor Vehicle

The program improved FY18 average wait times in field offices by just over two minutes compared with FY17, but still fell short of the 15-minute target. Since FY16, the rollout of REAL ID, a federally compliant driver's license or ID that requires additional, specific documents, has significantly hampered waiting times in state-run field offices. The contract to track MVD call center wait times expired last December resulting in no reported data for the third and fourth quarters of FY18.

**Budget:** \$26,665.8 FTE: 340

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Registered vehicles with liability insurance	92%	90%	93%	90%	R
Average call center wait time to reach an agent, in minutes	6:07	4:33	5:00	N/A	R
Average wait time in "q-matic" equipped offices, in minutes	13:14	22:56	15:00	20:45	R
<b>Program Rating</b>					R

## PERFORMANCE REPORT CARD

Taxation and Revenue Department  
Fourth Quarter, Fiscal Year 2018

### Program Support

During the fourth quarter, Program Support resolved 232 protest cases, missing the quarterly target by 116 cases and the annual target by 85 cases. There were 29 audits conducted in FY18. In total, the audits generated 329 recommendations and 315 were implemented on schedule.

**Budget:** \$19,590.0 **FTE:** 190

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Tax protest cases resolved	1,897	1,524	1,400	1,315	Y
Internal audit recommendations implemented	93%	91%	90%	94%	G
<b>Program Rating</b>					Y

Vetoed Performance Measures from 2018 Session	
1	Personal income tax returns flagged as questionable
2	Credit requests denied as a percent of total credit requests received
3	Personal income tax returns processed, in millions
4	Questionable personal income tax returns stopped
5	Collections as a percent of collectible outstanding balances aged less than twenty-four months
6	Delinquent property tax sales held
7	Turnover rate of tax fraud investigators
8	General fund revenue pending from unresolved tax protest cases, in millions

### TRD Administration

Position	Acting	Vacant
Cabinet Secretary	X	
Deputy Secretary		X
General Counsel	X	
Tax Policy Director		X
Chief Economist		X
MVD Director	X	
Audit and Compliance Director		X
Tax Fraud Investigations Director	X	
Revenue Processing Director	X	
ASD Director	X	

Source: TRD Org. Chart

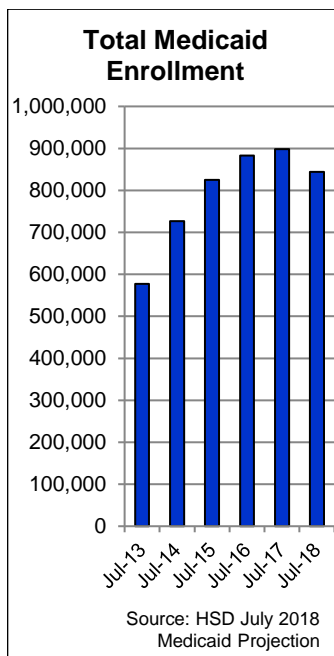
## PERFORMANCE REPORT CARD

### Human Services Department

#### Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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



The Medicaid and Temporary Assistance for Needy Families (TANF) caseloads were down compared with a year ago, but the rolls for the Supplemental Nutrition Assistance Program were up slightly. The Medicaid caseload in July was 832,599 individuals, a 6.4 percent decrease from one year ago. The TANF caseload was 11,059 in July 2018, a decrease of 3.7 percent from July 2017. The Supplemental Nutrition Assistance Program (SNAP) caseload in July 2018 was 221,195, a 1.4 percent increase from one year ago.

### Human Services Department

The Human Services Department (HSD) experienced several challenges in FY18, including moving forward with a new federal Medicaid waiver renewal, procuring new Medicaid managed care organizations (MCOs), and working on a new consent decree to comply with the long-standing Debra Hatten-Gonzales lawsuit.

HSD hopes to have approval from the federal Centers for Medicare and Medicaid Services (CMS) by October 2018 on New Mexico's Medicaid waiver renewal, Centennial Care 2.0. However, CMS may not approve roll-backs of certain benefits or premium increases. HSD is proceeding with readiness reviews with the three newly-contracted MCOs, Blue Cross Blue Shield of New Mexico, Presbyterian Healthcare Services, and Western Sky Community Care, for services beginning on January 1, 2019, despite multiple ongoing legal appeals.

Centennial Care 2.0 proposes changes in Medicaid-funded behavioral health services including: funding for supportive housing; accredited adult residential treatment centers and social detox services; expanding Medicaid health homes treating co-occurring serious mental illness and substance use disorders; and waiving the Institutions of Mental Diseases (IMD) exclusion prohibiting Medicaid reimbursement for private and state-run hospitals that provide inpatient psychiatric services.

The special master in the Hatten-Gonzales lawsuit issued his report in 2018 and concluded there are management problems with the Income Support Division's (ISD) field operations, and management needs to reduce lobby wait times and improve the timeliness of Medicaid and SNAP eligibility determination approvals. HSD indicates the timeliness of approved SNAP applications improved from 86.9 percent on time in January 2017 to 97.6 percent on time in December 2017. The timeliness of denied SNAP applications improved from 21.2 percent in January 2017 to 62.6 percent in December 2017.

### Medical Assistance Division

In its most recent projections, HSD reported the Medicaid program will end FY18 with a surplus of \$7.8 million in general fund largely due to declining enrollment. A higher concentration of members in higher cost cohorts occurred in the physical health and the long-term services and supports service areas. In the behavioral health areas, there was an increase in the utilization of autism services and intensive outpatient services which drive up program costs.

Medicaid's performance for infants who had six or more well-child visits is low and fourth quarter data is unavailable for newborns whose mothers received a prenatal care visit in the first trimester. HSD requires MCOs to report frequently on these measures, but data is compiled annually by HSD's consulting firm, Mercer, and is not provided to the LFC for quarterly reporting.

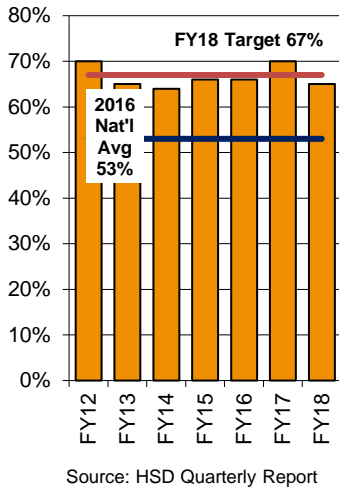
MCOs provide incentives for patients to access prenatal care through the Centennial Care Member Rewards program, which HSD reports had a 73 percent participation rate in FY17 with a target of 85 percent for FY18. HSD reports MCOs continue to focus efforts on improving well-child visit outcomes, and since 2014 have increased

## PERFORMANCE REPORT CARD

### Human Services Department

### Fourth Quarter, Fiscal Year 2018

#### Medicaid Children Receiving Annual Dental Visit



performance by 12 percent. Efforts include visit reminder calls and scheduling assistance to ensure infants receive at least six primary care visits within the first fifteen months of life.

For childhood dental visits, New Mexico exceeded the national average of 53 percent by 12 percent but missed the FY18 target of 67 percent. The dental visits FY18 target was 3 percent lower than the FY17 target.

**Budget:** \$5,178,887.1 **FTE:**184.5

#### Measure

Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first fifteen months\*

FY16 Actual	FY17 Actual	FY18 Target	FY18 <sup>1</sup> Actual	Rating
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57%	59%	N/A	44%	R
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Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year

85%	84%	92%	71%	R
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Children ages two to twenty-one enrolled in Medicaid managed care who had at least one dental visit during the measurement year

68%	70%	67%	65%	R
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Individuals in managed care with persistent asthma appropriately prescribed medication

54%	56%	50%	44%	R
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Hospital readmissions for children ages two to seventeen within thirty days of discharge

7%	5%	6%	5%	G
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Hospital readmissions for adults eighteen and over within thirty days of discharge

12%	7%	10%	7%	G
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Emergency room visits per one thousand Medicaid member months\*

48	45	N/A	N/A	R
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Individuals in Medicaid managed care ages eighteen through seventy-five with diabetes (type 1 or type 2) who had a HbA1c test during the measurement year

83%	77%	86%	62%	R
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Newborns with Medicaid coverage whose mothers received a prenatal care visit in the first trimester or within forty-two days of enrollment in the managed-care organization

77%	73%	85%	N/A	R
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Medicaid managed-care long-term care recipients who receive services within ninety days of eligibility determination\*

86%	86%	N/A	N/A	R
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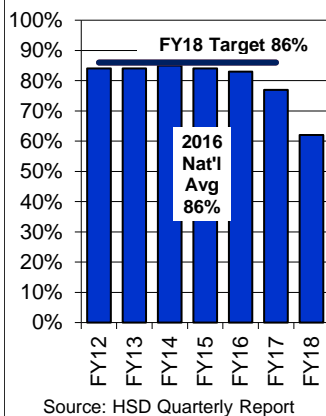
**Program Rating**

**R**

<sup>1</sup>HSD uses a rolling average; the most recent unaudited data available includes the last two quarters of FY17 and the first two quarters of FY18.

\*Measures are classified as explanatory, provided for informational purposes, and do not have a target. Ratings are based on comparison with prior year performance.

#### Medicaid Adults Receiving Annual Diabetes Testing

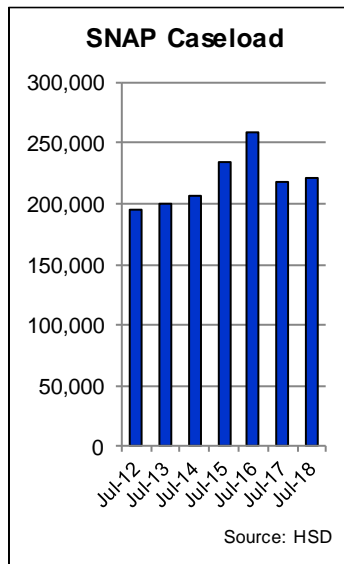




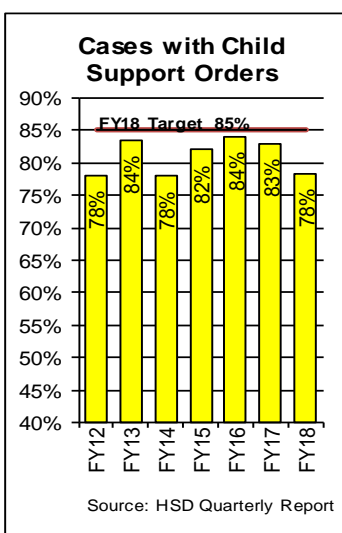
## PERFORMANCE REPORT CARD

### Human Services Department

### Fourth Quarter, Fiscal Year 2018



New performance measures for Medicaid requested by HSD in FY18 included additional explanatory measures or measuring items in which the program has traditionally done well. Some of the new measures were members served by health homes; number of members with a nursing facility level of care served in the community; number of jail-involved individuals made eligible for Medicaid prior to release; members receiving hepatitis C treatment; and members receiving services under value-based purchasing agreements.



### Income Support Division

The Income Support Division (ISD) improved timeliness of expedited SNAP cases, meeting federal requirements as it processed pending applications and re-certifications per federal court orders. Participation rates for families meeting TANF work requirements were mixed. The program increased monitoring of its New Mexico Works service vendor, provided training to its employees on working with individuals with multiple barriers to employment, and implemented dedicated teams to follow up with clients with daily phone calls, letters, and home and site visits. ISD did not report on two out of six previous performance measures: TANF clients who obtain a job during the year, and children eligible for SNAP with family incomes at 130 percent of the federal poverty level. However, HSD's monthly statistical reports indicated out of 6,892 adults receiving TANF services, 349 were newly employed.

**Budget:** \$984,567.1 **FTE:** 1,075

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Regular supplemental nutrition assistance program cases meeting the federally required measure of timeliness of thirty days	96.1%	94.0%	97.0%	99.1%	G
Expedited supplemental nutrition assistance program cases meeting federally required measure of timeliness of seven days	97.7%	92.3%	98.0%	98.1%	G
Temporary assistance for needy families clients who obtain a job during the fiscal year*	57.6%	54.6%	N/A	N/A	R
Children eligible for supplemental nutritional assistance program participating in the program with family incomes at one hundred thirty percent of poverty level*	93.0%	92.2%	N/A	N/A	R
Two-parent recipients of temporary assistance for needy families meeting federally required work requirements	62.8%	59.5%	62.0%	56.4%	R
All families recipients receiving temporary assistance for needy families meeting federally required work requirements	54.5%	53.4%	52.0%	53.4%	G

**Program Rating**

**Y**

\*Measures are classified as explanatory, provided for informational purposes, and do not have a target. Ratings are based on comparison with prior year performance.

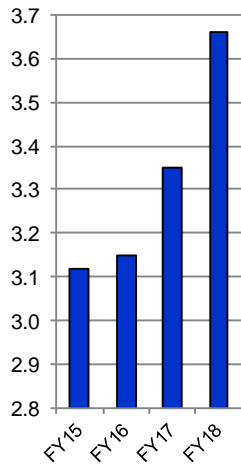
### Child Support Enforcement Division

The Child Support Enforcement Division (CSED) reports performance in both the collection of child support and arrears has declined over the last several years. CSED repeatedly cites it is in the process of filling vacant positions and implementing a retention plan to reduce its vacancy rate and return to an upward trend in collections. In 2015, CSED conducted a Business Assessment Review and in 2017 piloted new business processes in three field offices but is unable to implement the changes due to vacancies.

## PERFORMANCE REPORT CARD

Human Services Department  
Fourth Quarter, Fiscal Year 2018

**Ratio of Dollars  
Expended to  
Child Support  
Collected**



Source: HSD

The division has received its requested funding for personnel for FY18 and FY19, but recruitment and retention remains slow, and outcomes remain behind targets and previous years' performance. The program reports an improved ratio of collections to expenditures, but this is largely due to growing vacancy rates.

**Budget:** \$30,471.8    **FTE:** 383

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Support arrears due that are collected	64.9%	64.2%	67.0%	62.1%	R
Total child support enforcement collections, in millions*	\$141	\$139.6	N/A	\$139.8	Y
Child support owed that is collected	56.3%	56.3%	62.0%	57.8%	R
Cases with support orders	84%	83%	85%	78.5%	R
<b>Program Rating</b>					<b>R</b>

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

\*Measures are classified as explanatory, provided for informational purposes, and do not have a target. Ratings are based on comparison with prior year performance.



## PERFORMANCE REPORT CARD

Department of Health  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

#### Vetoed Performance Measure from 2018 Session

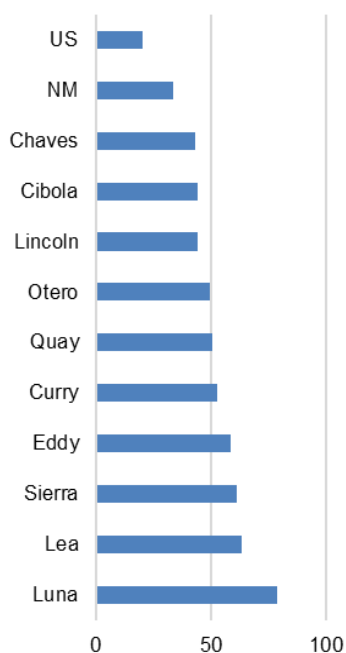
1	Percent of operational beds occupied.
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#### New Mexico Child Health Indicator Rankings 2016

Teen Pregnancies ages 15-19	7th Highest
Low Birthweight	10th Highest
Pertussis Cases	8th Highest
Child Immunizations	37th Highest
Children in Poverty	1st Highest

Source: American Community Survey and Centers for Disease Control and Prevention

#### Births to Teens Ages 15-19 per 1,000 Girls, 2014-2016



Source: NM IBIS

### Department of Health

The department recently announced several initiatives which could lead to future budgetary challenges such as adjusting direct-care staff compensation by almost 20 percent above the legislatively approved 4.5 percent for direct-care staff and submitting a request to the federal government for a 2 percent across the board rate adjustment for developmental disabilities waiver service providers. While the department made progress recently and leveraged more Medicaid revenue, more work remains to ensure the department's budget does not go off track. Improving billing for department programs such as the Tobacco Use Prevention and Control Program and ensuring the facilities are prepared to leverage Centennial Care 2.0 provisions for substance use disorders will go a long way to ensure department driven initiatives are fully funded.

New Mexico Health Indicators		FY15	FY16	US 2016
1	Drug overdose death rate per 100,000 population*	25	25	20
2	Births to teens aged 15-19 per 1,000 females aged 15-19	34	29	22
3	Alcohol-related death rate per 100,000 population*	66	66	32
4	Falls-related death rate per 100,000 adults aged 65 years or older*	104	92	58
5	Heart disease and stroke death rate per 100,000 population**	188	196	
6	Suicide rate per 100,000 population*	23	22	13.5
7	Pneumonia and Influenza death rate per 100,000 population	13	14	15
8	Diabetes hospitalization rate per 1,000 people with diagnosed diabetes**	184	155	
9	Third grade children who are considered obese**	19%	19%	
10	Adults who are considered obese	29%	28%	30%
11	Adolescents who smoke	No Data	11%	11%
12	Adults who smoke	17%	17%	17%

\*Indicates areas of greatest concern.

\*\* Indicates national measures lagging behind state data.

Source: DOH

### Public Health

While progress was made in recent years, New Mexico still has one of the highest teen birth rates in the nation. A 2015 LFC evaluation on teen births found that children born to teen moms cost taxpayers \$84 million annually due to costs to Medicaid associated with their births, increased reliance on public assistance, and poor educational outcomes. Furthermore, teens are more likely to have preterm babies, which cost Medicaid an average of \$20 thousand in medical care during the first year of life. For FY19, the department was appropriated \$250 thousand to purchase long-acting reversible contraceptive devices to improve same-day access and to improve provider training.

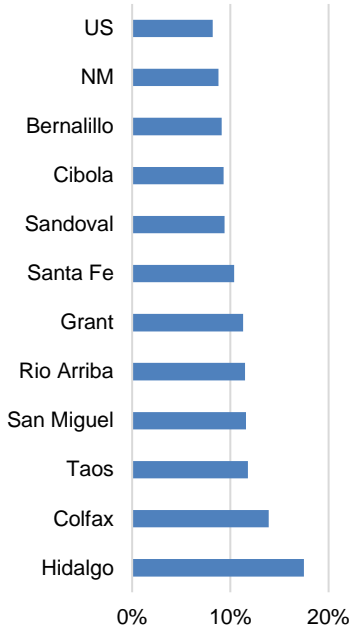
Infant Mortality	Low Birth Weight	Immunization Rate	Early Access to Prenatal Care
2016	2016	2016	2016
6.2	9%	68.5%	63%
Per 1,000 children	2,331 children		24,503 children
U.S. - 5.9 (2016)	U.S. - 8.2% (2016)	U.S. - 71% (2016)	U.S. - 77% (2016)
Worse	Worse	Worse	Worse
2015 5.1	2015 8.7%	2015 70%	2015 66%
Source: CDC	DOH	DOH	DOH

# PERFORMANCE REPORT CARD

## Department of Health

### Fourth Quarter, Fiscal Year 2018

#### Low Birthweight Babies, by County 2014-2016



Source: NM IBIS

Budget: \$181,331.1 FTE: 822

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Participants in the National Diabetes Prevention Program referred by a health care provider through the agency-sponsored referral system	New	70%	25%	0%	R
Children in Healthy Kids, Healthy Communities with increased opportunities for healthy eating in public elementary schools	97%	89%	70%	90%	G
High school youth trained in the Evolver youth engagement program to implement tobacco projects in their school or community	329	356	350	402	G
QUIT NOW enrollees who successfully quit using tobacco at 7-month follow-up	32%	32%	33%	30%	Y
New Mexico adult cigarette smokers who access NMDOH cessation services	2.4%	2.8%	2.5%	2.8%	G
Teens who successfully complete a Teen Outreach Program (TOP) class	510	365	448	365	R
Female clients ages 15-19 seen in NMDOH public health office who are provided most or moderately effective contraceptives	65%	66%	58%	61%	G
Preschoolers (19-35 months) fully immunized	68.5%	No Data	75%	No Data	R
Visits to School Based Health Centers (thousands)	48.2	50.3	48.0	54.5	G
Program Rating					G

## Epidemiology and Response

New Mexico has some of the poorest substance misuse and behavioral health outcomes in the country. For example, the alcohol-related death rate in New Mexico is trending upward, increasing 34 percent between 2010 and 2016. Since 1981, New Mexico's alcohol-related death rate has ranked 1st, 2nd, or 3rd in the U.S. with rates nearly double the national rate. New Mexico ranked 12th among states for the drug overdose death rate in 2016. However, the worst outcomes are concentrated in geographical regions of the state. For example, Rio Arriba and McKinley counties' alcohol-related death rates are both about 4.5 times higher than the national rate.

There is considerable unmet need for substance use disorder services and treatment. Statewide, in 2016 there was 1,456 alcohol-related deaths, or about four deaths every day. Federal, state, and local entities offer services to treat behavioral health and substance use disorders including inpatient social and medical detoxification, Medicaid behavioral health, state-funded behavioral health investment zones, problem solving courts, services funded by local liquor excise taxes, and services funded by the local driving while intoxicated grant fund. While most of these services are not under DOH, the department could do more to coordinate these efforts, assess impact, and address service gaps.

Budget: \$28,188.7 FTE: 188

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Retail pharmacies that dispense naloxone	23%	34%	55%	73%	G
Community members trained in evidence-based suicide prevention practices	30	52	100	222	G
Program Rating					Y

In 2016, there were

# 1,456

Alcohol related deaths in New Mexico



This equates to an average of **FOUR** people dying **EVERY DAY**.

## PERFORMANCE REPORT CARD

Department of Health  
Fourth Quarter, Fiscal Year 2018

### Health Facilities

In recent years, uncompetitive salaries hindered recruitment and retention and the facilities are understaffed. The General Appropriations Act of 2018 included funding to provide direct-care staff an average 2.5 percent salary increase in addition to the blanket 2 percent salary increase for all state workers. Additionally, the department is implementing its own 19 percent in-pay band and temporary recruitment differential salary adjustments to reduce the vacancy rate.

State-operated facilities may soon see significant general fund savings because Medicaid will start reimbursing institutions for mental disease (IMD) with more than 16 beds for substance use disorders. The federal government is encouraging states to seek a Medicaid waiver for drug and alcohol treatment centers with more than 16 beds and the state may soon receive approval for the waiver through its pending Centennial Care 2.0 Medicaid waiver application. So far, the federal government approved 11 states' waiver applications and another 10 are pending. However, to leverage the Medicaid IMD exclusion, the department's facilities need to ensure they are in compliance with the new behavioral health rule.

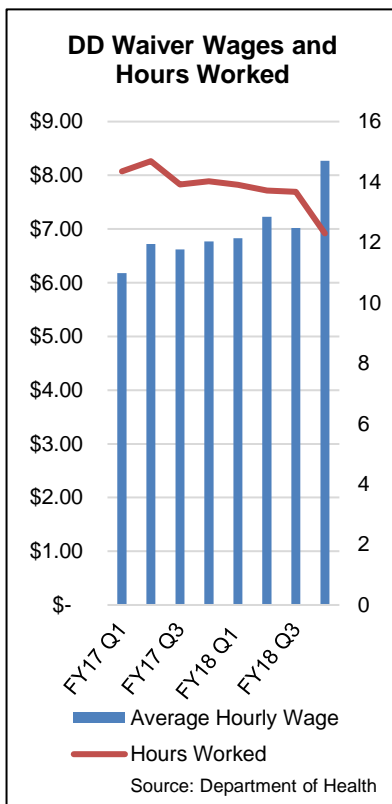
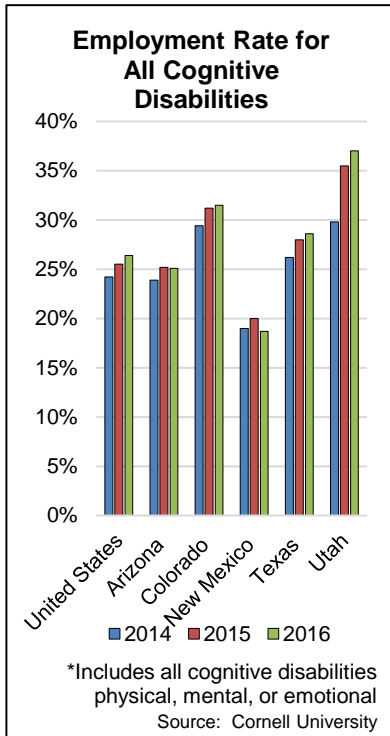
**Budget:** \$124, 072.3 **FTE:** 1,808

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Turquoise Lodge Hospital detox occupancy rate	72%	85%	85%	86%	G
Long-term care patients experiencing one or more falls with major injury	Not Reported	Not Reported	3.0%	3.9%	Y
Eligible third-party revenue collected at all agency facilities	94%	93%	93%	88%	Y
Vacancy rate for direct care positions	New	24%	10%	25%	Y
Operational beds occupied	Not Reported	87%	90%	81%	R
<b>Program Rating</b>					Y

### Developmental Disabilities Support

Research indicates integrated employment for individuals with intellectual and developmental disabilities may contribute to greater self-satisfaction and higher earnings than those employed in a segregated setting. A recent LFC program evaluation pointed out that the percentage of New Mexicans with intellectual or developmental disabilities in integrated employment decreased in recent years from 44 percent in 2008 to 30 percent in 2015. More recent employment outcome data present a mixed picture with the number of hours worked for people on the DD Waiver decreasing from 14.3 hours at the beginning of FY17 to 12.3 hours at the end of FY18. Conversely, the average hourly wage of the same workers increased from \$6.18 hourly to \$8.27 hourly during the same period.

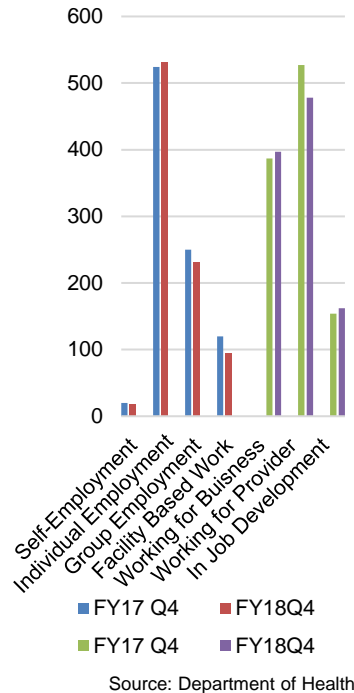
The recent LFC evaluation also noted that the number of approved client budgets exceeding \$150 thousand annually increased from 209 in FY12 to 386 in FY17, an 84 percent increase. Over the last 10 years, the Developmental Disabilities Support Division (DDSD) has had three different assessment and budget allocation tools for people on the DD Waiver. In FY13 through FY16 DDSD used an evidence-based tool to assess appropriate services and supports but subsequently ended its use of the tool after the Waldrop lawsuit settlement. The state continues to lack an evidence based assessment



## PERFORMANCE REPORT CARD

### Department of Health Fourth Quarter, Fiscal Year 2018

#### DD Employment and Provider Type



tool and average annual DD Waiver per client costs increased from an FY14 low of \$67 thousand to a high of \$85 thousand in FY18.

**Budget:** \$159,443.8 **FTE:** 182

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Individuals receiving developmental disabilities waiver services*	4,660	4,574	N/A	4,618	
Individuals on the developmental disabilities waiver waiting list*	6,526	6,775	N/A	6,438	
Developmental disabilities waiver applicants who have a service plan in place within 90 days of income and clinical eligibility	54%	92%	95%	73%	R
Adults receiving community inclusion services through the DD Waiver who receive employment services	38%	36%	34%	30%	R
<b>Program Rating</b>					Y

\*Measure is classified as explanatory, provided for informational purposes. The measure does not have a target.

#### Health Certification Licensing and Oversight

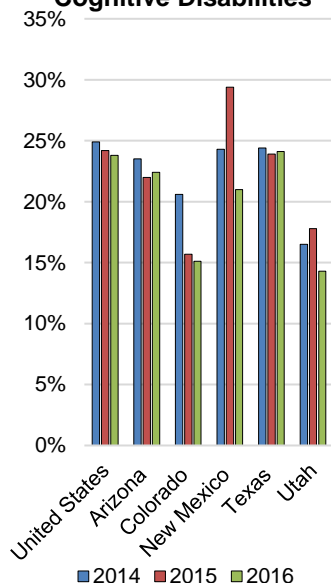
The Health Certification Licensing and Oversight program is responsible, among its many duties, for investigating Developmental Disabilities (DD) reported cases of abuse, neglect, and exploitation. LFC's recent evaluation of the DD and Mi Via Medicaid waivers found that the program is not closing cases timely, potentially putting clients and the state at risk. When the program receives a notification of potential abuse, neglect, or exploitation, providers are required to create an immediate action and safety plan that often includes suspending staff until the incident is investigated and the case is closed. The evaluation noted that many providers across the state complained about the program not closing cases timely and that in FY17 it took an average of 87 days, or 25 days beyond the 62-day deadline to close a case. For the two measures below, the department stated that results get reported on a calendar year basis and that data for FY18 is not yet available. However, the results below are calendar year-to-date results, through June, with the abuse rate at 5.7 percent and the re-abuse rate at 4.4 percent. These results are promising but incomplete.

**Budget:** \$12,047.5 **FTE:** 172

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Abuse Rate for Developmental Disability Waiver and Mi Via Waiver clients*	10.0%	7.0%	8.0%	5.7%	Y
Re-Abuse rate (within 12 months- same person) for Developmental Disability Waiver and Mi Via Waiver clients*	14.0%	18.0%	9.0%	4.4%	Y
<b>Program Rating</b>					Y

\*Results are from January through June 2018 and are incomplete.

#### People With Less than High School Educational Attainment With Cognitive Disabilities



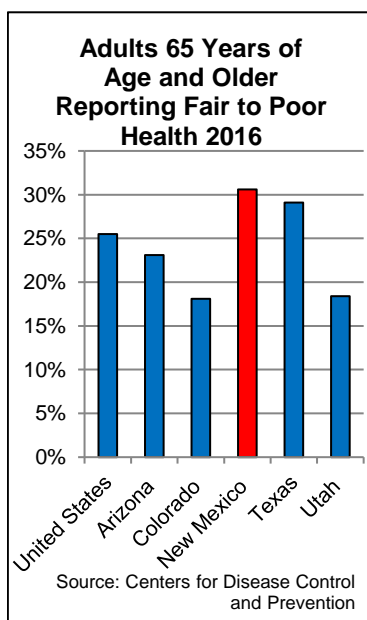
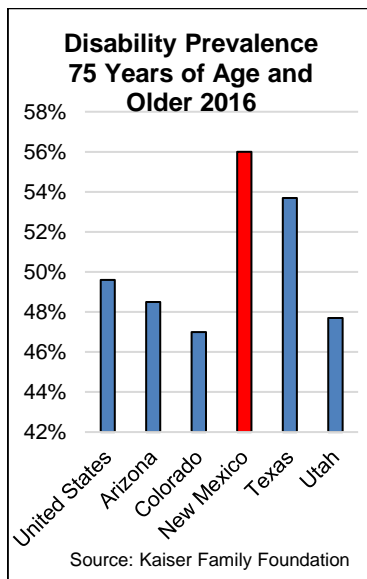
## PERFORMANCE REPORT CARD

### Aging and Long-Term Services Department

#### Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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



### Aging and Long-Term Services Department

Following nearly one year of conflict between the department and the North Central New Mexico Economic Development District (NCNMEDD), the designated non-metro area agency on aging (AAA), the State Auditor's Office released a special audit report detailing \$118.4 thousand in unallowable, incentive bonus pay, and deemed waste including staff dinners with alcohol, flowers for funerals, and various hotel stays. The audit also included findings related to the department's oversight of the AAA contract, such as: the award did not specify amounts to be retained for administrative expenses, the contract did not require federal Title III reversion, and the department did not stress test sub-recipients, which could have led to better outcomes. In response, the department is implementing a 10 percent cap on administrative expenses and will consider stress testing in the future. The report also found that it would be advisable to allow advance cash flow payments to providers to ensure timeliness of payments. However, NCNMEDD must have sound financial and cash flow systems to qualify for advance or pro rata payments.

The department and NCNMEDD have decided to split the contract for aging network services into three contracts for the three planning and service areas (PSA). In the past, the department's contract with the non-metro AAA was a single contract encompassing all three non-metro PSAs. The newly separated contract arrangement may lead to changes in funding levels for each of the PSAs. NCNMEDD claims providers in PSA three, on the eastern side of the state will experience budget reductions and the department claims they cannot track changes in funding levels at the PSA level between FY18 and FY19 because of poor financial accounting at NCNMEDD.

### Aging Network

At the beginning of the year, the department hired a contractor to conduct a review of the six PSAs and possible consolidation. Seven other rural states have a "single planning state area" and the state could move to a similar model. Currently, one AAA serves all non metro non Native American regions of the state, encompassing almost all of rural New Mexico's three PSAs. According to federal officials, this arrangement is unique nationally. The department promised the results of the report months ago but has yet to provide them. In the table below, the first measure is not meaningful and LFC and the department have discussed changing this measure in the future.

**Budget:** \$36,882.0 **FTE:** 1

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Older New Mexicans whose food insecurity is alleviated by meals received through the aging network	94%	123%	90%	116%	Y
Hours of caregiver support provided	429,612	397,598	400,000	357,721	R
<b>Program Rating</b>					Y

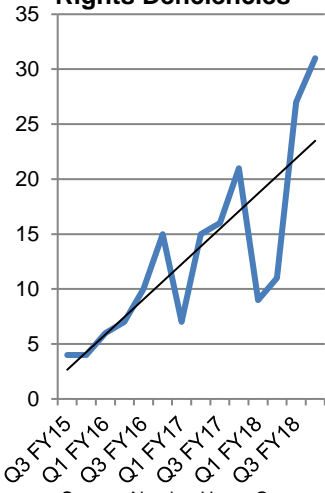


## PERFORMANCE REPORT CARD

### Aging and Long-Term Services Department

### Fourth Quarter, Fiscal Year 2018

**New Mexico Nursing Home Residents' Rights Deficiencies**



**Average Annual Investigations Per Case Worker**

Region	FY16	FY17	FY18
Metro	108	105	137
Northeast	83	98	114
Northwest	125	102	132
Southeast	76	76	77
Southwest	109	107	117
<b>Statewide</b>	<b>99</b>	<b>99</b>	<b>117</b>

Source: Adult Protective Services

**Substantiated Allegations by Type**

Type	FY16	FY17	FY18
Abuse	165	82	71
Neglect	108	109	109
Self-Neglect	949	730	829
Exploitation	141	161	119
Sexual Abuse	-	1	-
<b>Total</b>	<b>1,363</b>	<b>1,083</b>	<b>1,128</b>

Source: Adult Protective Services

### Consumer and Elder Rights

According to data on the federal Centers for Medicare and Medicaid Services Nursing Home Compare website, nursing home residents' rights deficiencies increased from about four per quarter in FY15 to 31 in the fourth quarter of FY18. Section 28-27-4 NMSA 1978 requires the state ombudsman to identify, investigate, and resolve complaints that are made by long-term care residents that relate to action, inaction, or decisions adversely affecting the health, safety, welfare, or rights of residents in long-term care facilities. Aside from the measure on timely ombudsman complaint resolutions, data showing how well the state is doing at protecting the rights of long-term care residents is thin.

**Budget:** \$4,689.9 **FTE:** 53.5

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Ombudsman complaints resolved within sixty days	100%	90%	95%	92%	Y
Residents requesting short-term transition assistance from a nursing facility who remained in the community during the six month follow-up	86%	86%	85%	82%	R
Calls to the aging and disability resource center that are answered by a live operator	72%	85%	85%	71%	R

**Program Rating** Y

### Adult Protective Services

Average caseloads for adult protective services caseworkers increased to about 117 at the end of FY18. The program does not report on repeat maltreatment, hampering the state's ability to determine the effectiveness of interventions. The measure on timely investigations does not measure progress since the result is routinely in the 99 percent range, justifying a yellow rating for this measure. Current data and performance measures make it difficult to assess the effectiveness of the program in preventing maltreatment. Since FY14, the number of substantiated allegations of all types of abuse was cut nearly in half and it is unlikely actual abuse was reduced this dramatically. The department has not adequately explained the drop.

**Budget:** \$13,362.6 **FTE:** 133

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Adult protective services investigations of abuse, neglect or exploitation	6,315	6,233	6,100	6,671	Y
Emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed time frames	99%	99%	98%	99%	Y
Adults receiving in-home services or adult day services as a result of an investigation of abuse, neglect or exploitation	1,500	1,181	1,500	1,213	R

**Program Rating** Y

## PERFORMANCE REPORT CARD

Children, Youth and Families Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

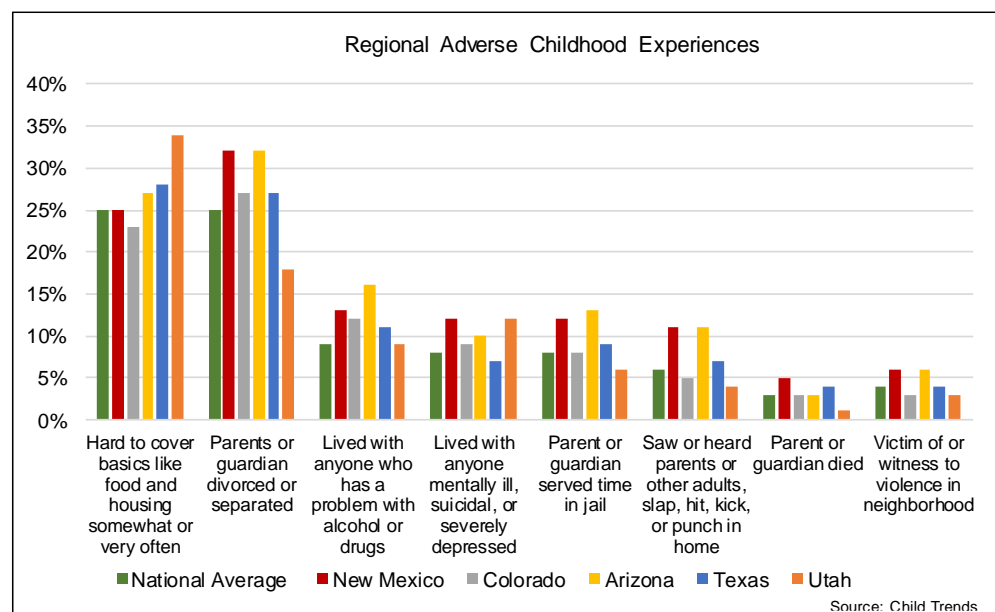
Percent of Children with 3 or more Adverse Childhood Experiences (ACE)	
National Average	New Mexico
11 Percent	18 Percent

Source: Child Trends

Research indicates exposure to adverse childhood experiences (ACEs) may place youth at greater risk for involvement with the juvenile justice system and involvement in additional social services.

### Children, Youth and Families Department

The Legislature has prioritized funding for Early Childhood Services and Protective Services in recent years. Early childhood investments continue to be a key legislative strategy to improve long-term outcomes for New Mexico. Research from the Legislative Finance Committee shows some of those investments are paying off with improved educational outcomes for young children. Improving outcomes for children and families is a priority for the state; however, performance outcomes remain mixed. The Protective Services Program did not meet a significant number of targets, including high turnover and repeat maltreatment rates. However, the Early Childhood Services Program and Juvenile Justice Services Program reported improvements. New Mexico ranks high regionally and nationally on adverse childhood experiences. The Children, Youth and Families Department, in partnership with other state agencies like the Human Services Department and the Department of Health, should be focused on services targeted to reducing these experiences.



### Early Childhood Services

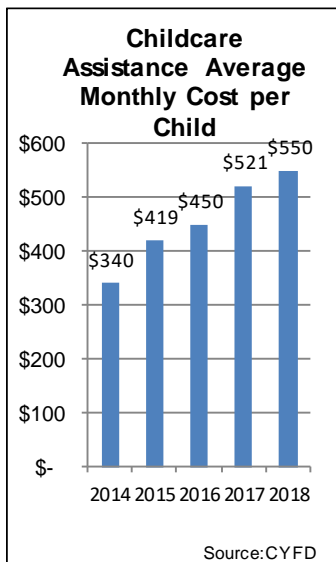
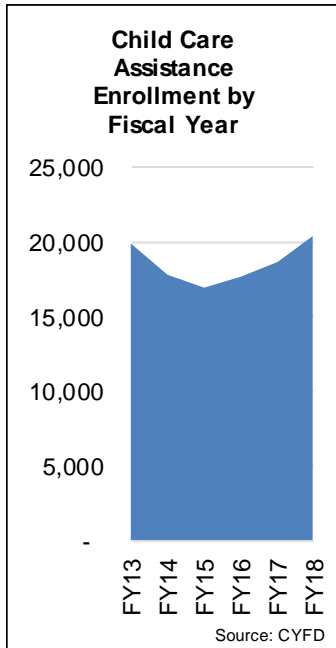
The Early Childhood Services Program (ECS) met a majority of performance targets in FY18. Child care providers meeting the highest levels of quality missed targeted performance slightly, and the agency reported rural providers are struggling to transition into the state's newest quality rating system, Focus. High quality services are essential to ensuring the state's significant investments improve long-term outcomes for children and families. As state-funded early care and education continue to grow, policy makers need to pay additional attention to critical areas such as: supports to grow the early care and education workforce, including scholarships to increase credentialed workers; more professional development for the engaged workforce; and wage supplements to stabilize workforce turnover. Growing and stabilizing a qualified workforce is necessary to help providers deliver services and improve the quality of services.

The National Institute of Early Education Research (NIEER) reported New Mexico ranked 15<sup>th</sup> in the nation for 4-year-olds and 18<sup>th</sup> for 3-year-olds enrolled in prekindergarten programs in 2017. The state ranked 20<sup>th</sup> in the nation for spending.

## PERFORMANCE REPORT CARD

### Children, Youth and Families Department

#### Fourth Quarter, Fiscal Year 2018



**Budget:** \$236,849.1 **FTE:** 181.5

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Children receiving subsidy in high quality programs	New	New	45%	59.9%	G
Licensed child care providers participating in high quality programs	New	New	39%	38.2%	Y
Parents who demonstrate progress in practicing positive parent-child interactions	44%	44%	45%	45%	G
Children receiving state childcare subsidy, excluding child protective services childcare, that have one or more Protective Services-substantiated abuse or neglect referrals	New	1.2%	1.2%	1.2%	G
Families receiving home visiting services who have one or more protective services substantiated abuse or neglect referrals*	New	New	N/A	1.9%	
Families at risk for domestic violence who have a safety plan in place	48.7%	41.8%	50.0%	51.0%	G
Children in state-funded pre-kindergarten showing measurable progress on the preschool readiness for kindergarten tool	94.3%	91.0%	94.0%	94.9%	G
					<b>Program Rating</b>
					<b>G</b>

\*Measure is classified as explanatory, provided for informational purposes. The measure does not have a target.

### Protective Services

The Protective Services Program is struggling to meet targeted performance. Repeat maltreatment remains higher than targets and national benchmarks. Previous LFC analysis indicated substance abuse is one of the largest contributing factors to families coming into contact with the Protective Services Program. Improving family stability is a priority of policy makers, and the federal Family First Prevention Services Act update could assist the state in improving outcomes. Federal foster care funding, Title IV-E, can be used by states for prevention services that would allow “candidates for foster care” to stay with their parents or relatives. States will be reimbursed for prevention services for up to 12 months. A written, trauma-informed prevention plan must be created, and services will need to be evidence-based.

**Budget:** \$145,719.1 **FTE:** 927.8

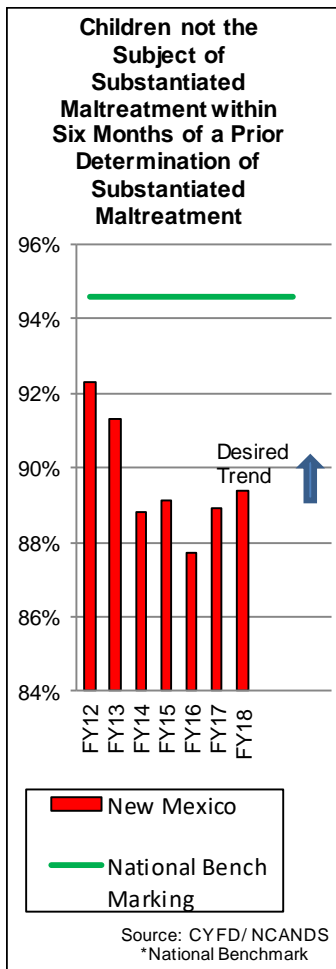
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Children who are not the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment	87.7%	88.9%	92.0%	89.4%	R
Children who are not the subject of substantiated maltreatment while in foster care	99.8%	99.8%	99.8%	99.8%	G



# PERFORMANCE REPORT CARD

## Children, Youth and Families Department

### Fourth Quarter, Fiscal Year 2018

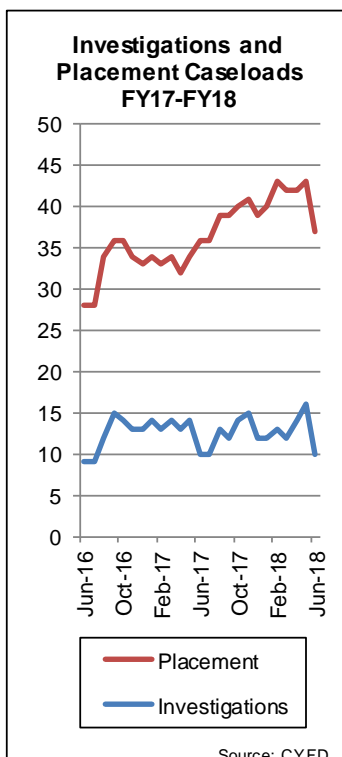


Children reunified with their natural families in less than twelve months of entry into care	60.4%	58.2%	65.0%	56.1%	R
Children in foster care for twelve months with no more than two placements	70.5%	72.9%	75.0%	81.3%	G
Children adopted within twenty-four months from entry into foster care	23.3%	24.6%	33.0%	28.2%	R
Permanency within twelve months of entry*	NEW	30.6%	N/A	28.6%	
Children in foster care who have at least one monthly visit with their caseworker*	95.6%	94.8%	N/A	94.8%	
Turnover rate for protective services workers	29.7%	25.0%	20.0%	26.3%	R
<b>Program Rating</b>					R

\* Measures are classified as explanatory, provided for informational purposes. These measures do not have a target.

## Juvenile Justice Services

The Juvenile Justice Services (JJS) Program reported significant performance improvement from recent fiscal years. Previous high rates of violence in committed juvenile facilities were concerning, however FY18 showed significant reductions. The agency did not meet targeted performance for the number of physical assaults, despite a decline of 29 percent from the previous fiscal year. Turnover rates increased above previous fiscal years, more than double performance targets. JJS has begun more aggressive recruitment activity including rapid hire events, open houses, development of new recruitment materials, and partnering with the Workforce Solutions Department transition services to fill positions and reduce staff burnout. A stable workforce is necessary to provide quality services to youth in the juvenile system.



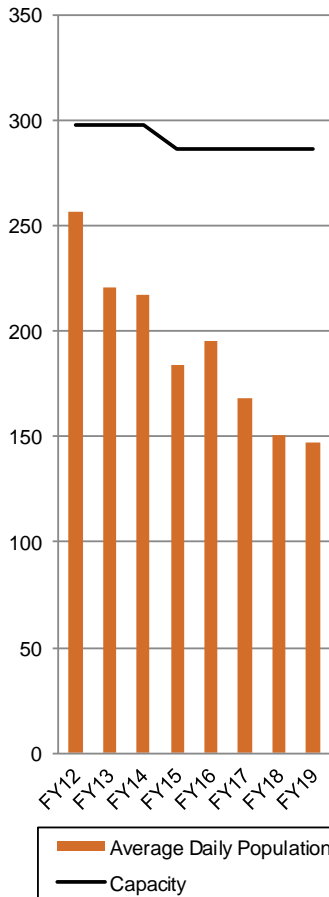
**Budget:** \$75,445.0    **FTE:** 943.3

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Clients who successfully complete formal probation	85.4%	82.7%	84.0%	85.6%	G
Clients re-adjudicated within two years of previous adjudication	5.5%	6.0%	5.5%	6.6%	R
Clients recommitted to a CYFD facility within two years of discharge from facilities	9.5%	6.9%	8.0%	2.3%	G
JJS facility clients age 18 and older who enter adult corrections within two years after discharge from a JJS facility*	13.1%	11.0%	N/A	6.9%	
Incidents in JJS facilities requiring use of force resulting in injury	1.6%	1.7%	1.5%	1.3%	G
Physical assaults in juvenile justice facilities	448	398	<275	284	R
Client-to-staff battery incidents	147	143	<120	81	G

## PERFORMANCE REPORT CARD

Children, Youth and Families Department  
Fourth Quarter, Fiscal Year 2018

### Secure Juvenile Justice Facilities Population Census (as of September 2018)



Source: CYFD

Turnover rate for youth care specialists	18.3%	20.6%	15.0%	30.8%	<b>R</b>
					<b>Program Rating</b>
					<b>Y</b>

\* Measure is classified as explanatory, provided for informational purposes.  
The measure does not have a target.

### Behavioral Health Services

The Behavioral Health Services (BHS) Program reported infant mental health team services continued to exceed targeted performance. The service targets the relationship between the child and the primary caregiver, reducing behavioral, social, and emotional disorders that could result in toxic stress and major trauma.

**Budget:** \$16,867.0 **FTE:** 33.0

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Youth receiving community-based and juvenile detention center behavioral health services who perceive they are doing better in school or work because of received services	82.2%	71.2%	80.0%	Not reported	<b>Y</b>
Infants served by infant mental health programs who have not had re-referrals to the Protective Services program	New	90.0%	80.0%	91.0%	<b>G</b>
					<b>Program Rating</b>
					<b>Y</b>

## PERFORMANCE REPORT CARD

New Mexico Corrections Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

### New Mexico Corrections Department

Admissions to prison due to violent offenses fell an average 3 percent between FY15 and FY17, according to the most recent available data. However, the Corrections Department (NMCD) sees high numbers of returning inmates, including those convicted of violent offenses and parole violations, indicating the need for a renewed focus on the quality of programming within prisons and reentry resources. Crowded, understaffed prisons with less space or opportunity for evidence-based programming – including treatment for drug abuse, and basic and higher education – as well as a violent population, many of whom are gang members, and the prevalence of narcotics all contribute to high rates of violence in prisons and recidivism. In FY18, inmate-on-inmate violence hit a 10-year high with 32 assaults resulting in serious injury and a 49 percent recidivism rate, among the highest in recent years. The Legislative Finance Committee will publish a program evaluation in October 2018 focusing on the reentry process and how to most effectively assist released inmates with successfully returning to the community.

### Inmate Management and Control

The percent of inmates held in prison past their release date has improved since FY13 when 23 percent of women and 19 percent of men remained detained. However, release-eligible rates have remained around 9 percent for the last three fiscal years, mostly due to lack of transitional housing opportunities and parole programs, especially for sex offenders.

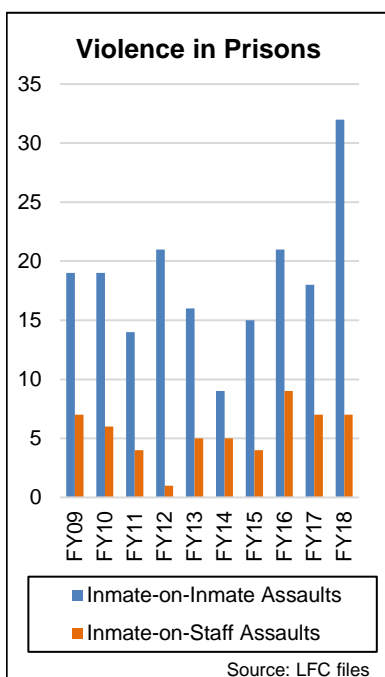
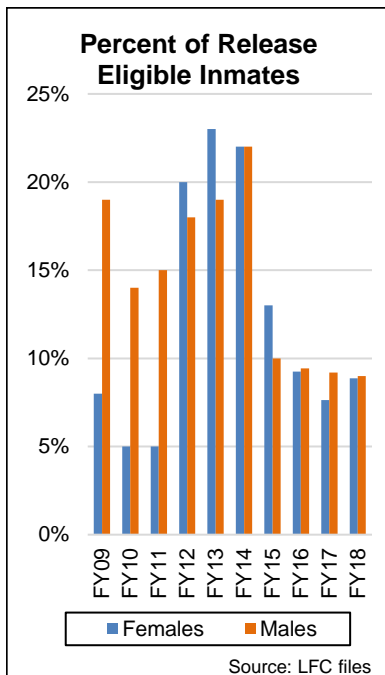
**Budget:** \$271,831.1 **FTE:** 1,837

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Inmate-on-inmate assaults with serious injury	21	15	10	32	R
Inmate-on-staff assaults with serious injury	9	6	4	7	Y
Prisoners reincarcerated within thirty-six months	46%	50%	40%	49%	R
Participating inmates who have completed adult basic education*	52%	62%	N/A	64%	
Release eligible female inmates still incarcerated past their scheduled release date	9%	8%	5%	9%	R
Release eligible male inmates still incarcerated past their scheduled release date	9%	9%	5%	9%	R
Residential drug abuse program graduates reincarcerated within thirty-six months of release*	New	No report	N/A	18%	

**Program Rating**

**Y**

\*Measures are classified as explanatory, provided for informational purposes. The measures do not have a target.



## PERFORMANCE REPORT CARD

New Mexico Corrections Department  
Fourth Quarter, Fiscal Year 2018

### Community Offender Management

The average standard caseload per probation and parole officer rose for the third straight year; NMCD states the rise is mainly due to low pay reflected in the average 18 percent vacancy rate among probation and parole officers in FY18. Notably, 21 percent of men and 20 percent of women who graduated from the state's recovery centers recidivated within three years.

**Budget:** \$33,216.8 **FTE:** 376

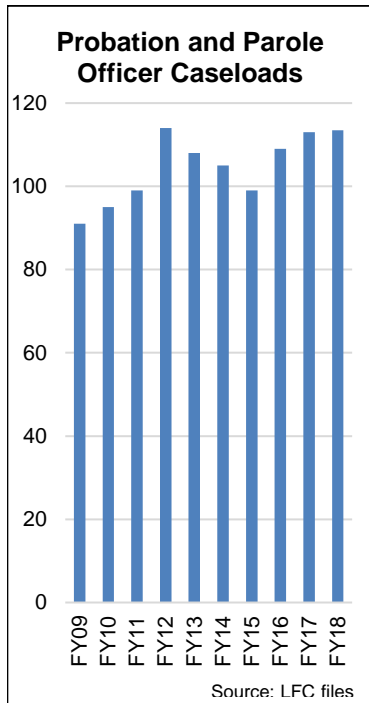
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Contacts per month made with high risk offenders in the community	95%	96%	95%	99%	G
Average standard caseload per probation and parole officer	109	113	100	114	R
Male offenders who graduated from the men's recovery center and are reincarcerated within thirty-six months	18%	25%	20%	21%	Y
Female offenders who graduated from the women's recovery center and are reincarcerated within thirty-six months	New	New	20%	20%	G
Absconders apprehended	31%	28%	30%	29%	Y
<b>Program Rating</b>					<b>G</b>

### Program Support

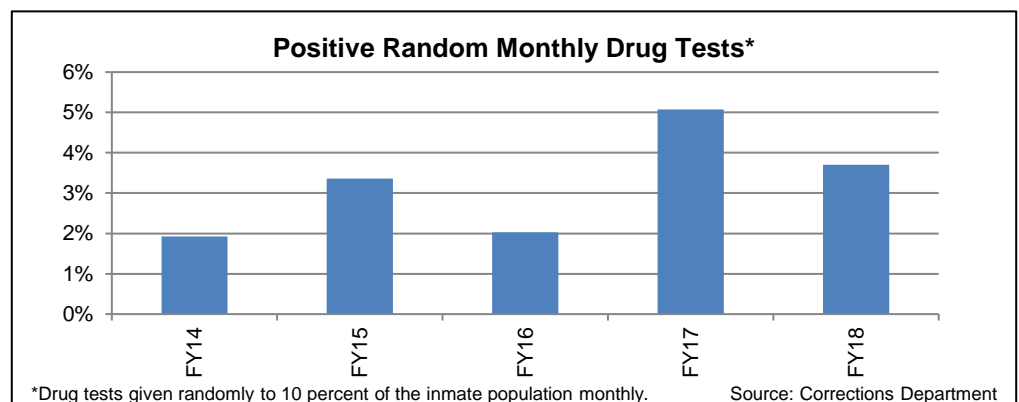
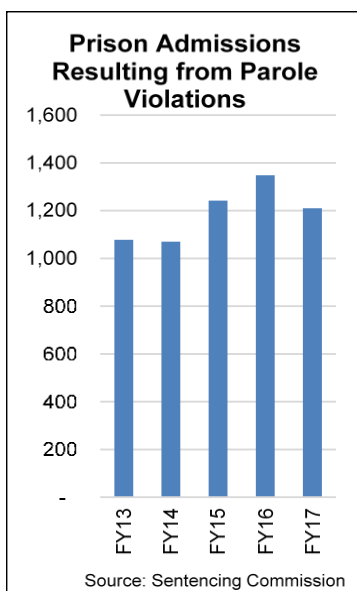
Vacancy rates among probation and parole officers improved over the fiscal year due to the passage of an 8.5 percent pay increase for custody and probation and parole staff at the start of the new fiscal year. However, correctional officer vacancy rates remained high, averaging 22 percent. The department reports the promise of pay increases has improved employee morale; the department also expects raises will improve recruitment.

**Budget:** \$12,568.3 **FTE:** 158

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Vacancy rate of probation and parole officers	21%	17%	15%	18%	Y
Vacancy rate of correctional officers in public facilities	21%	24%	15%	22%	R
<b>Program Rating</b>					<b>Y</b>



Federal statistics show New Mexico's violent crime rate per 100 thousand people grew 4 percent between 2015 and 2016, making the state the second most violent in the nation, behind only Alaska. New Mexico ranked third in 2015 and fourth in 2014.



## PERFORMANCE REPORT CARD

Department of Public Safety  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

#### DPS Recruit and Lateral Officer Hires

FY12	34
FY13	58
FY14	53
FY15	34
FY16	59
FY17	24
FY18	61

Source: Department of Public Safety

### Department of Public Safety

Federal statistics show New Mexico's violent crime rate per 100 thousand people grew 4 percent between 2015 and 2016, making the state the second most violent in the nation. New Mexico ranked third in 2015 and fourth in 2014. However, preliminary data from Albuquerque, which makes up the largest portion of reported crimes in the state, suggests crime may finally be falling. The Department of Public Safety (DPS) worked to reduce crime in the state through strategic joint operations and improved use of data. Efforts include establishing an auto theft unit that works with the Albuquerque Police Department and the Bernalillo County Sheriff on targeted operations and intelligence sharing. DPS also worked toward automating the Criminal Justice Clearinghouse to access comprehensive, real-time data from multiple agencies during arraignment and sentencing. However, supplemental funding and more interagency cooperation are needed to complete the clearinghouse project.

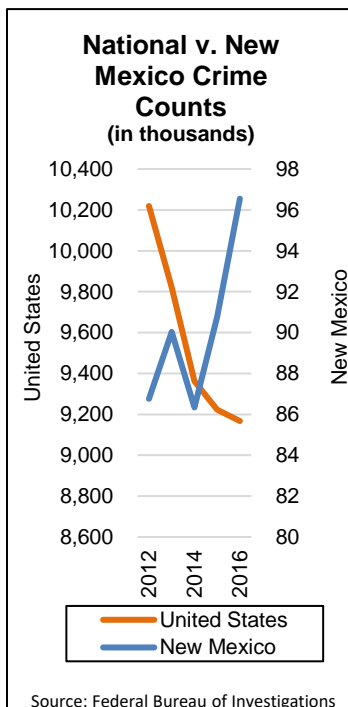
To better collect and act upon crime data, the department will be in compliance with federal National Incident-Based Reporting System (NIBRS) requirements by 2020, using funding from a grant to complete needed upgrades. Compliance is critical as the federal government will collect all data through the NIBRS system in future years. NIBRS will help to improve crime data quality and include all offenses and data such as crime location, time of day, and whether DPS cleared the incident.

### Law Enforcement

The department met all performance measure targets in FY18, including important public safety initiatives like drunk driving arrests and strategic traffic enforcement. However, many of the department's performance targets may be set too low and should be revised to better reflect the department's capacity and goals. DPS continues efforts to check the state's crime rates; to help, the executive and the Legislature collaborated to increase manpower through a targeted 8.5 percent pay increase to take effect FY19.

**Budget:** \$118,368.9 **FTE:** 1,067.7

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Data-driven traffic-related enforcement projects held	New	New	1,700	1,926	G
Driving-while-intoxicated saturation patrols conducted	New	New	975	3,184	G
Commercial motor vehicle safety inspections conducted	95,855	96,802	70,000	88,078	G
Driving-while-intoxicated arrests	New	2,931	2,250	2,574	G
<b>Program Rating</b>					<b>G</b>



## PERFORMANCE REPORT CARD

Department of Public Safety  
Fourth Quarter, Fiscal Year 2018

### Statewide Law Enforcement Support

DPS met case completion targets for all types of forensic cases in FY18 and completed many cases carried over from previous years. At the end of FY18, there was a backlog of 342 DNA cases, 1,558 chemistry cases, 228 latent print cases, and 369 firearm and toolmark cases. The number of cases received by the lab increased about 6 percent per year with large numbers of items to be tested per case.

The department is within 100 kits of completing their sexual assault kit backlog of 1,388 kits. The department continues to monitor that all backlogged kits have been submitted to the department for testing before officially marking the backlog cleared. Many of the kits have DNA profiles eligible for entry in criminal databases. Training of forensic scientists can take one to two years before full productivity is reached. High turnover rates increase the number of nonproductive hours.

#### Department of Public Safety FY18 Forensic Cases Received and Completed

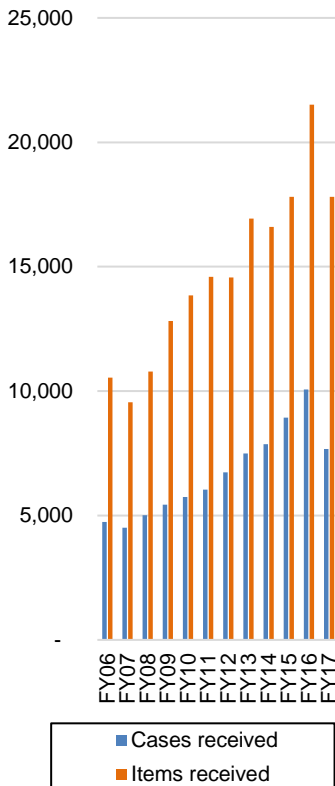
Case Type	Cases received	Case completed	Completion rate	Remaining Backlog
Biology and DNA	2,148	2,407	112%	342
Latent Fingerprint	746	763	102%	228
Firearm and Toolmark	893	953	107%	369
Chemistry	4,815	4,345	90%	1,558

Source: Department of Public Safety

**Budget:** \$19,554.8 **FTE:** 1,275.7

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating Rating
Forensic firearm/toolmark cases completed (953 cases)	NEW	NEW	90%	96%	G
Forensic latent fingerprint cases completed (763 cases)	NEW	NEW	90%	105%	G
Forensic chemistry cases completed (4,345 cases)	NEW	NEW	90%	91%	G
Forensic biology and DNA cases completed (2,407 cases)	NEW	NEW	65%	116%	G
<b>Program Rating</b>					<b>G</b>

#### Forensic Laboratory Workload FY06-FY17



Source: Department of Public Safety

The Legislature, in 2016, authorized \$7.5 million for the new Santa Fe Crime Lab and Evidence Center: a \$500 thousand severance tax bond for plan and design and a \$7 million general obligation bond for the first phase of construction. DPS began working with architects on design but expects to be short on funding for total evidence center project completion.





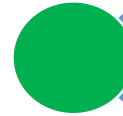
# Albuquerque Area Crime Report - August 2018

Report Date: September 25

Year-over-year

2,996

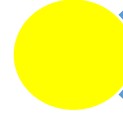
Crimes



-35%

2,150

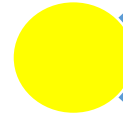
Arrests



0%

597

Cases



-1%

258

Sentences



+31%

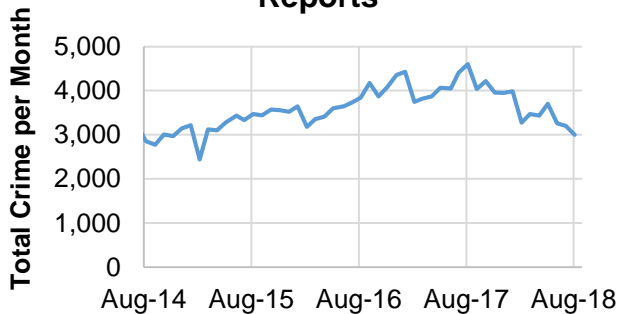
+1

50 ytd  
Murders

- Crimes are agg. assault, burglary, homicide, rape, auto theft, robbery, larceny reported to APD; Arrests are all MDC jail bookings; Cases are all new felony cases opened; Sentences are all convictions and pleas on felony cases.  
- Numbers are from multiple non-uniform sources and subject to change.

Sources: APD, FBI, MDC, UNM-ISR  
Second District Court, Metro Court

## Total Albuquerque Monthly Crime Reports



-39%

400

Auto  
Thefts

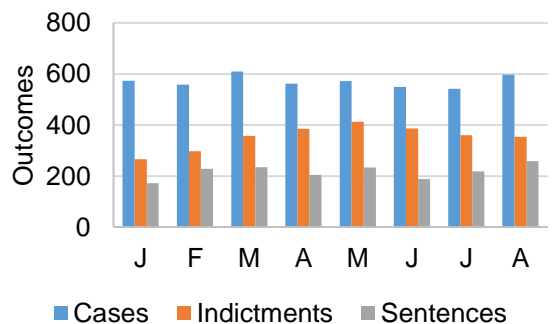
-60%

95

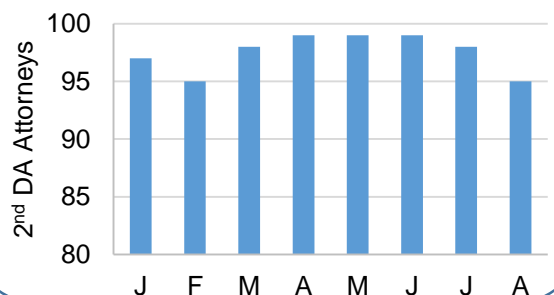
Robb-  
eries

All percent changes are year-over-year, August 2017 to August 2018. Data do not imply causality in any way and should not be used as such.

## Second DA Felony Outcomes Improving in 2018



## DA Attorneys Declining



## PERFORMANCE REPORT CARD

### Courts and Justice

### Fourth Quarter, Fiscal Year 2018

#### ACTION PLAN

Submitted by agency? PDD Only

Timeline assigned? No

Responsibility assigned? PDD Only

#### Courts and Justice

The justice system made significant progress in FY18 addressing systemic challenges such as an increasing crime rate, implementation of a new constitutional pretrial release and detention policy, and case management inefficiencies. However, efforts to address these challenges are complicated by high-profile media coverage and a lack of performance data.

In FY18, all justice partners began reporting quarterly. The district attorneys and the Public Defender Department joined the judiciary in the new, comprehensive report card format. Although statewide revenues have contracted, the “three legs” of the justice system, the courts, the district attorneys, and the public defenders, have collectively grown an average 2 percent per year over the last five years, despite stagnant caseloads in the system. The improved reporting is supportive of legislative efforts to understand and address challenges facing New Mexico’s criminal justice system.

In FY18 the Public Defender Department made notable progress in expanding performance reporting by expanding meaningful measures threefold. Although reporting has improved in frequency, meaningful measures are still lacking for the district attorneys and the judiciary. Valuable information related to pretrial reform, crime, and sentencing are lacking. To close the information gap, performance measurements should include rates of appearance, reoffenders, and pretrial detention.

Caseloads continue to drop from a peak in FY10. The continuing decrease in cases entering the justice system appears to be driven by improved safety in the state, as indicated by preliminary crime data for FY18. As the number of cases referred to district attorneys decrease, caseloads also decrease for the courts and the Public Defender Department.

#### COURTS

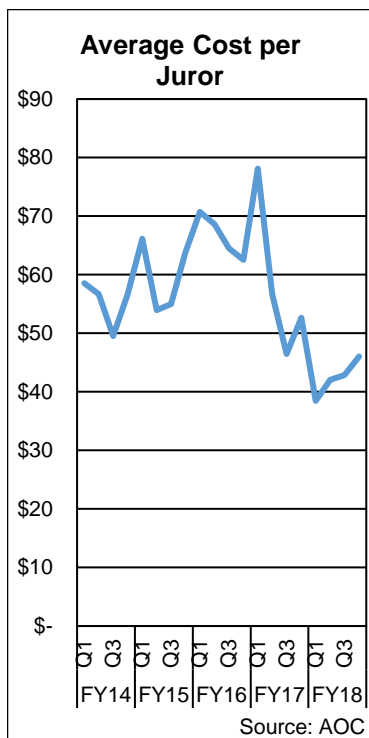
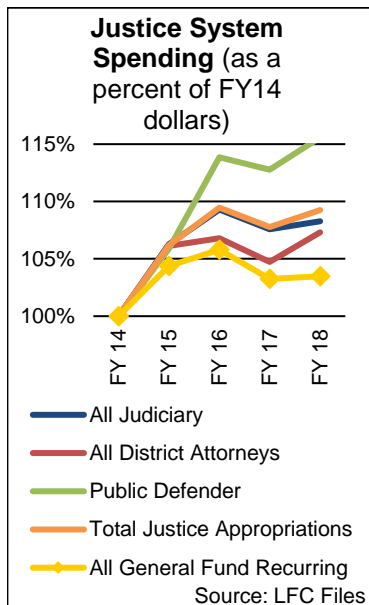
##### Administrative Support

The new jury management tool, implemented by the Administrative Office of the Courts in FY18, provided substantial improvements in average juror costs, outperforming the target. The courts realized further cost savings due to the passage of House Bill 385 during the 2017 regular legislative session, which limited travel reimbursements to jurors traveling more than 40 miles. Savings allowed for juror pay to be restored to the statutory requirement. Despite the progress made for jurors, average interpreter cost per session remained above the target for FY18.

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

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Average cost per juror	\$67.44	\$59.72	\$50.00	\$44.65	<span style="background-color: green; color: white;">G</span>
Number of jury trials*	NEW	NEW	N/A	902	
District*	NEW	NEW	N/A	650	
Magistrate*	NEW	NEW	N/A	181	
Metropolitan*	NEW	NEW	N/A	71	
Average interpreter cost per session	NEW	\$152.50	\$100.00	\$154.74	<span style="background-color: red; color: white;">R</span>
<b>Program Rating</b>					<span style="background-color: yellow; color: black;">Y</span>

\*Measures are classified as explanatory, provided for informational purposes. The measures do not have targets.



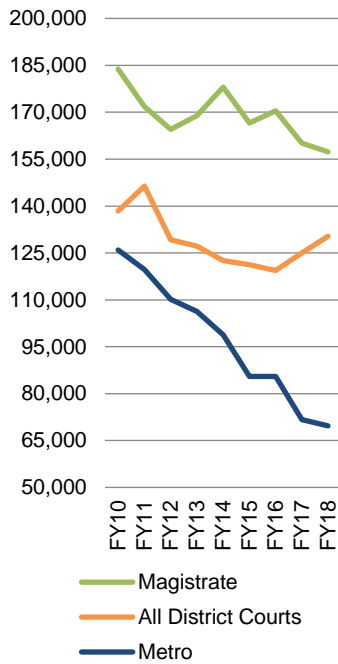


# PERFORMANCE REPORT CARD

## Courts and Justice

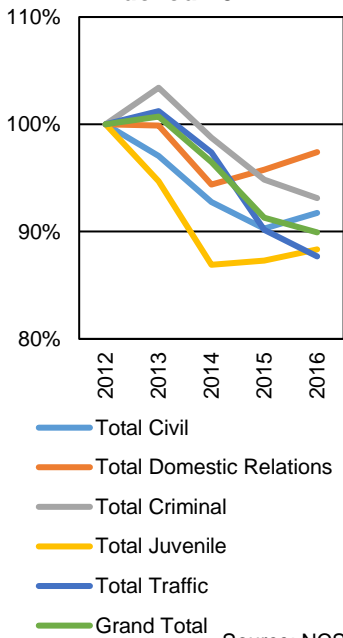
### Fourth Quarter, Fiscal Year 2018

**NM Total Court Case Filings by Fiscal Year**  
(New and Reopened Cases)



Source: AOC

**National Case Filings Indexed 2012**



Source: NCSC

## Statewide Judiciary Automation

Complications with the Odyssey case management system and the associated increased workload caused times per service call to more than double in FY17 and remain high in FY18. The new system incorporates all call types regardless of difficulty and measures time to resolve calls from several minutes to weeks. LFC staff and court administrators are exploring more appropriate performance measures for FY19.

**Budget:** \$8,837.0 **FTE:** 53.5

### Measure

Average time to resolve calls for assistance, in hours

FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
16.2	79.6	10	73.8	R
Program Rating				R

## Special Court Services

In FY18, the courts implemented new quarterly measures to better measure the efforts of drug courts. Data collection and reporting proved a challenge and measures were only reported semiannually for FY18. Drug courts experienced a continuing trend of lower graduation rates and higher recidivism, although still significantly lower than the FY18 average recidivism rate of 49 percent for those incarcerated in state prison. The declining number of participants in specialty courts remains a concern despite its exclusion from quarterly reporting.

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

### Measure

Cases to which CASA volunteers are assigned\*

Monthly supervised child visitations and exchanges conducted

Recidivism rate for drug court participants

Recidivism rate for DWI court participants

Graduation rate for drug court participants\*

Graduation rate for DWI court participants\*

Cost per client per day for all drug court participants\*

FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
NEW	1,019	N/A	2,668	
1,399	1,102	1,000	1,176	G
14%	16%	12%	21%	R
NEW	6%	12%	6%	G
NEW	59%	N/A	57%	
NEW	71%	N/A	70%	
NEW	\$23.30	N/A	\$23.25	

**Program Rating**

Y

\*Measures are classified as explanatory, provided for informational purposes. The measures do not have targets.

## Magistrate Court

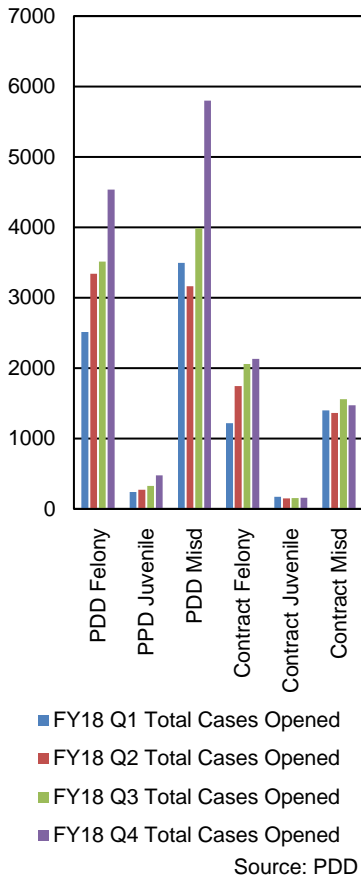
Magistrate courts have experienced a decline in total court case filings, similar to that experienced by district and metropolitan courts. Although the decline in cases mirrors national trends, New Mexico cannot attribute state declines to the same factors responsible for national declines; according to the National Center for State Courts, these include reductions in law-enforcement and prosecution resources, and a declining national crime rate. Magistrate courts met FY18 targets.

## PERFORMANCE REPORT CARD

### Courts and Justice

### Fourth Quarter, Fiscal Year 2018

**PDD Cases Opened by Quarter and Case Type**



**Budget:** \$31,333.6 **FTE:** 343.5

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Number of active cases pending*	NEW	NEW	N/A	17,794	
Cases disposed as a percent of cases filed	102%	101%	100%	100%	G
<b>Program Rating</b>					G

\*Measure is classified as explanatory, provided for informational purposes. The measure does not have a target.

### PUBLIC DEFENDER

The Public Defender Department (PDD) changed its eligibility policy in FY18 to include clients with incomes up to 200 percent of the federal poverty guidelines, but will no longer offer reimbursement contracts to defendants who do not qualify. The PDD has dedicated additional resources toward ensuring more accurate reporting on performance measures in FY18, including the implementation of a new case management system and allocating a part-time staff member to assist with collecting, correcting and reporting data for quarterly reports.

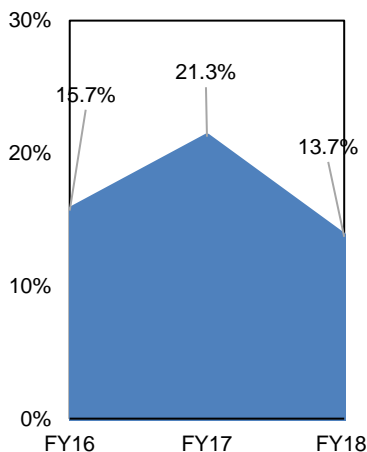
The Public Defender Department outperformed all targets for FY18, except for contract attorneys in reducing formally filed charges. The PDD currently does not require contract attorneys to regularly close cases in the case management system, which is likely resulting in underreporting contributing to the low outcome. LOPD continues to explore solutions to ensure complete timely and accurate reporting by both in-house and contract attorneys. The positive performance for the PDD in FY18 was in part due to a reduction in caseloads caused by a reduction in the vacancy rate statewide. Due to increased appropriations from the Legislature, PDD maintained an approximately 13 percent vacancy rate, down from about 20 percent in FY17.

**Budget:** \$48,849.7 **FTE:** 439

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	NEW	NEW	70%	75%	G
In-house attorneys	NEW	NEW	70%	83%	G
Contract attorneys	NEW	NEW	70%	43%	R
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	NEW	NEW	5,000	11,584	G
In-house attorneys	NEW	NEW	4,000	10,130	G
Contract attorneys	NEW	NEW	1,000	1,454	G
Cases assigned to contract attorneys*	NEW	NEW	N/A	31%	
Cases assigned per in-house attorneys, yearly	NEW	312	330	302	G
Average time to disposition for felonies, in days*	NEW	NEW	N/A	261	
In-house attorneys*	NEW	169	N/A	256	
Contract attorneys**	NEW	256	N/A	274	
Cases opened by the Public Defender Department *	NEW	NEW	N/A	45,237	
In-house attorneys*	NEW	NEW	N/A	31,660	
Contract attorneys*	NEW	NEW	N/A	13,577	
<b>Program Rating</b>					G

\*Measures are classified as explanatory, provided for informational purposes. The measures do not have targets.

**Public Defender Department Vacancy Rates**



## PERFORMANCE REPORT CARD

### Courts and Justice

### Fourth Quarter, Fiscal Year 2018

#### Additional measures suggested for the judiciary:

- Appearance rate: percentage of supervised defendants who make all scheduled court appearances.
- Reoffenders: number (or percentage) of supervised defendants who are not charged with a new offense during the pretrial stage.
- Concurrence rate: ratio of defendants whose supervision level or detention status corresponds with assessed risk.
- Success rate: percentage of released defendants who don't violate conditions of their release, appear for all scheduled court appearances, and are not charged with a new offense during pretrial supervision.
- Pretrial detainee length of stay: average length of stay in jail for pretrial detainees who are eligible by statute for pretrial release.
- Pretrial detention rate: proportion of pretrial defendants who are detained throughout pretrial case processing, or proportion of pretrial detention motions granted.

#### DISTRICT ATTORNEYS

During the 2018 legislative session, the Legislature appropriated special funding for district attorneys totaling \$2.8 million, available during FY18 so offices could tackle rising crime by filling vacancies, replace fund balance use, and strengthen case prosecutions. Additional funding is contributing to lower caseloads per attorney which should lead to improved performance outcomes.

For FY18, falling case referrals coupled with preliminary police data suggest a falling crime rate in New Mexico for the first time since 2010. Since case referrals are not directly tied to performance, district attorney offices, DFA, and LFC are considering new performance measures including conviction rates and success rates of pretrial detention motions.

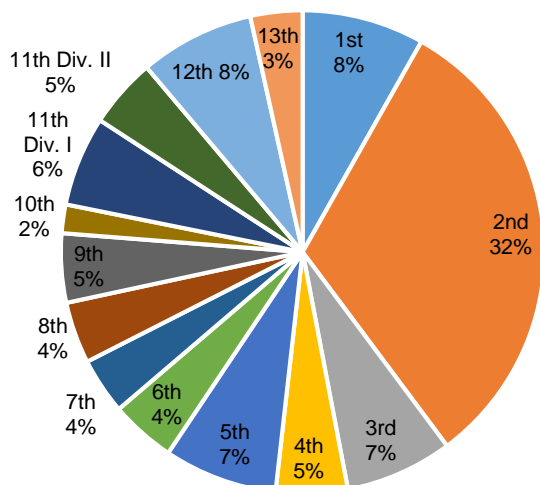
Responding to legislative interest, the district attorneys are working towards a unified budget system or comparable structure for FY20.

**Budget:** \$66,421.9 **FTE:** 954

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Cases prosecuted of all cases referred for screening	NEW	NEW	N/A*	89%	
Average cases handled per attorney	NEW	NEW	185	312	R
Average time from filing to disposition for juveniles, months	NEW	NEW	1.75	4	G
Average time from filing to disposition for adults, months	6	6	8	7	G
Average cases referred into pre-prosecution diversion programs	NEW	NEW	N/A*	100	
<b>Program Rating</b>					Y

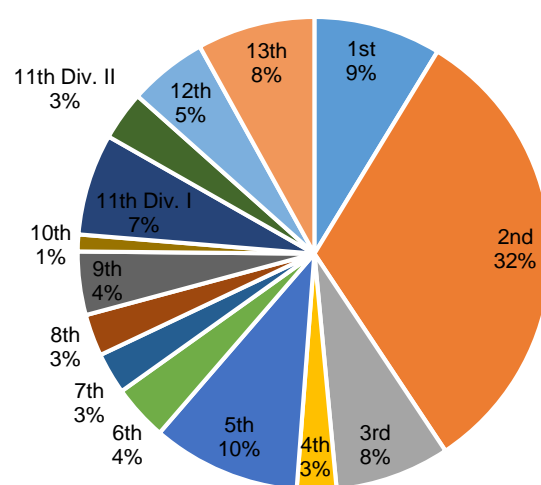
\*Measures are classified as explanatory, provided for informational purposes. The measures do not have targets.

**FY19 HB2 Appropriations by DA**  
(recurring general fund)



Source: AODA

**FY18 Case Referral Share of All DAs**  
(incoming workload)



Source: AODA

## PERFORMANCE REPORT CARD

Public Education Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

### Public Education Department

School districts and charter schools receive general operational funding through the state equalization guarantee (SEG) distribution, often referred to as the public education funding formula. Public school support, which includes the SEG distribution and categorical funding for operational expenses like instructional materials or transportation, represents the majority of funding available for all public school operations in New Mexico.

On July 20, 2018, First Judicial District Court Judge Sarah M. Singleton ruled in a consolidated education sufficiency lawsuit that New Mexico's level of funding and method of distributing funds to public schools failed to provide a uniform and sufficient education for all school-aged children. Judge Singleton's ruling also highlighted disparities in student achievement, particularly for at-risk children, as evidence of the state's failure to provide adequate educational opportunities for all students and noted the Public Education Department (PED) did not fully exercise its authority over districts to ensure at-risk students received adequate support.

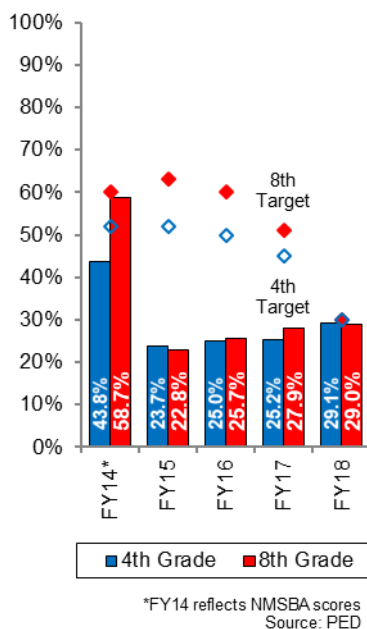
### Public School Support

In FY15, New Mexico students began taking the PARCC test, which replaced the New Mexico standards-based assessment (NMSBA). According to the National Center for Education Statistics, the PARCC test is more difficult and has higher standards than other state assessments, like ACT Aspire or Smarter Balanced. Consequently, proficiency rates were lower in FY15, and performance targets were adjusted downward to account for these changes. In FY18, reading and math proficiency for fourth and eighth grade students improved from FY17. These scores have increased steadily since the beginning of testing in 2015. While the positive trajectory is promising, results show over 70 percent of fourth and eighth graders are not proficient in reading and math – indicating the state has more room for improvement.

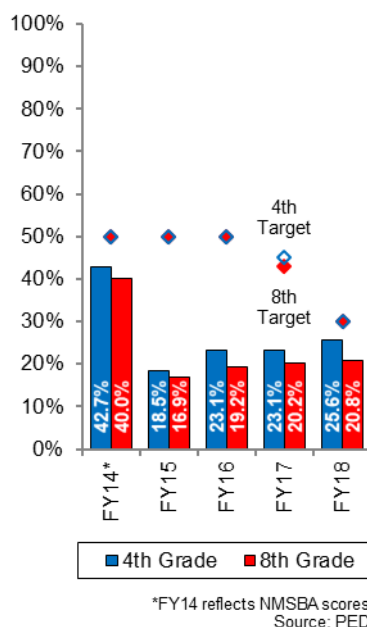
Eleven thousand more students are proficient in math and 13 thousand more students are proficient in reading since PARCC testing began in 2015. Native American students have improved their reading results more than any other group of students (by 8.2 percentage points), more students are attending A- and B-grade schools, and the high school graduation rate is at a record high. Despite these improvements, disparities still exist between different student subgroups, highlighting the need for the state to consider more targeted interventions for lower-performing subgroups.

New Mexico's four-year cohort graduation rate was 71 percent in the 2016-2017 school year, flat with the prior year and lower than the 2015-2016 national average of 84.1 percent. Although differing graduation rate standards among states mars comparability, New Mexico's rate falls below expected state target levels. About 37 percent of New Mexico's high school graduates take remedial courses at state higher education institutions – a significant improvement, given the college remediation rate was 54 percent in FY12. However, this rate also exceeds expected state target levels. PED and the Higher Education Department did not report FY18 college remediation rates in the fourth quarter.

#### Reading Proficiency



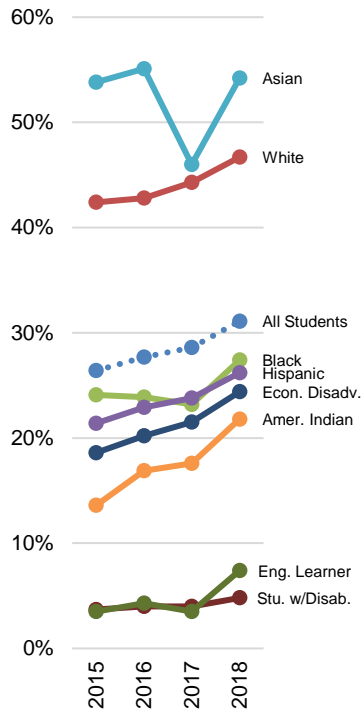
#### Math Proficiency



## PERFORMANCE REPORT CARD

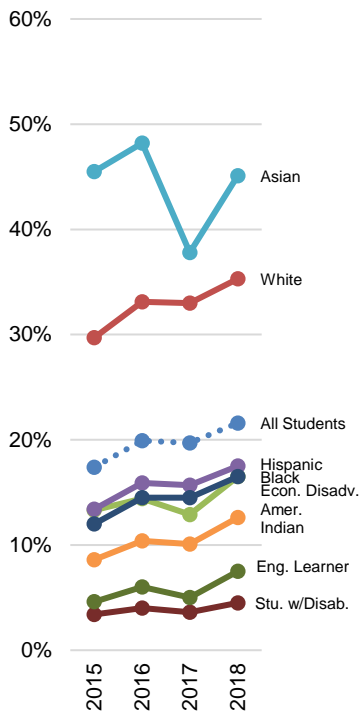
Public Education Department  
Fourth Quarter, Fiscal Year 2018

**PARCC Reading Proficiency Rates**  
(by Subgroup)



Source: PED

**PARCC Math Proficiency Rates**  
(by Subgroup)



Source: PED

In FY18, the U.S. Department of Education approved New Mexico's Every Student Succeeds Act (ESSA) plan, which outlines how the state will measure and hold public schools accountable for meeting student achievement goals. New Mexico's ESSA plan sets ambitious performance targets, calling for 64.9 percent proficiency in reading and 61.2 percent proficiency in math on the PARCC test by 2022. Additionally, the plan sets an 84.5 percent four-year graduation rate goal for the class of 2022 and includes a short-term college remediation rate goal of less than 25 percent by 2020. To reach these goals, students must show dramatic academic growth in the next few years.

**Budget:** \$2,594,274.2 **FTE:** N/A

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Fourth-grade students who are proficient on standards-based assessments in reading	25%	25.2%	30%	29.1%	Y
Fourth-grade students who are proficient on standards-based assessments in mathematics	23.1%	23.1%	30%	25.6%	R
Eighth-grade students who are proficient on standards-based assessments in reading	25.7%	27.9%	30%	29%	Y
Eighth-grade students who are proficient on standards-based assessments in mathematics	19.2%	20.2%	30%	20.8%	R
Recent high school graduates who take remedial courses at higher education institutions	43.1%	37.2%	<35%	NR	R
Four-year cohort graduation rate	71%	71%	75%	NR	R
<b>Program Rating</b>					<b>R</b>

### Public Education Department

According to the State Personnel Office organizational listing report, PED maintained 224.7 FTE, or about a 6.7 percent vacancy rate, in the fourth quarter of FY18. In FY18, PED budgeted \$1.3 million from special "below-the-line" program appropriations – intended to directly support school districts and charter schools – for department personnel costs. PED has statutory authority to budget funds for department personnel from appropriations for Indian education, prekindergarten (PreK), and K-3 Plus extended school year programs. The use of other special program appropriations for personnel is not explicitly authorized in statute but has become a recent practice, suggesting that PED's operating budget may not be sufficient to adequately administer all of the department's special programs.

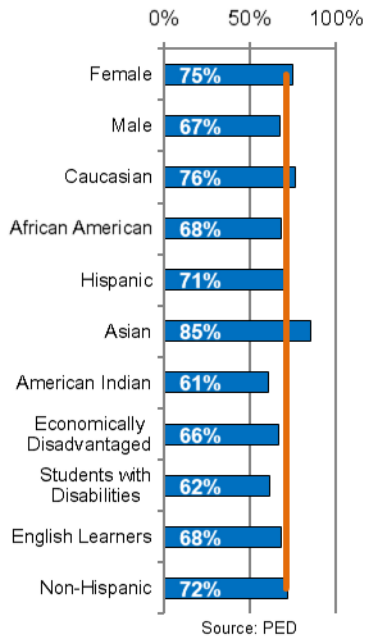
Some PED administrative functions have improved, with several annual figures meeting or approaching target levels. PED met the target number of completed data validation audits, which ensures the SEG is distributed according to statute. PED is also approaching target levels on average processing times for school district and charter school budget adjustment requests, which affects cash flows for schools. This is particularly important for public schools with small cash balances.



## PERFORMANCE REPORT CARD

Public Education Department  
Fourth Quarter, Fiscal Year 2018

### 2017 Four-Year Graduation Rate by Sub-Group with Statewide Average: 71%



Budget: \$11,065.3 FTE: 240.8

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Eligible children served in state-funded PreK*	8,761	8,572	N/A	8,418	Y
Eligible children served in K-3 Plus**	20,093	13,778	N/A	20,131	G
Average days to process reimbursements	34	18	24	22.8	G
Data validation audits of funding formula components	2	21	20	28	G
Program Rating					G

\*Includes four-year-old PreK administered by the Children, Youth and Families Department

\*\*Represents participation by summer program, not fiscal year (e.g. FY16 is Summer 2016)

### Funding Formula and Enrollment Trends

According to PED, preliminary figures show the state enrolled 2,081 fewer students in FY18, continuing a downward trend from FY17 when the state saw a decrease of 2,331 students. Despite the decline in student membership, preliminary FY19 program units increased dramatically from the new at-risk index factor enacted in the 2018 legislative session. Approximately 5,451 additional program units were generated from the at-risk index differential of 0.13, which is scheduled to increase to 0.14 in FY20 and 0.15 in FY21. Additional units generated from the at-risk index adjustments, however, are expected to be offset by a substantial decline in training and experience (T&E) units as the formula begins to align that component to the three-tiered licensure system.

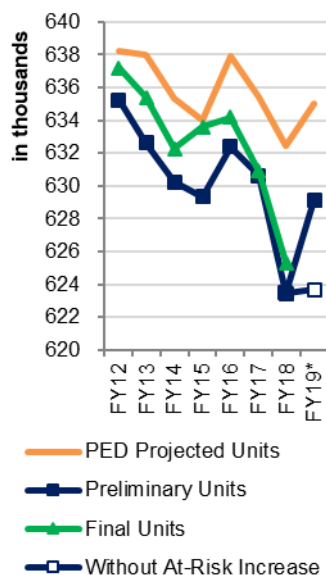
For FY19, preliminary estimates show a total of 629 thousand program units generated by the funding formula, 5,933 units less than PED's projection that was used to determine the FY19 preliminary unit value of \$4,159.23. Typically, the number of units in the preliminary projection increase due to enrollment growth or new charter school units. The largest recent increase in units occurred in FY15, which resulted in 4,253 additional units. Due to uncertainties surrounding federal Impact Aid payments and other current-year factors, PED has typically set the unit value cautiously, through conservative program unit projections.

At the end of FY18, PED set the second final unit value at \$4,115.60, a \$31.34 increase from the first final unit value of \$4,084.26 set five months earlier in January. The \$19.6 million infusion of funding included \$10 million for schools authorized in the General Appropriation Act (GAA) of 2018 and \$9.6 million to address FY18 federal special education maintenance of effort (MOE) shortfalls. While the GAA of 2017 authorizes the department to reduce the FY18 SEG distribution and redistribute the reduced amount to meet MOE requirements, the language does not authorize PED to *increase* the final unit value to meet these requirements. PED notes appropriation levels in recent years have surpassed MOE requirements and eliminated the state's liability for past shortfalls.

### PreK and K-3 Plus

In FY18, the total number of eligible children served in state-funded PreK decreased slightly; however, the number of children served in extended-day programs increased from 1,246 children in FY17 to 1,790 children in FY18. Currently, about 57 percent of

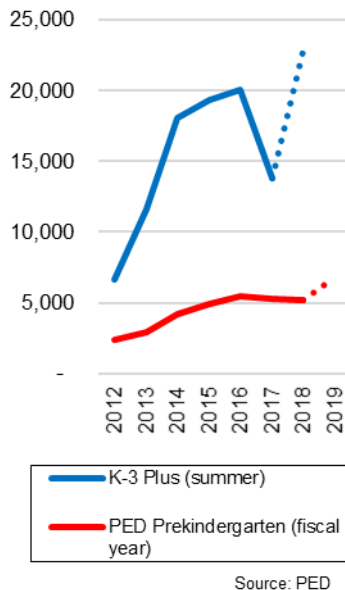
### PED, Preliminary, and Final Program Unit Projections



## PERFORMANCE REPORT CARD

Public Education Department  
Fourth Quarter, Fiscal Year 2018

### Estimated Enrollment in PED Early Childhood Programs



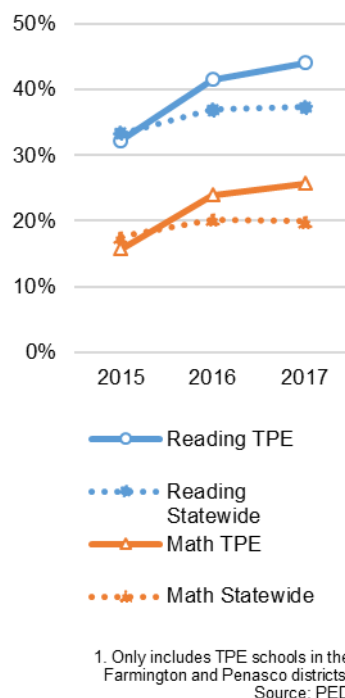
four-year-old children statewide are enrolled in PreK programs, including federal Head Start programs. The LFC has consistently found PreK programs improve math and reading proficiencies for low-income four-year-olds and lower retention and identification rates for special education. Additionally, low-income students who participate in both PreK and kindergarten-three (K-3) plus programs close achievement gaps by kindergarten entry.

This summer, PED announced record high enrollment capacity for K-3 Plus and PreK programs as a result of increased funding for FY19. The total number of students funded for summer 2018 K-3 Plus and extended K-5 Plus pilots will reach nearly 22.8 thousand students. Overall funding appropriated is estimated to be \$28.8 million, with 26 school districts and charters piloting the K-5 Plus program. This enrollment is a significant increase from summer 2017 enrollment of 13.8 thousand students when slots were reduced statewide. Currently, about 35 percent of eligible students statewide are participating in K-3 Plus programs.

### School Leadership

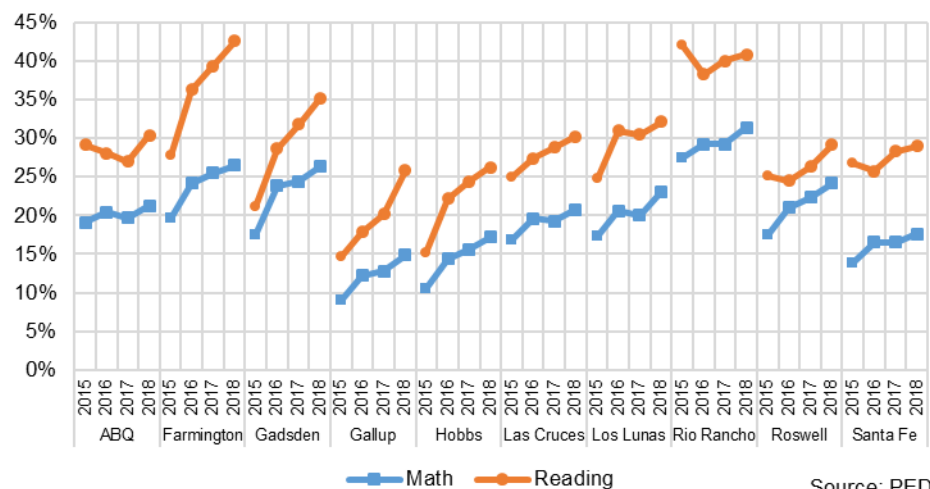
Results from PED's educator mentorship programs, Principals Pursuing Excellence (PPE) and Teachers Pursuing Excellence (TPE), suggest that low-performing schools receiving these targeted interventions improved outcomes. PPE schools increased math proficiency and English language arts proficiency at a higher rate than demographically similar schools and the statewide average. TPE schools outperformed other schools statewide on math and reading proficiency in 2016 and 2017.

### TPE Schools<sup>1</sup> and Statewide Proficiency Rates



Overall student reading and math proficiencies among the state's 10 largest school districts have improved since the beginning of PARCC testing. However, districts like Farmington, Gadsden, Gallup, and Hobbs have shown continuous improvement in both reading and math proficiency and achieved stronger gains than other large districts. To accurately identify the factors driving performance at the higher-performing districts, the Legislature should consider maintaining the PARCC test to evaluate the sustainability and scalability of best practices at these districts and PED programs.

### PARCC Results for 10 Largest School Districts



## PERFORMANCE REPORT CARD

New Mexico Higher Education Institutions  
Fourth Quarter, Fiscal Year 2018

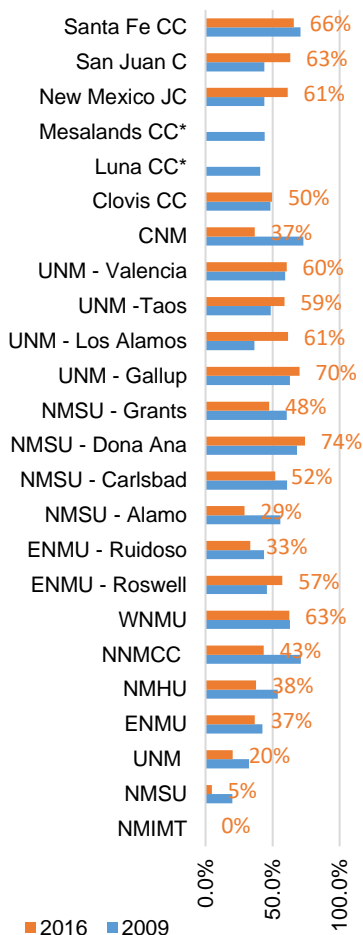
### ACTION PLAN

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

### Remediation Rates

College remediation rates quantify the number of students who take remedial courses prior to starting a prescribed degree program. In New Mexico, 39 percent of college freshmen take at least one remedial course and these students are less likely to graduate, or graduate on-time than their better prepared peers.

#### Remediation Data: FY09 to FY16



\* no data for FY16  
Source: NMHED

### New Mexico Higher Education Institutions

Postsecondary graduation rates in New Mexico have improved year-over-year, particularly at the four-year research universities, which comprise the largest volumes of students. Colleges and universities lag national benchmarks although, and the Governor's Route-to-66 goal for adult postsecondary attainment is not likely to motivate higher education institutions to exceed those benchmarks. Though 78 percent of New Mexico's public, nonspecial, and nontribal colleges and universities exceeded their own institutional performance targets for students graduating within three (for associate's degrees and certificates) or six years (for bachelor's degrees), target levels for graduation rates are set too low and lag far behind the average graduation rates of peer institutions.

From a performance perspective, 71.4 percent of four-year institutions improved year-over-year performance, where at two-year institutions, 60 percent of institutions improved year-over-year results. Low performance targets may point to annual improvements, however, compared to peers, New Mexico is not gaining ground.

The four-year research institutions and the two-year independent colleges have shown stronger performance on graduation rates. College remediation appears to be a challenging factor at the two-year colleges and at four-year comprehensive universities, which experience higher levels of students in need of remediation, as shown in the college remediation data (sidebar).

Open admissions policies result in higher remediation rates, which impact these sectors more than the research universities. The opportunity for colleges and universities to stretch their target levels could - particularly driven by a more robust statewide attainment goal - ensure improvements in credentials, transfers and graduation rates.

### Six-Year University Completion Rates

Completion rates for first-time, full-time degree-seeking students	Fall 2010 to Summer 2016 Actual	Fall 2011 to Summer 2017 Actual	Fall 2012 to Summer 2018 Target	Fall 2012 to Summer 2018 Actual*	Rating
NM Tech	49.4%	47.8%	49%	55.5%	G
NM State Univ	44.7%	45.9%	48%	50.4%	G
Univ of NM	43.9%	48.6%	48%	49.9%	G
*preliminary, unaudited					Program Rating G

Completion rates for first-time, full-time degree-seeking students	Fall 2010 to Summer 2016 Actual	Fall 2011 to Summer 2017 Actual	Fall 2012 to Summer 2018 Target	Fall 2012 to Summer 2018 Actual*	Rating
Eastern NM Univ	32.8%	32.7%	34%	31.4%	R
NM Highlands Univ	22.2%	22.2%	22%	23.8%	Y
Northern NM College	19.4%	22%	25%	25%	G
Western NM Univ	23.8%	26.6%	26%	25.7%	Y
*preliminary, unaudited					Program Rating Y



## PERFORMANCE REPORT CARD

### New Mexico Higher Education Institutions Fourth Quarter, Fiscal Year 2018

#### Comparison to Peers

The tables below compare New Mexico Higher Education Institutions to peers nationally for the 2016 academic year. The national peer data is taken from the College Scorecard, which presents the most current data available. **Blue shows where NM HEIs exceed peers.**

#### Six-year Completion Rates

	Peer	FY16 Actual
NM Tech	44%	49%
NM State Univ	54%	45%
Univ of NM	72%	44%
Eastern NM Univ	41%	33%
NM Highlands Univ	48%	22%
Northern NM College	32%	19%
Western NM Univ	44%	24%

#### Three-year Completion Rates

	Peer	FY16 Actual
ENMU Roswell	20%	12%
ENMU Ruidoso	20%	19%
NMSU Alamogordo	20%	9%
NMSU Carlsbad	20%	13%
NMSU Dona Ana	20%	13%
NMSU Grants	20%	19%
UNM Gallup	20%	9%
UNM Los Alamos	20%	8%
UNM Taos	20%	10%
UNM Valencia	20%	13%
CNM	18%	17%
Clovis CC	25%	36%
Luna CC	25%	18%
Mesalands CC	32%	51%
NM Junior College	25%	43%
San Juan College	23%	17%
Santa Fe CC	23%	18%

Source: U.S. Dept. of Education's College Scorecard, AY16

#### Community College Three-Year Completion Rates

Completion rates for first-time, full-time degree-seeking students	Fall 2013 to Summer 2016 Actual	Fall 2014 to Summer 2017 Actual	Fall 2015 to Summer 2018 Target	Fall 2015 to Summer 2018 Actual*	Rating
ENMU Roswell	11.6%	13%	25%	24.3%	Y
ENMU Ruidoso	19.3%	26%	18%	24%	Y
NMSU Alamogordo	9%	12%	14%	14%	Y
NMSU Carlsbad	13%	13%	13%	11.5%	R
NMSU Dona Ana	13%	15%	14%	10%	R
NMSU Grants	19%	23%	14%	24%	Y
UNM Gallup	9.2%	12.4%	12%	16%	G
UNM Los Alamos	8%	8.9%	10%	16.6%	G
UNM Valencia	12.7%	12%	13%	22%	G
UNM Taos	10%	13%	10%	12.9%	R
*preliminary, unaudited					Program Rating Y

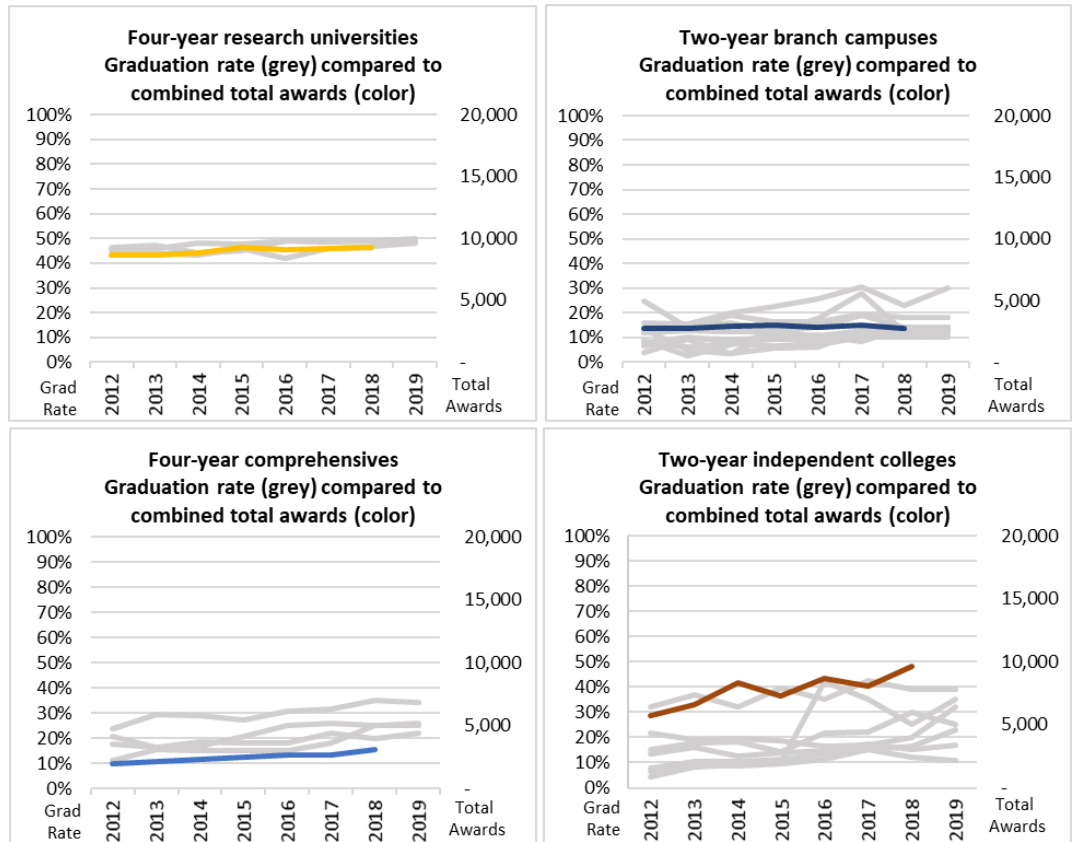
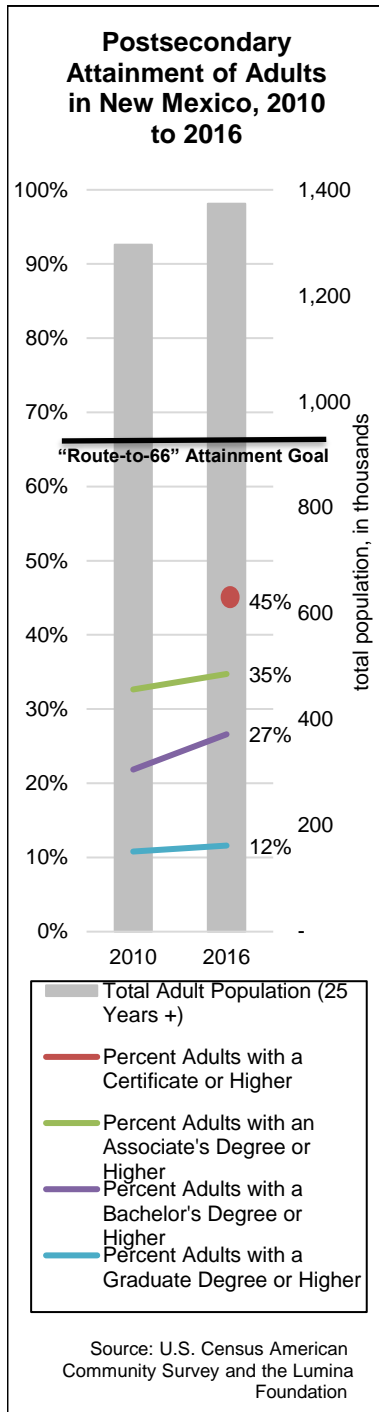
Completion rates for first-time, full-time degree-seeking students	Fall 2013 to Summer 2016 Actual	Fall 2014 to Summer 2017 Actual	Fall 2015 to Summer 2018 Target	Fall 2015 to Summer 2018 Actual*	Rating
CNM	16.5%	23.8%	23%	27.3%	G
Clovis CC	35.5%	46.9%	35%	54.5%	G
Luna CC	18.1%	27.2%	32%	15.6%	R
Mesalands CC	51%	48%	39%	43%	Y
NM Junior College	43.3%	32.6%	30%	37.9%	Y
San Juan College	17.3%	24.1%	17%	23.1%	Y
Santa Fe CC	18%	23%	11%	22%	R
*preliminary, unaudited					Program Rating Y

#### Graduation Rate Peer Comparison

Comparing to college and university Carnegie peers, in FY18, only 12.5 percent of New Mexico higher education institutions exceeded their peer group average for graduation rate. Graduation rate may not fully describe the success of students pursuing a postsecondary education in New Mexico, particularly at two-year institutions whose focus may be more strongly tied to community workforce needs and where industry certifications are more valued by employers than an associate's degree. The population tracked in the graduation rate does not include transfer students or part-time students, which leaves substantial gaps in the data. Nonetheless, graduation rate is a standard measure for institutions nationwide.

## PERFORMANCE REPORT CARD

### New Mexico Higher Education Institutions Fourth Quarter, Fiscal Year 2018



### Accountability in Government Act (AGA) Measures Relation to the New Mexico’s Postsecondary Educational Attainment Goal

Of the two AGA outcome performance measures reported in the General Appropriations Act, the graduation rate, in theory, should align with performance funding, as measured by the higher education funding formula. As award levels rise, graduation rates should rise. Assuming this alignment, the percentage of New Mexico’s adult population with postsecondary credentials should rise. As represented by the charts above, which plot the combined total awards (color line) by higher education sector against the graduation rates (grey lines) of the sector’s institutions, the data are not conclusive to support the theory of alignment between AGA performance measures and funding formula incentives.

The Lumina Foundation reports 44.6 percent of the New Mexico adult population has earned a certificate, associate’s, or bachelor’s degree/higher credential. As New Mexico draws closer to its Route-to-66 goal, performance targets must increase for graduation rates to improve past national benchmarks and surpass the Route-to-66 goal.

### UNM Health Sciences Center

The UNM Health Sciences Center (HSC) reports several measures beyond those required in the Accountability and Government Act, many of which relate to clinical operations.

## PERFORMANCE REPORT CARD

### New Mexico Higher Education Institutions

### Fourth Quarter, Fiscal Year 2018

#### Clinic Visits

Clinic visits are an indicator of the number of patients that seek care at a facility. UNM Hospitals achieved an average three percent increase over the past four years with 5.8 percent between fiscal years 2017 and 2018.

#### Discharge Rate

If fewer patients are discharged, it means more patients require longer lengths of stay. UNM Hospital is currently at capacity for discharges, 93 percent for the past two years. UNM HSC reports that patient acuity levels have increased, resulting in longer stays per patient, and increasing cost per patient.

#### Poison Control

This measure has been consistent over time, improving from 81 percent in FY16 and FY17 to 82 percent in FY18. Caller satisfaction surveys made on home-managed cases show that if the poison center were not available, more than two-thirds of callers would go to the emergency room, call 911, or call a doctor. Each of these options is more expensive and provide less immediate advice than calling the poison center. UNM HSC reports treating patients safely at home has financial benefits of almost \$20 million in healthcare savings for the state each year.

#### Readmission Rate

Readmission rates have long been a trusted measure of effective and responsible care, but only since the Affordable Care Act of 2010 established the readmission reduction program did become a primary assessment driver in healthcare. The Centers for Medicare and Medicaid Services (CMS) and other healthcare insurers use specific targets as a mechanism to adjust payment. Reduction of readmissions is a key component to improve access.

Measure	June- Aug 2017	Sept.- Nov. 2017	Dec.- Feb 2018	Mar.- May 2018	Target	Rating
Total Number of University of New Mexico Hospital Clinic Visits	135,423	140,993	141,987	153,513	139,021	<span>G</span>
Total Number of University of New Mexico Hospital Discharges	6,290	6,341	6,457	6,435	6,354	<span>G</span>
Percent of human poisoning exposures treated safely at home after Poison and Drug Information Center contacted by a caller in a non-healthcare setting	85.5	86	82	79.5	81	<span>G</span>
University of New Mexico Hospital Inpatient Readmission Rate	4.8	5.1	4.8	4.5	4.9	<span>G</span>
Program Rating						<span>G</span>

## PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

### Energy, Minerals and Natural Resources Department

The Energy, Minerals and Natural Resources Department (EMNRD) initiated rulemaking focused on requirements for spill prevention and reporting, financial assurance, and wells abandoned by the oil and gas industry. In the 2018 legislative session, the Oil and Gas Act was amended by increasing the blanket guarantee from \$50 thousand to \$250 thousand to provide the state a higher degree of financial assurance from operators of oil, gas, or injection wells. The State Parks Division adopted rule changes governing park visitor provisions and park fees. The agency missed the targets for wildland firefighter training and treated acres of forest and watersheds.

#### Healthy Forests

State Forestry missed the annual target for firefighter training by 445 firefighters due to fewer interested firefighters and less restrictive budgets. Forest and watershed treatment was slow-moving due to forest closures caused by either fires or extremely dry conditions, and the agency missed the target by 16 percent. Fire activity typically peaks from late May to early July. Although monsoons in FY18 deterred the possibility of large fires statewide, the Ute Park Fire burned over 36 thousand acres near Cimarron. The community of Ute Park, the Philmont Scout Ranch, the Cimarroncito and Urraca Watersheds, and Cimmaron Canyon State Park were evacuated. U.S. 64 was closed twice due to fire and subsequent flash flooding.

**Budget:** \$15,879.5 **FTE:** 78

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Nonfederal wildland firefighters trained	1,627	1,362	1,650	1,205	R
Acres treated in New Mexico's forest and watersheds	15,762	15,292	15,800	13,226	R
<b>Program Rating</b>					R

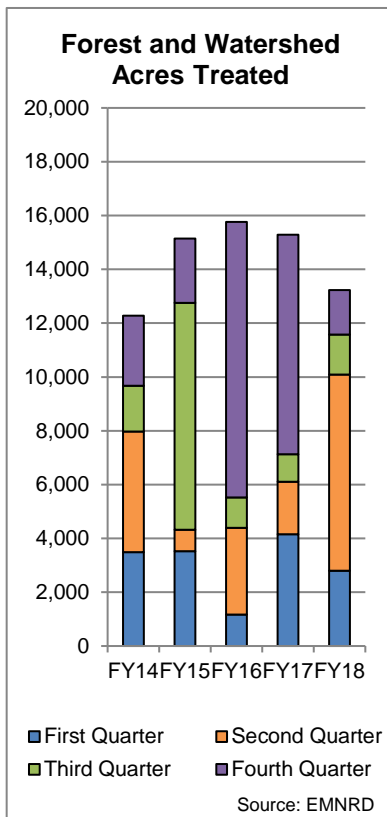
#### State Parks

The majority of visitation and revenue occurs during the first and fourth quarters of the fiscal year. In FY18, despite fire severity and drought conditions, park closures, and low stream, river, and lake levels, state park visitation only declined four percent from FY17. The revenue impact of reduced visitation was significantly offset by an increase in per visitor revenue, resulting in an overall increase of \$654.2 thousand.

**Budget:** \$28,852.2 **FTE:** 234.5

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Visitors to state parks, in millions*	5.46	4.93	NA	4.71	
Self-generated revenue per visitor, in dollars*	\$0.81	\$0.88	NA	\$1.06	
Interpretive programs available to park visitors*	1,312	1,053	NA	860	
Boating safety courses completed	937	887	800	860	G
<b>Program Rating</b>					G

\*Measures are classified as explanatory, provided for informational purposes. The measures do not have a target.



The veterans' firefighter program employed 52 people, down from 55 in FY17.

According to Headwater Economics, suppressing a fire averaged just nine percent of a fire's total costs. Communities face long-term property depreciation, infrastructure repairs, and restoration of ecosystems.

## PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department  
Fourth Quarter, Fiscal Year 2018

The Wall Street Journal reports three percent of natural gas extracted is flared within the Permian Basin. New Mexico burns between 50 and 100 million cubic feet per day, and 320 million cubic feet per day is flared in Texas. The Governmental Accountability Office reports 40 percent of natural gas could have been economically captured.

### Mine Reclamation

The agency conducted all of the required inspections for coal mines and 105 of the 110 regular mines. The number of mines without adequate financial assurance remains at one, the Asarco Deming Mill. This mine continues under application with a new owner and EMNRD is working to obtain adequate financial assurance.

**Budget:** \$8,078.5 **FTE:** 33

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	96%	98%	97%	99%	G
Required inspections conducted to ensure compliance with permits and regulations	97%	97%	95%	95%	G

**Program Rating** G

### Oil and Gas Conservation

The Oil Conservation Division (OCD) was unable to meet the goal of 47,000 inspections due to four vacant inspector positions, and the number of violations issued declined by 24 percent (2,081). OCD continues to process permit applications well within 10 business days. Although the final figures for June 2018 have not been released, the U.S. Energy Information Administration reports the state's FY18 production at 183.4 million barrels.

**Budget:** \$9,487.0 **FTE:** 66

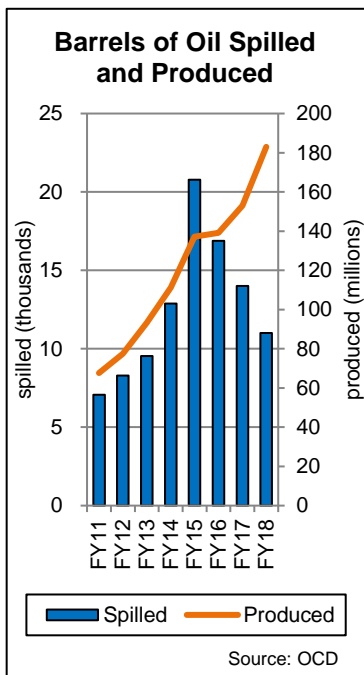
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Inspections of oil and gas wells and associated facilities	49,624	37,648	47,000	42,880	R
Application to drill permits approved within ten business days of receipt	85%	96%	84%	99.8%	G
Abandoned oil and gas wells properly plugged	36	33	32	41	G
Number of oil and gas well spills*	1,465	2,490	N/A	1,128	
Size of oil spills, in barrels*	16,889	14,504	N/A	13,487	

**Program Rating** G

\*Measures are classified as explanatory, provided for informational purposes. The measures do not have a target.

### Energy Conservation and Management

The agency had an increase of 44 percent in total trainings and practices for the WIPP program, due to three factors: certification renewal for all Commercial Vehicle Safety Alliance Level VI officers; training new Department of Public Safety Training Officers; and biannual WIPP Transportation Exercises with the required hospital and fire services training.



## PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department  
Fourth Quarter, Fiscal Year 2018

**Budget:** \$3,665.7    **FTE:** 13

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Applications for clean energy tax credits reviewed within thirty days	90%	90%	90%	90%	G
Waste-isolation-pilot-plant-related trainings and practice exercises conducted	45	55	55	79	G
Program Rating					G



## PERFORMANCE REPORT CARD

Department of Environment  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

### Department of Environment

Performance measures for the New Mexico Environment Department (NMED) remained heavily oriented toward output-based activities, such as number of facilities inspected in FY18. However, this report card highlights many existing measures that focus on public health and safety issues such as air and water quality and occupational safety.

Of the \$52.3 million of 2014 “year of water” capital outlay appropriations for local projects overseen by NMED, \$3.4 million remains unspent. NMED reports 102 out of the 120 projects are complete, and 18 reauthorized projects remain active.

#### Water Protection

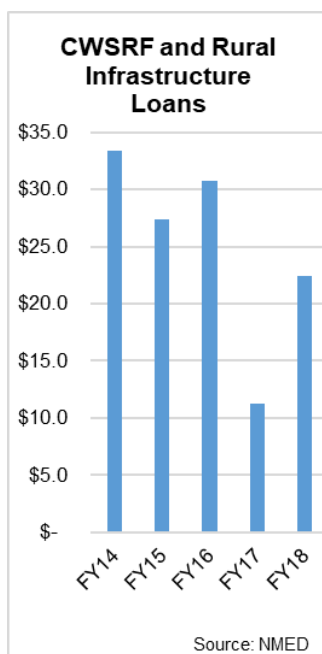
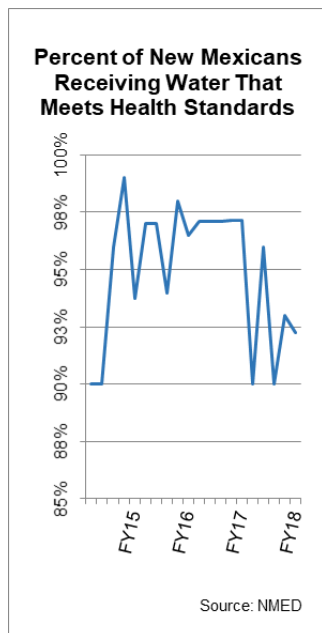
More than 167 thousand New Mexicans were receiving water that did not meet health-based standards at the end of FY18, five percent less than FY17. This figure is driven by infrastructure failures, poor operations and maintenance, and by fires and subsequent flooding. Local entities requested approximately \$49.7 million in project funding from the clean water state revolving loan fund (CWSRF), and \$20 million was awarded.

NMED inspections of groundwater discharge facilities, and the percent of facilities where monitoring shows compliance with standards are below the annual target and actual performance in prior years. Few permits allow for exceedance of, or variance from, typical groundwater quality standards depending on proximity to groundwater, and other factors; a facility may be in compliance with its permit but not with other standards. NMED’s corrective action plan considers redistributing staff from permit hearing preparation to inspections.

**Budget:** \$30,689.1 **FTE:** 190.5

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Population served by community water systems that meet all applicable health-based drinking water standards*	98%	97%	N/A	92%	
Groundwater discharge permitted facilities inspected	65%	66%	65%	53%	Y
Amount of new loans made from the clean water state revolving fund program and the rural infrastructure revolving loan program, in millions*	\$30.7	\$11.3	N/A	\$22.4	
Permitted facilities where monitoring results demonstrate compliance with groundwater standards*	63%	71%	N/A	92%	
Stream miles monitored for water quality in target area	83%	90%	40%	35%	Y
<b>Program Rating</b>					Y

\*Measures are classified as explanatory, provided for informational purposes. The measures do not have targets.

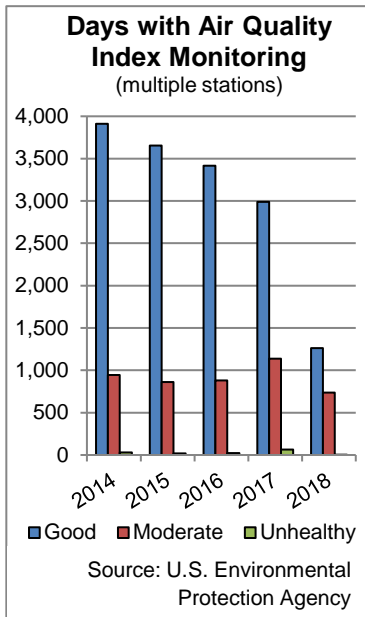




# PERFORMANCE REPORT CARD

Department of Environment  
Fourth Quarter, Fiscal Year 2018

## Resource Protection



The air quality index (AQI) reflects what health effects might be a concern based on levels of certain pollutants. The AQI scale includes ratings for good, moderate, and a varying degree of unhealthy or hazardous air quality.

The Hazardous Waste Bureau missed targets for large quantity hazardous waste generators inspected due to several vacant inspector positions. NMED recently revised petroleum storage tank regulations to better protect groundwater and govern the clean-up of releases from leaking storage tanks. Statewide, the Petroleum Storage Tank Bureau oversees more than 4,421 underground tanks and 1,760 aboveground storage tanks.

**Budget:** \$14,760.9 **FTE:** 136.0

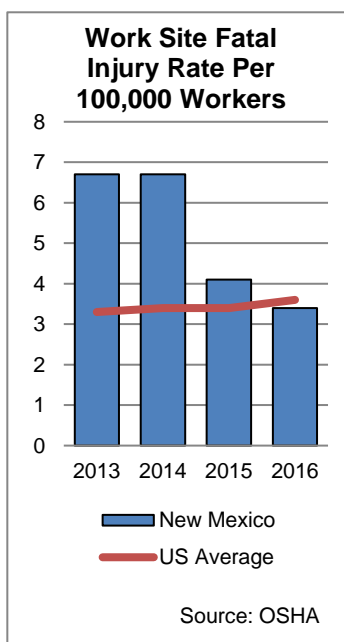
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Underground storage tank facilities in significant compliance with release prevention and detection requirements	77%	87%	77%	88%	G
Solid waste facilities and infectious waste generator inspections finding substantial compliance with solid waste rules	93%	98%	93%	94%	G
Landfills compliant with groundwater sampling and reporting requirements	100%	97%	97%	96%	G
Large quantity hazardous waste generators inspected	31%	18%	40%	32%	R

**Program Rating**

Y

## Environmental Protection

The percent of air quality and serious occupational safety violations discovered through agency inspections that had completed corrective action within 30 days was below the target, at 96 percent. After agreeing to report on air quality ratings for FY17 – rather than the response to violations – NMED requested to discontinue the measure for FY18 out of concern the agency does not regulate air quality in Bernalillo County, the state's largest population center. However, executive and legislative staff agreed to report the measure as explanatory data without a performance target in future years.



**Budget:** \$23,769.6 **FTE:** 241

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Serious worker health and safety violations corrected within the timeframes designated on issued citations from the consultation and compliance sections	96%	97%	98%	96%	G

**Program Rating**

G

## PERFORMANCE REPORT CARD

Office of the State Engineer  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

### Office of the State Engineer

Comprehensive water management requires the Office of the State Engineer to determine the amount and priority date of water rights. To do this, OSE must hire additional qualified experienced staff to complete adjudications and support active resource water management regulations. New Mexico has an opportunity to argue the merits of whether groundwater pumping in New Mexico, south of Elephant Butte, resulted in under-deliveries to Texas as part of the ongoing Rio Grande Compact litigation.

### Water Resource Allocation

The Water Rights Division has approximately 40 vacancies. Staff is strained between application processing and increased investigations triggered by complaints of illegal water use. The agency missed the target by 63 percent for unprotested applications processed per month. This data helps management track the location and amount of applications filed so the State Engineer can assess statewide water usage. The number of transactions entered into the water administration technical engineering system database fell 32 percent short of the target because OSE continues to focus on data clean-up and training of staff in district offices.

The Water Rights Division did not succeed in tackling the backlog of unprotested and unaggrieved water right applications, which increased eight percent over FY17 actuals. However, OSE has significantly reduced the backlog since its peak of 1,513 in FY14.

Reservoir Capacity New Mexico Statewide

Reservoir	2017	2018
Abiquiu Reservoir	12%	8%
Bluewater Lake	21%	9%
Brantley Lake	2%	2%
Caballo Reservoir	21%	11%
Cochiti Lake	10%	9%
Conchas Lake	24%	58%
Costilla Reservoir	74%	28%
Eagle Nest Lake	53%	47%
El Vado Reservoir	68%	4%
Elephant Butte Reservoir	17%	6%
Heron Reservoir	49%	33%
Lake Avalon	43%	65%
Lake Sumner	22%	21%
Navajo Reservoir	84%	80%
Santa Rosa Reservoir	12%	8%

Source: Natural Resources Conservation Service

**Budget:** \$14,052.4 **FTE:** 182.0

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Unprotested and unaggrieved water right applications backlogged	422	416	N/A	451	
Average unprotested new and pending applications processed per month	37	36	85	31.2	R
Number of state engineer orders issued to correct deficiencies and improve condition ratings at high hazard publicly-owned dams	NA	1	1	0	G
Water rights transactions entered in the agency's database	18,287	14,566	23,000	15,612	R
<b>Program Rating</b>					Y

\*Measure is classified as explanatory, provided for informational purposes. The measure does not have a target.

### Interstate Stream Commission

Although the agency performance target is set for greater than zero for delivery credits on the Rio Grande Compact, an accrued delivery debit up to 200 thousand acre-feet is allowable. This year is the third time since the early 1990s the agency reported an allowable debit. ISC believes this is due to historic low snowmelt runoff, low snowmelt in the Chama watershed, and almost no conservation water stored in El Vado Reservoir. All conservation water stored the prior year has been exhausted. ISC predicts there will not be sufficient storage for irrigation needs in 2019.



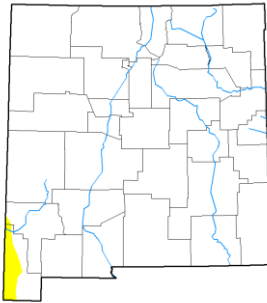
## PERFORMANCE REPORT CARD

### Office of the State Engineer

### Fourth Quarter, Fiscal Year 2018

In FY17 LFC reported: "For the first time since the U.S. drought monitor began keeping records in 1999, New Mexico does not have any designation of drought or abnormal dryness."

August 8, 2017



ISC receives and distributes funding for the NM Unit fund on behalf of the New Mexico Unit of the Central Arizona Project per the Arizona Water Settlements Act of 2004. The Bureau of Reclamation is preparing an environmental impact statement for infrastructure projects to divert Gila River water for irrigation purposes.

**Budget:** \$14,103.4 **FTE:** 46.0

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Delivery credit on the Pecos river compact, in thousand acre-feet	109.5	137.9	> 0.0	137.9	G
Delivery credit on the Rio Grande compact, in thousand acre-feet	0.4	-20.3	> 0.0	-0.7	G
Cumulative New Mexico unit fund expenditures, in millions*	NEW	NEW	N/A	\$9.02	
<b>Program Rating</b>					<b>G</b>

\*Measure is classified as explanatory, provided for informational purposes. The measure does not have a target.

## Litigation and Adjudication

The current measure for the percent of water rights with judicial determinations does not provide a clear view of progress because it only reflects active adjudications. Adjudication of the middle Rio Grande basin, the largest basin by population in the state encompassing Sandoval, Valencia, Socorro, and Bernalillo counties, has not yet begun. The program obtained a final judgment and decree in the Aamodt adjudication in July 2017, and is currently focused on the Gallinas River section of the Upper Pecos adjudication and the Rito De Tierra Amarilla section of the Rio Chama adjudication.

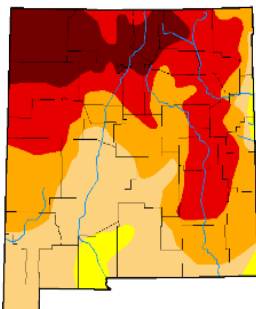
**Budget:** \$7,051.9 **FTE:** 66.0

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Offers to defendants in adjudications	839	566	839	298	G
Water rights with judicial determinations	63%	66%	70%	67%	Y
<b>Program Rating</b>					<b>G</b>

In FY18 LFC reports: Significant portions of the state are in severe, extreme and exceptional drought.

### U.S. Drought Monitor New Mexico

August 7, 2018  
(Released Thursday, Aug. 9, 2018  
Valid 8 a.m. EDT)



**Intensity:**  
 D0 Abnormally Dry  
 D1 Moderate Drought  
 D2 Severe Drought  
 D3 Extreme Drought  
 D4 Exceptional Drought

The Drought Monitor illustrates the conditions, local variability, and the impact of the drought on the state.  
 Author:  
 Dr. Mark Potter  
 DROUGHTMONITOR.ORG  
 USDA  
<http://droughtmonitor.gov>

### AT A GLANCE

- 1 New Mexico**  
Drought conditions persisted across the state over the past month, with over half of the state experiencing extreme to exceptional drought conditions.
- 2 New Mexico/Texas**  
Minimum temperatures in June were record warmest for both states. Although there were no extreme heat wave events over the past month, temperatures were consistently above average, with El Paso, Texas experiencing 20 days at or above 100°F.
- 3 Del Rio, TX & Ciudad Acuña, Coahuila**  
Extreme to exceptional drought conditions developed in the area over the last month.
- 4 South Texas/Northeast Mexico**  
On June 18-21 a slow-moving low-pressure system dropped record-setting rainfall and resulted in widespread flooding in the area.



Source: CLIMAS Rio Grande Bravo Outlook July 2018

## PERFORMANCE REPORT CARD

Economic Development Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

### Economic Development Department

New Mexico's total nonfarm employment grew by 17,300 jobs, or 2.1 percent, between June 2017 and June 2018. Most gains came from the private sector, which was up 15,900 jobs, or 2.5 percent. The public sector was up 1,400 jobs, or 0.8 percent. However, even with substantial growth in June, New Mexico has the third highest unemployment rate in the nation, behind Alaska and the District of Columbia.

The Economic Development Department's (EDD) performance results for FY18 improved from FY17 for a significant number of measures, including overall jobs created, rural jobs created, and jobs created due to use of Local Economic Development Act (LEDA) funds. Performance was strong in private sector dollars invested in MainStreet districts and private sector dollars leveraged through the Local Economic Development Act. For the first time in three fiscal years, direct spending by the film industry dropped below the target, while the film tax credit reached a backlog of \$120 million.

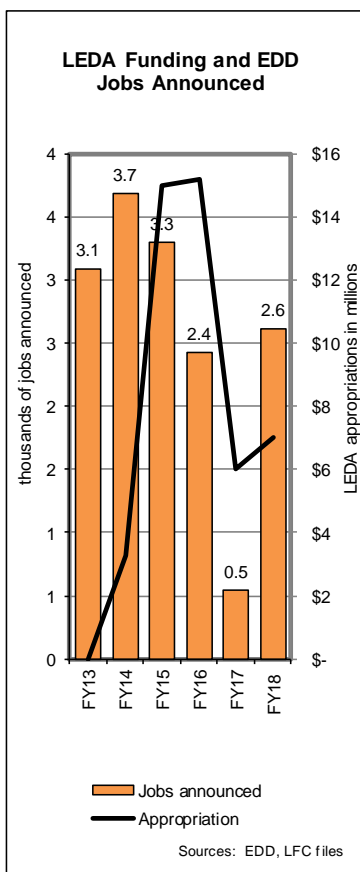
### Economic Development

The Economic Development Division awarded 15 companies \$10.5 million in LEDA funds in FY18 and created 2,613 jobs. Of the 15 companies awarded LEDA funds, eight were in rural areas. These companies include Facebook, PESCO, USA Beef, PreCheck, Leprino Foods Company, Corrugated Synergies International, Agmechtronix, and Stampede Meat. The funds matched for these LEDA projects totaled \$381 million, contributing to a 36 to 1 ratio of private sector dollars invested per dollar of LEDA funds awarded for FY18. EDD surpassed its target for rural job growth creation by 151 percent. The success of the rural jobs created can be attributed to EDD's LEDA award of \$3 million for Stampede Meat, which will create 1,295 jobs once full capacity is reached within five years.

Legislators appropriated \$83 million over the last five years for the LEDA fund, including a \$5 million special appropriation during the 2018 legislative session. As of July 2018, EDD reported \$43 million in other state funds and severance tax bonds is unspent.

**Budget:** \$6,128.9 **FTE:** 25

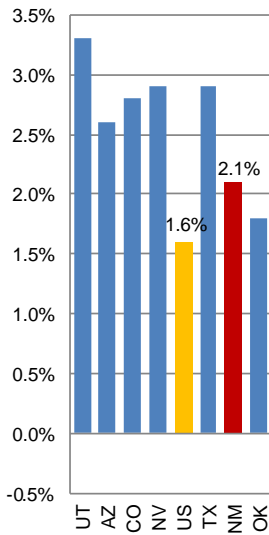
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Jobs created due to economic development department efforts	4,140	1,729	4,500	3,994	Y
Rural jobs created	641	775	1,600	2,414	G
Jobs created through business relocations and competitive expansions facilitated by the economic development partnership	222	115	2,250	1,415	Y
Potential recruitment opportunities generated by the New Mexico Partnership marketing and sales activities	NEW	63	84	52	Y
Private sector investment in mainstreet districts, in millions	\$22	\$28	\$9	\$54	G



## PERFORMANCE REPORT CARD

Economic Development Department  
Fourth Quarter, Fiscal Year 2018

**June 2018  
Year-over-Year  
Job Growth by State**



Source: Workforce Solutions Department

Private sector dollars leveraged by each dollar through Local Economic Development Act

17:1

21:1

12:1

36:1

**G**

Jobs created through the use of Local Economic Development Act funds

2,426

543

2,200

2,613

**G**

Workers trained by the Job Training Incentive Program

2,238

2,009

1,850

1,736

**G**

**Program Rating**

**G**

The Job Training Incentive Program (JTIP) board approved 58 businesses for funding in FY18, including 24 in rural communities, with a total of \$15.3 million in awards, and slightly missed the target of workers trained with 1,736 in FY18. The Legislature increased recurring appropriations for JTIP in the FY19 session by \$2 million, totaling \$4 million. JTIP funds over the past five years, including the FY19 recurring appropriation of \$4 million and a \$5 million special appropriation, total \$39 million. As of June 2018, EDD reported \$9.0 million in JTIP funds were available. The average hourly JTIP wage is \$32.01 in urban communities and \$21.13 in rural communities. Of the JTIP awards given in FY18, 76 percent went to New Mexico companies for expansions, and 60 percent were awarded to companies founded in New Mexico. The JTIP board obligated \$4.6 million to rural companies in FY18, meeting statutory requirements for funding of rural communities.

### New Mexico Film Office

The New Mexico Film Office continues to focus on three main initiatives: recruitment, workforce development, and statewide industry outreach. After three years of surpassing the target, direct spending by the film industry missed the target for FY18, reaching \$234 million, a significant decrease from \$505 million in FY17. The number of worker days also decreased to 259 thousand for FY18 from 448 thousand in FY17. The Job Training Incentive Program for film and multimedia provides multiple ways for residents to advance in the industry and to keep talent in state. As an additional incentive to the film tax credit, productions that hire qualifying local crews are reimbursed 50 percent of wages for up to 1,040 hours.

The New Mexico Film Office and the Taxation and Revenue Department reported the film tax credit was fully expensed for FY18, reaching the cap of \$50 million dollars. The film tax credit is also already maxed out at the \$50 million credit for FY19, with payments that have been approved but not processed. There is currently \$40 million in backlog from prior and current years that have been approved but not paid and \$80 million in applications that have not been approved yet, a total backlog of approximately \$120 million.

**Budget:** \$706.0 **FTE:** 8

#### Measure

Direct spending by film industry productions, in millions

**FY16  
Actual**

\$387

**FY17  
Actual**

\$505

**FY18  
Target**

\$260

**FY18  
Actual**

\$234

**Rating**

**Y**

Film and media worker days

260,307

448,304

230,000

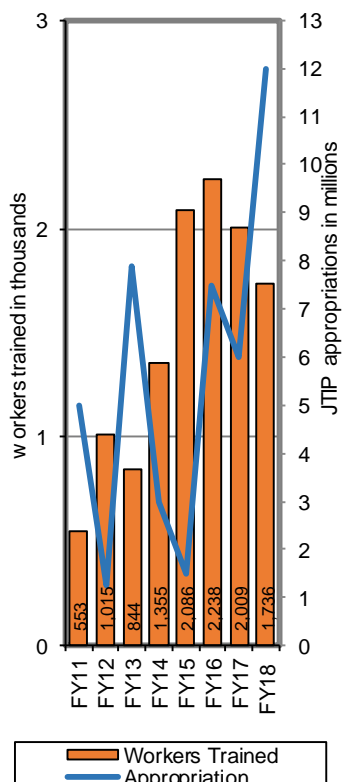
259,961

**G**

**Program Rating**

**G**

**Number of Workers  
Trained by JTIP**



Sources: EDD, LFC files



## PERFORMANCE REPORT CARD

Tourism Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

### Tourism Department

The Tourism Department met or exceeded annual targets for two performance measures in the Marketing and Promotion Program, while also achieving the target for the *New Mexico Magazine*'s advertising revenue. The tourism industry in New Mexico is still strong when compared with other industries, and the agency is continuing to focus efforts on local advertising initiatives. The Workforce Solutions Department numbers show the leisure and hospitality industry had the second largest numeric increase in jobs in the state in FY18.

### Marketing and Promotion

The change in employment in the leisure and hospitality industry met the annual target, with a 3 percent increase. The Marketing and Promotion Program continues to focus advertising funds on new out-of-state markets, referred to as fly markets, and collaborate with local communities for New Mexico True advertising.

The Department relies on a third party survey company, Longwoods International, to provide data on New Mexico trips. This survey, however, only provides calendar year data, meaning that FY18 results will not be available until the summer of 2019, resulting in yellow ratings for two performance measures. In 2017, New Mexico had 35.4 million trips, increasing 3 percent from 2016. Of the 35.4 million trips, 44 percent were overnight trips and 56 percent were day trips. The department plans to continue using data-based decision-making to drive visitation and social media engagement.

**Budget:** \$10,539.2 **FTE:** 24

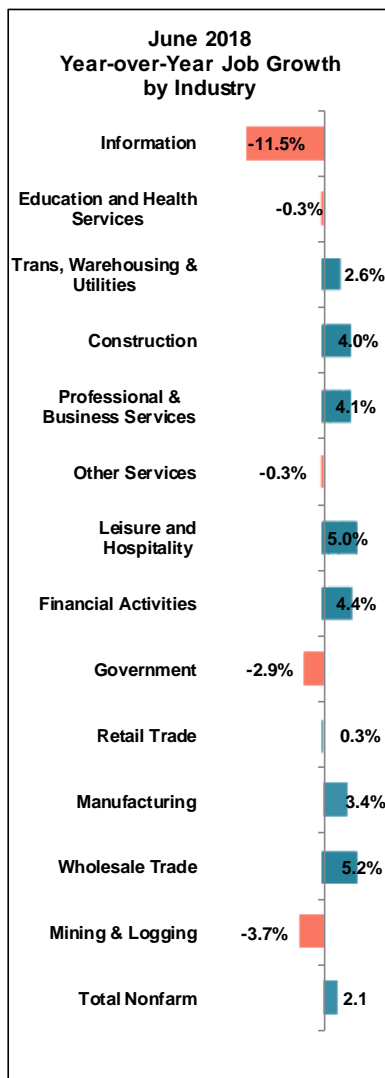
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Change in New Mexico leisure and hospitality employment	NEW	NEW	3%	3%	G
Dollar amount spent per visit per day	NEW	\$78	\$78	TBD	Y
New Mexico's domestic overnight visitor market share	NEW	1.1%	1.1%	TBD	Y
Referrals from newmexico.org to partner websites	NEW	NEW	160,000	188,921	G
<b>Program Rating</b>					Y

### New Mexico Magazine

*New Mexico Magazine* exceeded the annual target for advertising revenue per issue, reaching an average of \$81 thousand and also surpassing FY16 and FY17 levels. The department attributes the increase in magazine revenue to the new chief executive officer that started with the magazine at the end of FY17 and also by improving initiatives.

**Budget:** \$3,179.3 **FTE:** 14

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Advertising revenue per issue, in thousands	\$53	\$69	\$72	\$81	G
<b>Program Rating</b>					G



## PERFORMANCE REPORT CARD

Tourism Department  
Fourth Quarter, Fiscal Year 2018

### Program Support and Tourism Development Program

The Tourism Department awarded the first New Mexico True 505 Southwestern scholarship to a Bloomfield student committed to studying agriculture at New Mexico State University. The department contributed the New Mexico True name alone, while financial contributions were provided by Flagship Foods.

By the end of FY18, approximately \$13.2 million, or 78 percent of the department's operating budget was expensed for advertising and marketing. FY18 was the first year the New Mexico True Brand partnered with the New Mexico Special Olympics for the 2018 summer games. The department provided videos and travel information for New Mexico Special Olympics to distribute to athletes and their families in advance of major events around the state. New Mexico Special Olympics also incorporated the NM True logo into marketing material and at event venues.

#### Program Support

<b>Budget:</b> \$1,074.1	<b>FTE:</b> 11					
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating	
Operating budget spent on advertising	NEW	78%	70%	78%	G	
					<b>Program Rating</b>	G

#### Tourism Development

<b>Budget:</b> \$2,262.6	<b>FTE:</b> 5					
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating	
Combined advertising spending of communities and entities using the Tourism Department's current approved brand, in thousands	NEW	\$2,000	\$2,200	\$1,464	Y	
					<b>Program Rating</b>	Y



## PERFORMANCE REPORT CARD

Workforce Solutions Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

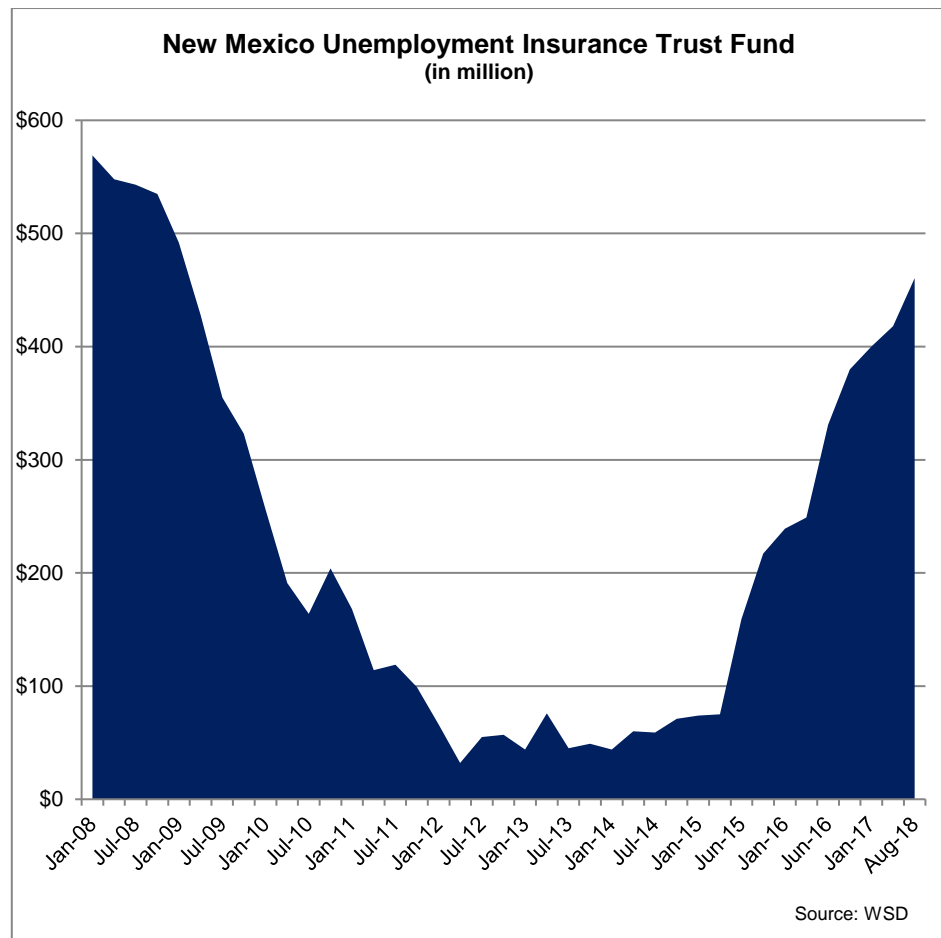
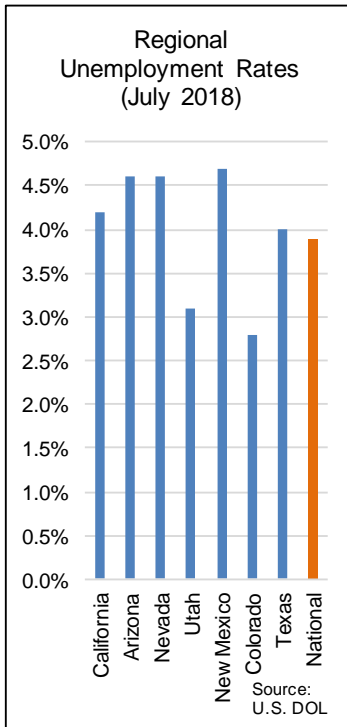
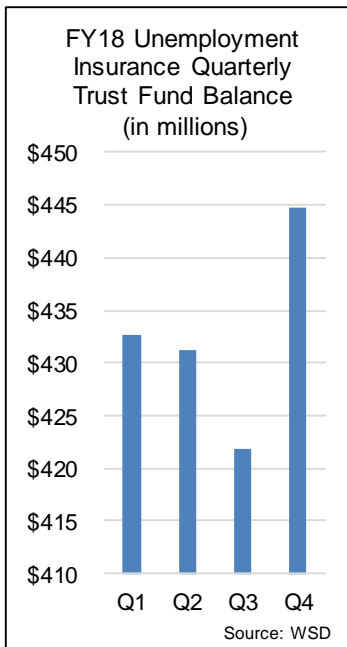
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	No

### Workforce Solutions Department

Nationally, unemployment rates are declining and New Mexico followed this trend but still has one of the highest unemployment rates in the nation. Most employment services are delivered by flow-through funding to local workforce boards. An LFC report recently found 21.2 percent of New Mexico job seekers 16 years to 19 years old were unemployed; for those 20 years to 24 years old, 10.4 percent were unemployed. These rates are far higher than the national averages of 14.4 percent and 6.8 percent, respectively, according to the U.S. Bureau of Labor Statistics (BLS). The Workforce Solutions Department (WSD) provides economic safety-net services for unemployed or underemployed individuals. Economic stability is foundational to healthy families and communities. The state should focus on targeting services to youth and building a step-up system so that once youth attain employment they do not quickly become underemployed.

#### Unemployment Insurance

The Unemployment Insurance Program (UI) met a majority of performance targets, excluding longer telephonic wait times for UI recipients to file a claim, and annual performance was better than previous fiscal years. The UI trust fund FY18 grew from \$417.5 million to \$444.8 million, or 6.5 percent, following three quarters of declining fund balances.



## PERFORMANCE REPORT CARD

### Workforce Solutions Department

### Fourth Quarter, Fiscal Year 2018

In New Mexico, the maximum unemployment insurance contribution rate is 5.4 percent and the minimum rate is 0.33 percent of the taxable wage base.

New Mexico Taxable Wage Base (in thousands)	
2005	17.2
2006	17.9
2007	18.6
2008	19.9
2009	20.9
2010	20.8
2011	21.9
2012	22.4
2013	22.9
2014	23.4
2015	23.4
2016	24.1
2017	24.3
2018	24.2

Source: WSD

The Unemployment Insurance reserve factor for 2018 is 1.6939, reduced from 2.5264 in 2017. The reserve factor is the rate multiplier based on the health of the Unemployment Insurance trust fund. Reductions in the reserve factor reduce employer tax rates.

The maximum weekly benefit amount (WBA) for 2018 is \$433.00, and the minimum WBA is \$81.00. The minimum qualifying wage for 2018 is \$1,968.23. In 2017, the maximum WBA for was \$425.00, and the minimum WBA was \$79.00. The minimum qualifying wage for 2017 was \$1,919.63.

**Budget:** \$9,722.2 **FTE:** 181.6

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Eligible unemployment insurance claims issued a determination within twenty-one days from the date of claim	91%	89%	80%	95%	G
Accuracy rate of claimant separation determinations	93%	93%	85%	95%	G
Average wait time to speak to a customer service agent in unemployment insurance operation center to file a new unemployment insurance claim	20 min	18 min	15 min	17 min	R
Average wait time to speak to a customer service agent in unemployment insurance operation center to file a weekly certification	15 min	15 min	15 min	13 min	G
First payments made within fourteen days after the waiting week	92%	91%	85%	93%	G
<b>Program Rating</b>					G

### Employment Services

The number of disabled veterans returning to the workforce fell below the targeted level for the second year. The agency reported this is related to disabled veterans choosing to defer employment and pursue higher education using GI Bill benefits or veteran vocational rehabilitation. To improve performance, the agency reported a concerted effort to add a disabled veteran employment representative to their career services.

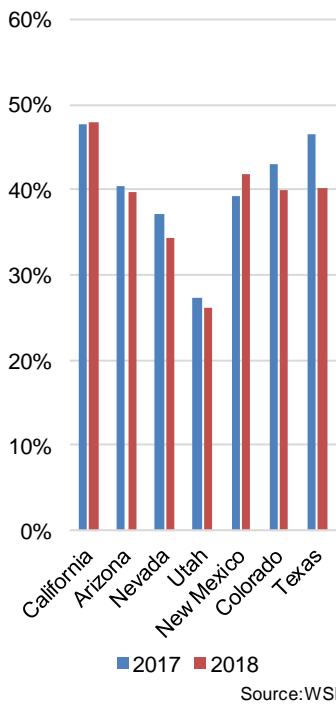
**Budget:** \$13,641.8 **FTE:** 150.0

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Average six-month earnings of individuals entering employment after receiving Wagner-Peyser employment services	\$13,748	\$13,624	\$13,500	\$13,610	G
Individuals receiving Wagner- Peyser employment services	91,704	82,499	120,000	42,351	R
Unemployed individuals employed after receiving Wagner-Peyser employment services	57%	55%	55%	54%	R
Individuals who have received Wagner-Peyser employment services retaining employment after six months	80%	78%	75%	79%	G
Recently separated veterans retaining employment after six months	73%	72%	70%	71%	G
Disabled veterans entering employment after receiving workforce development services	46%	37%	45%	41%	R
Average six-month earnings of persons entering employment after receiving veterans' services	\$17,429	\$17,148	\$16,000	\$16,329	G
<b>Program Rating</b>					Y

## PERFORMANCE REPORT CARD

Workforce Solutions Department  
Fourth Quarter, Fiscal Year 2018

**Regional Rate of UI Benefit Exhaustion**



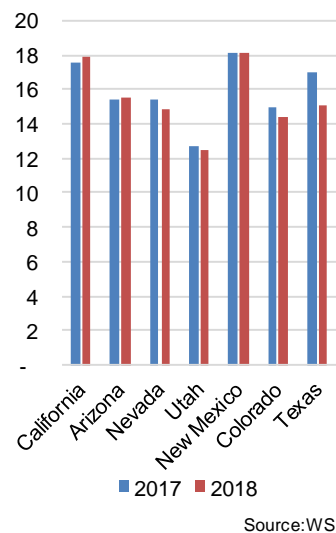
### Program Support

Program Support reports performance measures related to federal flow-through dollars to local workforce boards. Local workforce boards provide community services to state regional areas. This is intended to provide more local input and coordination. Employment for youth after receiving Workforce Innovation and Opportunity Act (WIOA) services improved from the previous fiscal year but the number of youth receiving those services remained well below performance targets. A recent LFC program evaluation found youth unemployment or under unemployment is significantly higher than adults and can result in lower lifelong earnings. Going forward, economic youth services should be a policy focus.

**Budget:** \$22,848.5 **FTE:** 99

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Youth receiving Workforce Innovation and Opportunity Act services as administered and directed by the local area workforce boards	856	770	1,400	816	R
Youth who enter employment or are enrolled in postsecondary education or advanced training or both after receiving Workforce Innovation and Opportunity Act services	59%	57%	59%	60%	G
Adults and dislocated workers receiving Workforce Innovation and Opportunity Act services	2,805	3,013	2,700	2,360	R
Individuals who receive Workforce Innovation and Opportunity Act services that retain employment	90%	86%	89%	89%	G
<b>Program Rating</b>					Y

**Regional Unemployment Insurance Average Duration (in weeks)**



### Labor Relations

The Labor Relations Program met a majority of performance targets but continued to struggle with timeliness of resolving wage claims. The program is struggling with high vacancies coupled with rising caseloads. In FY18 Labor Relations received 1,221 wage claims, up from 773 in FY17. The program is attempting to hire temporary personnel to improve performance.

**Budget:** \$3,987.0 **FTE:** 31.4

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Wage claims investigated and resolved within ninety days	93%	93%	91%	86%	R
Average number of days to investigate and issue a determination of a charge of discrimination	203	192	180	176	G
Apprentices registered and in training	1,281	1,392	1,320	1,632	G
Compliance reviews and quality assessments on registered apprenticeship programs	6	6	6	6	G
<b>Program Rating</b>					Y

## PERFORMANCE REPORT CARD

General Services Department  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

### General Services Department

GSD continues to produce quarterly reports that lack basic information relating to their core mission, including reporting on the number of FTE per square foot in state-owned and leased facilities. The lack of reporting makes it difficult to assess the effectiveness of the department in providing essential services to state agencies. The department should be more proactive in finding ways of measuring performance to ensure the most efficient use of taxpayer dollars.

### Risk Management

The major risk funds have increased their balances significantly despite transfers of \$30 million to the general fund for solvency; the property, liability, and workers compensation funds had a combined balance of \$100 million in FY18, up from \$85 million in FY17. In FY18, the program conducted 27 alternative dispute resolution trainings attended by 766 state employees. These events are designed to find creative solutions to avoid costly litigation. For FY18, the program added coverage up to \$20 thousand per agency to pay for immediate mitigation of property losses resulting from delayed maintenance. This coverage is designed to prevent costly future losses, however few agencies have used it.

**Budget:** \$95,081.3 **FTE:** 57

#### Measure

Projected financial position of the public property fund  
Projected financial position of the workers' compensation fund  
Projected financial position of the public liability fund  
Loss prevention training events (cumulative)

	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Projected financial position of the public property fund	340%	468%	50%	697%	G
Projected financial position of the workers' compensation fund	37%	43%	50%	54%	G
Projected financial position of the public liability fund	32%	46%	50%	51%	G
Loss prevention training events (cumulative)	5	12	12	27	G
<b>Program Rating</b>					<b>G</b>

### Group Health Benefits

Over the past several years, the program's medical cost trend has hovered around 8 percent to 9 percent, higher than the industry average of 6 percent to 7 percent. Understanding this is not sustainable, the program and the other IBAC agencies have been pursuing greater emphasis on care management and opportunities to incentivize healthcare consumers to make less costly decisions, especially as it applies to chronic illness and specialty drug use. When compared to national trends, premiums are not significantly different and deductibles are lower.

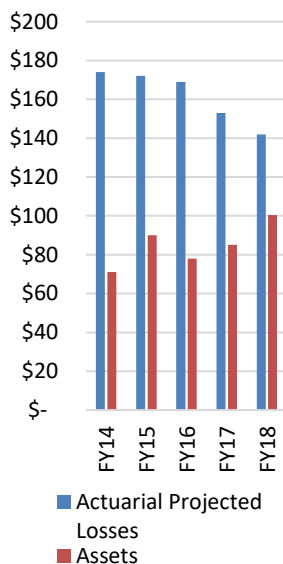
**Budget:** \$373,196.0 **FTE:** 0

#### Measure

Per member monthly costs  
Generic drug fill rate  
Percent change in premium

	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Per member monthly costs	\$323	\$338	<\$361	\$390	R
Generic drug fill rate	85%	87%	90%	89%	Y
Percent change in premium	-3%	-3%	4%	4%	G
<b>Program Rating</b>					<b>Y</b>

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



Source: GSD and LFC Files

A cost-benefit analysis may now be helpful in determining if continued investments in wellness incentives and disease management programs are improving patient outcomes or if there are other cost control or quality improvement reforms that should be explored by the Interagency Benefits Advisory Council (IBAC).

## PERFORMANCE REPORT CARD

General Services Department  
Fourth Quarter, Fiscal Year 2018

### Facilities Management

Only nine of 14 new office space leases approved by GSD met the 215 square foot per FTE space standard set by GSD. Although the state labor force continues to shrink, GSD has not reported a similar reduction in use of office space and the department notes it does not have the data necessary to report on square footage per FTE in either state-owned or leased space.

The agency did not complete work orders on time in FY18; only 968 of 1,606 planned and unplanned repair and maintenance requirements were completed within the 15 day time frame. Over the long-term, deferring maintenance contributes to higher costs of facility ownership.

#### Appropriations to GSD for Building Repair and Maintenance

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

Source: LFC Files

**Budget:** \$13,283.3 **FTE:** 139

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Capital projects within budget	94%	76%	95%	76%	R
Capital projects on schedule	94%	95%	90%	97%	G
New office space leases meeting space standards	New	19%	90%	64%	R
Work orders completed on time	New	63%	75%	61%	R
<b>Program Rating</b>					<b>R</b>

### Gross Square Footage per FTE, 2017

Department	Leased Space under GSD purview	State-owned Space under GSD purview	Total Space Occupied	Total FTE	Total Space Per FTE (target 215)
Aging and Long-Term Services Department	36,545	32,403	68,948	181	382
Department of Environment	116,432	67,822	184,254	668	276
Department of Health	295,262	1,230,263	1,525,525	2,251	636
Department of Public Safety	39,617	408,408	448,025	1,200	373
Energy, Minerals and Natural Resources Department	6,884	77,723	84,607	317	267
Human Services Department	734,969	115,720	850,689	1,923	442
Public Education Department	13,407	61,613	75,020	323	232
Regulation and Licensing Department	20,017	58,473	78,490	190	412
Office of the State Engineer	63,251	89,967	153,218	299	512
Taxation and Revenue Department	207,968	171,526	379,494	1,128	336
Workforce Solutions Department	27,492	153,858	181,350	579	313
Other Agencies	904,094	4,819,965	5,724,059	8,168	700
<b>Total</b>				<b>17,227</b>	<b>438</b>

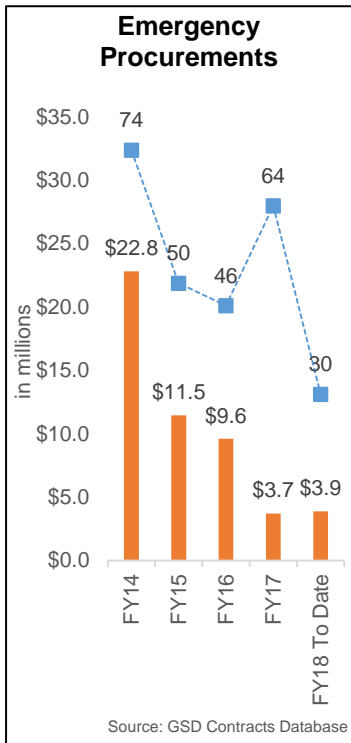
Source: LFC files and GSD (2017)

## PERFORMANCE REPORT CARD

General Services Department  
Fourth Quarter, Fiscal Year 2018

### State Purchasing

Of the 295 procurements handled in FY18, the program reports 68 were “best value” sourced. This is a tool used when it is difficult to define the features of a good or service or when the upfront price does not reflect the longer-term costs, as happens with many IT projects. Of the 122 executive branch agencies, only two, the New Mexico Border Authority and the Racing Commission, do not have certified procurement officers. There were 24 procurement code violations in FY18 requiring trainings for 24 employees.



**Budget:** \$2,263.9 **FTE:** 27

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Procurement violators receiving training on the Procurement Code	New	68%	90%	97%	G
Agencies with certified procurement officers	New	307	90%	97%	G
Procurements using “best value” sourcing	New	23%	15%	43%	G
<b>Program Rating</b>					<b>G</b>

### Transportation Services

The program continues to under-utilize its vehicles; of 1,909 vehicles, only 1,167 were operated an average 750 miles per month during FY18. Due to lack of funding, the program had to cancel newly installed GPS vehicle monitoring, which the program reports has impacted the ability to collect and analyze data. In the absence of GPS tools, manual mileage logs are used.

**Budget:** \$12,031.1 **FTE:** 35

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Vehicle operational costs per mile	\$0.47	\$0.47	≤\$0.59	\$0.46	G
Vehicles used 750 miles per month	35%	51%	80%	61%	R
<b>Program Rating</b>					<b>Y</b>

### State Printing

State printing shipped 688 of 693, or 99.5 percent, of orders to clients on time. The program’s success in delivering jobs on time is a significant factor in the steady increase in sales revenue experienced in FY18.

**Budget:** \$1,160 **FTE:** 10

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Revenue per employee, in thousands	\$181	\$236	\$175	\$246	G
Sales growth in revenue	9%	26%	8%	36%	G
<b>Program Rating</b>					<b>G</b>



## PERFORMANCE REPORT CARD

State Personnel Office  
Fourth Quarter, Fiscal Year 2018

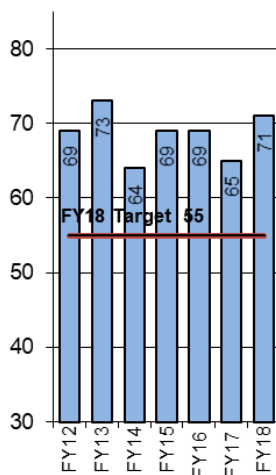
### ACTION PLAN

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

### State Personnel Office

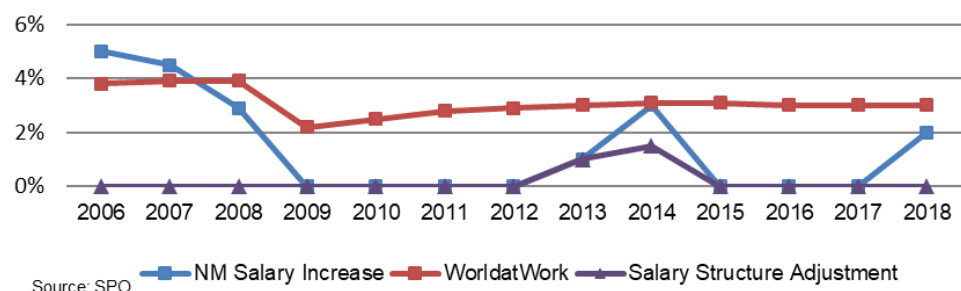
The state's current pay structure, developed and maintained by the State Personnel Office (SPO), falls significantly behind market pay rates for many job classifications due to lack of regular adjustments. Even in years when the Legislature provided across-the-board salary increases, SPO often did not adjust the pay structure. The implementation of an occupation-based structure was supposed to address salary inadequacy, however only four out of 11 occupation groups have been completed since the project began in 2012.

**Average Number of Days to Fill Vacant Positions**



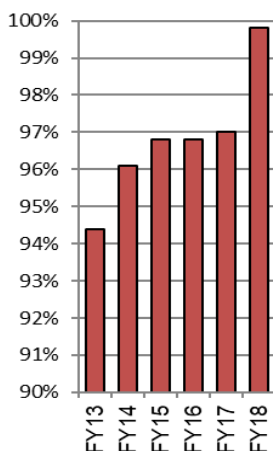
Source: SPO

**New Mexico Pay Structure Changes Vs. U.S. Market**



In addition to general pay structure inadequacy, employees and new hires compa-ratios were respectively 101 percent and 100 percent of the mid-point, leading to salary compaction. Compaction may damage morale as tenured employees are paid similarly to new hires. As fiscal conditions improve and agencies are able to hire additional employees, it is important that SPO work to reduce time to fill positions. SPO expects the consolidation initiative will improve hiring efficiency but has yet to provide data quantifying the efficiencies gained. Specifically, SPO has not shown how non-hiring performance, such as processing and resolutions of employee grievances, will be handled.

**Average New Hire Compa-Ratio**



Source: SPO

Budget: \$4,082.1 FTE: 47

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Classified service vacancy rate	15%	18%	13%	18%	R
Average number of days to fill a position from the date of posting	69	65	55	71	R
Average state classified employee compa-ratio	102%	101%	95%	101%	G
Average state classified employee new-hire compa-ratio	97%	97%	91%	100%	R
New employees who successfully complete their probationary period	70%	65%	75%	63%	R
Classified employees voluntarily leaving state service	15%	15%	15%	14%	G
Classified employees involuntarily leaving state service	2%	2%	5%	2%	G
State employee average overtime usage per month, in hours*	16	15	N/A	15	
State employees receiving overtime*	17%	18%	N/A	18%	

Program Rating

Y

\*Measures are classified as explanatory, provided for informational purposes. The measures do not have a target.

## PERFORMANCE REPORT CARD

Department of Transportation  
Fourth Quarter, Fiscal Year 2018

### ACTION PLAN

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

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

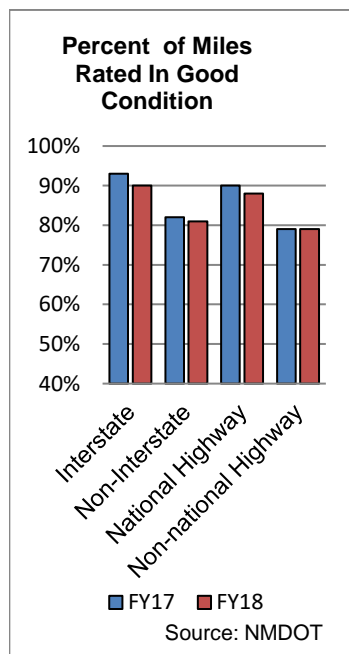
### Department of Transportation

The Department of Transportation (NMDOT) has completed 100 percent of projects on budget, 1 percent project closure on inactive projects, and 86 percent of projects on time. NMDOT's Aviation Division has 77 total runways in the system, with 62 percent in good condition. The agency looks to grow rehabilitation of one runway per year with the support of federal funding.

#### Project Design and Construction

NMDOT fell short by 19 percent of the annual target for projects put out for bid. Challenges affecting this target include right-of-way certification, storm drain issues, and fiscal need. The fourth quarter ended with 34 percent of projects in production bid as scheduled, thereby negatively affecting the annual result. For the third year, the final costs of NMDOT-managed projects have come in close to or under the bid, reflecting sharp project cost estimates and sound project management.

NMDOT has increased the square footage of bridges in fair condition or better from a low of less than 84 percent in 2005 to 95.5 percent in 2018. However, the annual \$14 million allocation is insufficient to address the \$90 million needed for bridge preventive maintenance, rehabilitation, and replacement. NMDOT reports a need of \$30 million per year for bridge projects on major interchanges requiring capacity and geometric upgrades.



**Budget:** \$536,056.7 **FTE:** 366

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Projects completed according to schedule	89%	94%	>88%	86%	Y
Projects put out for bid as scheduled	51%	65%	>67%	54%	R
Bridges in fair condition or better, based on deck area	95%	96%	>88%	95.5%	G
Final cost-over-bid amount on highway construction projects	1.0%	-1.0%	<3%	-0.2%	G
<b>Program Rating</b>					<b>G</b>

#### Highway Operations

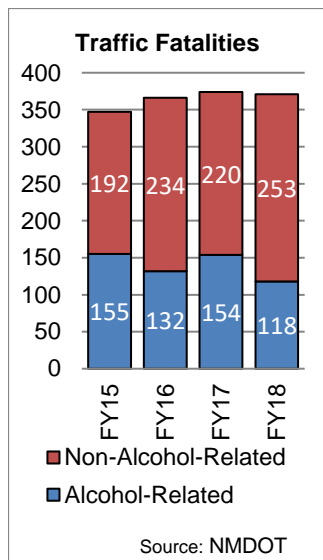
NMDOT surpassed its target by 12 percent for statewide pavement miles preserved. In the fourth quarter 668 miles were preserved. Consistent maintenance of roadways (preservation versus restoration) continues to be a critical factor in ensuring roadway infrastructure is safe to the traveling public and supports economic development statewide. The results from the 2017 road condition survey indicate an increase in miles in poor condition due to lack of funding, attention to other roads, and increased traffic. The Statewide Transportation Improvement Program (STIP) prioritizes high-speed, high-capacity road projects with the greatest impact on the roadway system. Combined, STIP and NMDOT's maintenance plan address the most critical needs with a focus on projects that have the greatest benefit-to-cost ratio.

## PERFORMANCE REPORT CARD

Department of Transportation  
Fourth Quarter, Fiscal Year 2018

**Budget:** \$233,794.9 **FTE:** 1,827.7

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Statewide pavement miles preserved	2,457	3,668	>2,550	2,854	G
Program Rating					G
<b>FY17 Road Condition Survey</b>	<b>FY15 Actual</b>	<b>FY16 Actual</b>	<b>FY17 Target</b>	<b>FY17 Actual</b>	<b>Rating</b>
Interstate miles rated fair or better	92%	93%	>91%	90%	G
National highway system miles rated good	91%	90%	>86%	88%	G
Non national highway system miles rated good	83%	82%	>65%	79%	G
Lane miles in deficient condition	4,250	4,515	<6,900	4,675	G
Program Rating					G



### Modal

NMDOT and the Traffic Safety Division continue to implement high-visibility programs to try to reduce overall traffic fatalities, such as ENDWI for drunken driving and BKLUP for seat-belt use. Traffic fatalities unrelated to alcohol use increased by 9.5 percent and pedestrian fatalities increased by 22 percent. NMDOT will implement a new “Look for Me” campaign on school campuses in coordination with Albuquerque Public Schools and the University of New Mexico. NMDOT will also partner with the Middle Rio Grande Conservancy District on designating “Look for Me” corridors in high pedestrian fatality areas.

**Budget:** \$64,378.3 **FTE:** 73

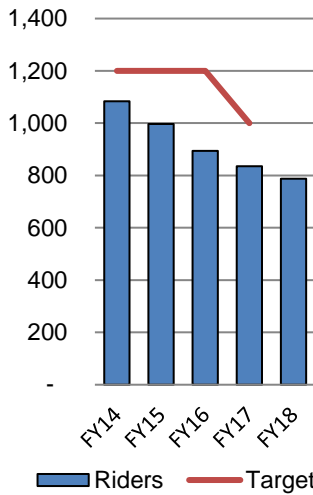
Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Traffic fatalities	366	374	<340	359	R
Alcohol-related traffic fatalities	132	154	<135	118	G
Non-alcohol-related traffic fatalities	234	220	<220	241	R
Occupants not wearing seatbelts in traffic fatalities	142	138	<133	114	G
Pedestrian fatalities	70	69	<72	89	R
Riders on park and ride, in thousands	264	247	>275	240	R
Riders on rail runner, in thousands*	894	835	N/A	788	
Program Rating					R

\*Measure is classified as explanatory, provided for informational purposes. The measure does not have a target.

# PERFORMANCE REPORT CARD

Department of Transportation  
Fourth Quarter, Fiscal Year 2018

**Annual Number of Rail  
Runner Riders**  
(in thousands)



## Program Support

Throughout the year, district personnel have held biweekly conference calls to address the high number of vacancies and the human resource consolidation of agency personnel staff into the State Personnel Office. NMDOT anticipates implementing new processes, procedures, and policies as it transitions to the final phase of the consolidation.

**Budget:** \$42,165.7 **FTE:** 236.8

Measure	FY16 Actual	FY17 Actual	FY18 Target	FY18 Actual	Rating
Vacancy rate in all programs	14.0%	14.0%	<10.0%	16.6%	R
Employee injuries	89	78	<90	87	G
Percent of invoices paid within 30 days	90%	90%	>90%	91%	G
Employee injuries occurring in work zones	32	34	<35	37	R
<b>Program Rating</b>					<b>Y</b>

Fourth Quarter,  
Fiscal Year 2018

Legislative Finance Committee  
Information Technology Status Report

Project Status Legend

	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
	Project has potential risk to scope, cost, schedule, or deliverables; independent verification and validation (IV&V) and/or LFC staff has identified one or more areas of concern needing improvement.
	There are significant issues limiting success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed; project did not meet business objectives.

Agency	333	Taxation and Revenue Department (TRD)						
Project Name	ONGARD Replacement - Severance Tax							
Project Description	Replacement of the oil and natural gas administration and revenue database (ONGARD) system. Replacement will be delivered in two separate systems; TRD Severance Tax and State Land Office (SLO) Royalty Administration and Revenue Processing System (RAPS)							
Project Phase	Implementation	Estimated Implementation Date:			6/30/2018			
		Estimated Total Cost (2) (in thousands):			\$11,000.0			
	State (1)	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$11,000.0	\$0.0	\$11,000.0	\$10,800.0	\$200.0	98.2%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					Severance Tax project implemented within planned budget. Laws 2018 reauthorized the 2016 \$5 million appropriation through FY19 to prepare for interfacing with SLO RAPS project.			
Schedule					As scheduled, GenTax deployed Severance Tax into production 3/19/18, followed by a stabilization period and transition to operations. TRD anticipates project close-out end of 2018.			
Risk					While improvements in the filing and amendment process has increased accuracy and efficiency of severance tax collection distribution, ongoing concerns with incorrect data reporting remain.			
Overall					Project successfully accomplished all planned activities within scope, schedule, and budget. The independent verification and validation (IV&V) vendor recommended TRD develop a post implementation survey to obtain feedback from the oil and gas industry on the new severance tax application and its use.			
(1) Includes \$6 million appropriation for stabilization of ONGARD, of which \$1.9 million is allocated to the severance tax project.								
(2) Total estimated costs include \$4.1 million for ONGARD stabilization and modernization and \$6.9 million for the severance tax project.								

Agency	539	State Land Office (SLO)						
Project Name	ONGARD Replacement - Royalty Administration and Revenue Processing System (RAPS)							
Project Description	Replacement of the oil and natural gas administration and revenue database (ONGARD) system. Replacement will be delivered in two separate systems; TRD Severance Tax and SLO RAPS							
Project Phase	Planning	Estimated Implementation Date:			TBD			
		Estimated Total Cost (in thousands):			\$10,000.0			
	State (1)	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$10,000.0	\$0.0	\$10,000.0	\$273.9	\$9,726.1	2.7%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					SLO received certification of \$2 million for the planning phase.			
Schedule					Planning phase approved by the Project Certification Committee; SLO selected RESPEC as its IV&V vendor using the Statewide Price Agreement procurement method.			
Risk					Procurement review and contract approval delays are impeding project progress; change in administration may impact project.			
Overall					SLO will complete the royalty project in two phases; the system implementation vendor contract is pending DoIT approval.			
(1) Laws 2018 appropriated an additional \$5 million available for expenditure through FY20; the appropriation is from state lands maintenance fund.								

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

Fourth Quarter,  
Fiscal Year 2018

Legislative Finance Committee  
Information Technology Status Report

Agency	361	Department of Information Technology (DoIT)						
Project Name	SHARE Software Upgrade							
Project Description	Upgrade the SHARE system to version 9.2 for Human Capital Management (HCM) and Financials (FIN) with goals to increase standardization of the system and improve key business processes.							
Project Phase	Close-out	Estimated Implementation Date:				10/12/2017		
		Estimated Total Cost (in thousands):				\$15,000.0; Revised \$19,764.4		
	State (1)	Federal	Total Available Funding (2)	Spent to Date	Balance	% of Budget Expended		
In thousands	\$5,000.0	\$0.0	\$19,764.4	\$19,764.4	\$0.0	100.0%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Overall					Project successfully completed and closed out. DoIT will have a standard schedule for SHARE updates to maintain the system current. DoIT and the Department of Finance and Administration established a Continuous Improvement Governance Board to support and align agencies around enterprise decisions and multi-agency business processes.			
Functionality	n/a	n/a	n/a		DoIT is unresponsive to LFC's request for a SHARE update meeting at least quarterly. Results of implementing the SHARE Recruiting module are unknown. LFC recommended DoIT develop a detailed project plan and estimated cost for replacing or continuing to upgrade SHARE, in addition to providing LFC an implementation plan and schedule for the remaining SHARE modules the State owns.			
(1) Laws 2013 appropriated \$5 million; additional appropriation of \$2.9 million is from the SHARE equipment replacement fund.								
(2) Total available funding increase includes \$11.8 million from SHARE equipment replacement fund, through the BAR process.								

Agency	594	State Treasurer (STO)						
Project Name	SHARE Integrated Treasury Solution							
Project Description	Implement the SHARE treasury management module to provide the functionality needed to streamline the cash management and investment management processes by eliminating manual booking of investments into the SHARE general ledger. Implementation will improve accuracy, timeliness and data integrity.							
Project Phase	Implementation	Estimated Implementation Date:			12/31/2017; revised 3/31/18, 4/30/18			
		Estimated Total Cost (in thousands):			\$1,950.0			
	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$1,950.0		\$1,950.0	\$1,746.3	\$203.7	89.6%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					Project completed within budget prior to end of FY18, STO plans to close-out project Fall 2018.			
Schedule					Project is substantially complete; STO staff is revising business processes and identifying gaps between legacy QED system and SHARE. The SHARE Treasury module does not include material functionality found in investment-centric systems.			
Risk					There are several Oracle service requests pending that do not impact production; they will be addressed in future releases although dates are unknown. Automated interfaces with JP Morgan (JPM) were not complete. STO was not adequately prepared for project management tasks, as a result requirements may have not been clearly defined, and STO likely needed a better understanding of system functionality.			
Overall					STO reported implementation was successfully complete 5/18/2018, however, remaining manual processes for SHARE are a concern. STO has signed off on Deloitte's final deliverables and payment for the retainage invoice is in process.			
Functionality	n/a	n/a	n/a		Implementation of the SHARE Treasury module did not meet the full business needs of the agency. Automated interfaces between Bloomberg and JPM were not completed due to lack of responsiveness from Bloomberg and JPM. Manual processes remain for SHARE and JPM with QED running in parallel with transactions entered manually.			

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



Fourth Quarter,  
Fiscal Year 2018

Legislative Finance Committee  
Information Technology Status Report

Agency	361	Department of Information Technology (DoIT)						
Project Name	DoIT Statewide Infrastructure Replacement & Enhancement (SWIRE)							
Project Description	Plan, design, purchase, and implement infrastructure for public safety communications statewide for improved communication equipment affecting emergency responders.							
Project Phase	Implementation	Estimated Implementation Date:		6/30/2018; revised 6/30/2021				
		Estimated Total Cost (in thousands):		\$14,200.0				
	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$14,200.0	\$0.0	\$14,200.0	\$12,196.6	\$2,003.4	85.9%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					Laws 2018 appropriated additional \$10 million to continue the replacement of public safety radio equipment and infrastructure.			
Schedule					Overall project is 95 percent complete; phases I and II are in final stages. Phase III is in process, includes replacing subscriber units, and partial refresh of the digital microwave network. An updated project management plan is needed.			
Risk					Constraints include weather and available external and internal resources.			
Overall					700 MHz land mobile radio units deployment completed, and DPS District 1(Santa Fe) and District 5 (Albuquerque) have been equipped with dual banded 700 MHz and conventional subscribers.			
Functionality	n/a	n/a	n/a		The potential lack of coordination between DoIT, DPS and law enforcement in Bernalillo County Sheriff Office (BCSO) and Albuquerque Police Department (APD) is of concern.			

Agency	366	Public Employees Retirement Association (PERA)						
Project Name	Retirement Information Online (RIO) Enhancement							
Project Description	Update current PERA system to include implementing business process improvements, user interface enhancements, data integrity and remediation, and customer relationship management (CRM) software and workflow system.							
Project Phase	Implementation	Estimated Implementation Date:		6/30/2018; revised 11/2018, 1/2019				
		Estimated Total Cost (in thousands):		\$4,200.0				
	State (1)	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$4,200.0	\$0.0	\$4,200.0	\$2,622.9	\$1,577.1	62.5%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					With the extension of the project schedule, the project budget will likely need to be increased for continued support. Laws 2018 granted agency a reauthorization of \$4.2 million funding through FY19 due to project delays.			
Schedule					PERA extended the anticipated completion date from November 2018 to January 2019, primarily due to contract renewal delays. Some business requirement documents are in process, but delayed.			
Risk					While the project is progressing, delays in contract approvals for continued project management and IV&V services is of concern.			
Overall					Project team is actively monitoring risk associated with schedule slippage.			
(1) Amount does not reflect Laws 2018 other state funds \$3 million appropriation to upgrade RIO hardware and software infrastructure.								

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

Fourth Quarter,  
Fiscal Year 2018

Legislative Finance Committee  
Information Technology Status Report

Agency	630	Human Services Department (HSD)						
Project Name	Child Support Enforcement System Replacement (CSESR)							
Project Description	Replace the existing system which is over 20 years old, with a flexible, user-friendly solution to enhance the department's ability to meet federal performance measures. The current system maintains 59 thousand active cases with over \$132 million in annually distributed child support payments.							
Project Phase	Planning	Estimated Implementation Date:			TBD			
		Estimated Total Cost:			TBD			
	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$3,927.3	\$1,023.6	\$4,950.9	\$2,656.9	\$1,270.4	53.7%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					Current remaining funding is sufficient to complete planning activities. Office of Child Support Enforcement (OCSE) approved the Advanced Planning Document Update (APDU).			
Schedule					OCSE required HSD to revise and resubmit the CSESR feasibility study which has delayed other work in the planning phase. HSD evaluated three proposals for IT professional services and selected a vendor to revise the feasibility study. Negotiations and approvals are underway.			
Risk					HSD is submitting a FY20 C2 funding request, pending revisions of the feasibility study.			
Overall					Project work plan has been updated and incorporated in the Master HHS 2020 and the project schedule includes milestones to align and leverage the HHS 2020 Enterprise.			

Agency	630	Human Services Department (HSD)						
Project Name	Medicaid Management Information System Replacement (MMISR)							
Project Description	Replace current Medicaid management information system and supporting application to align with Centers for Medicare and Medicaid Services (CMS) requirements, including Medicaid Information Technology Architecture (MITA).							
Project Phase	Planning		Estimated Implementation Date:		11/30/2019			
			Estimated Total Cost (in thousands):		\$175,604.0			
	State	Federal	Total Available Funding (1)	Spent to Date	Balance	% of Budget Expended		
In thousands	\$15,421.9	\$138,435.1	\$153,857.0	\$29,698.5	\$124,158.5	19.3%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					HSD requested CMS approval of a \$27.7 million, or 15 percent increase in the MMISR budget, with project completion extended to December 2021 instead of November 2019.			
Schedule					The System Integrator vendor continues to experience quality issues with Deliverable Expectation Documents and deliverables. Deliverables lack consistency and completeness, some after several review cycles. The Data Services contract is still pending DoIT review and signature. The Quality Assurance contract is in negotiations. HSD anticipates releasing the Benefit Management Services request for proposals in September.			
Risk					The lack of a contractor management plan, which governs management of vendor performance, is critical given the issues with the quality of deliverables and vendor deficiencies. In addition, the lengthy procurement and contracting timeframes continue to negatively impact the project schedule. The schedule continues to be adjusted due to missed deadlines.			
Overall					State Personnel Office approved HSD's MMISR staffing plan for double filling positions; estimated placement of additional staff is November 2018. A lack of standards and repeatable project management processes continues. The inability to apply a consistent project management methodology increases risk that critical tasks, dependencies, and resources may not be identified and planned for.			
(1) Total available funding includes an additional \$67.7 million appropriated in Laws 2018; \$6.8 million general fund and \$60.9 million federal.								

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

Fourth Quarter,  
Fiscal Year 2018

Legislative Finance Committee  
Information Technology Status Report

Agency	685	Department of Health (DOH)						
Project Name	Women, Infants, and Children (WIC) System Replacement Project							
Project Description:	Replace a 14-year-old legacy system with the WIC regional solution that includes Texas, Louisiana, New Mexico and two independent tribal organizations (ITOs). The regional model will meet USDA Food and Nutrition Service (FNS) requirements for Management Information Systems (MIS) and Electronic Benefits Transfer (EBT) delivery for WIC benefits.							
Project Phase	Implementation	Estimated Implementation Date:			11/30/2018			
		Estimated Total Cost (in thousands):			\$7,004.9			
	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$0.0	\$7,004.9	\$7,004.9	\$4,465.4	\$2,539.50	63.7%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					The implementation advanced planning document (IAPD-U) annual summary was submitted to FNS; the program addressed FNS questions in the New Mexico response. DOH is awaiting FNS response and approval.			
Schedule								
Risk					Outcomes from the Texas and New Mexico pilot were reviewed for New Mexico rollout. Final network upgrades for New Mexico clinics may not be completed in time.			
Overall								
					Texas, as the lead state, is in the process of statewide rollout to clinics. New Mexico completed the 12-week MIS pilot, and received FNS concurrence with stipulations regarding New Mexico clinics network upgrades.			

Agency	690	Children, Youth and Families Department (CYFD)						
Project Name	Enterprise Provider Information Constituents Services (EPICS)							
Project Description:	Multi-phase/multi-year project to consolidate CYFD's legacy system (FACTS) and 25+ stand-alone systems into one enterprise-wide web application. EPICS scope consists primarily of the Early Childhood Services program.							
Project Phase:	Implementation	Estimated Implementation Date:			3/31/2018; Revised 6/30/2018			
		Estimated Total Cost (in thousands):			\$19,827.3			
	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$10,636.8	\$9,190.5	\$19,827.3	\$19,342.0	\$485.3	97.6%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					CYFD digital services web team developed dashboards as funding allowed, including the Statewide Central Intake (SCI) and Investigator dashboards.			
Schedule								
Risk					Previous schedule slippages have been addressed by prioritizing and completing tasks. The SCI and Investigator dashboards went live June 2018 as scheduled.			
Overall								
Functionality	n/a	n/a	n/a		Loss of key agency IT staff and contractor continue to be the highest risk to the project; loss of staff is increasing project workload for remaining staff. CYFD's IT division current vacancy rate is 35 percent.			
					The IV&V vendor recommended implementing a standard methodology for identifying, assessing, reporting, and monitoring risks for all subprojects and evaluating security of EPICS as a whole. It is not clear if CYFD addressed the recommendation.			
					EPICS project scope was scaled down, resulting in data silos, additional vendor costs, and program integrity concerns. Web-based functionality for "Am I Eligible?" appears to be working. The web application provides the ability to determine potential eligibility for family services such as child care assistance, and home visiting. However, some childcare subprojects were likely not fully implemented, for example Race to the Top.			

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

Fourth Quarter,  
Fiscal Year 2018

Legislative Finance Committee  
Information Technology Status Report

Agency	770	Corrections Department (CD)						
Project Name	Offender Management System Replacement							
Project Description:	Replace 15-year old client server offender management system with a commercial-off-the-shelf (COTS) web-based solution. The COTS solution has 17 modules associated with CD requirements.							
Project Phase:	Implementation	Estimated Implementation Date:			6/30/2019; revised			
		Estimated Total Cost (in thousands):			\$11,600.0			
	State (1)	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$10,100.0		\$10,100.0	\$3,343.1	\$6,756.9	33.1%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					Current project funding is adequate for 17 modules.			
Schedule					Final gap analysis clarified how requirements will be met using the selected solution. Data conversion, mapping, and configuration continue.			
Risk					Inability to fill vacant IT positions continues to be a high risk, in addition to potential lack of vendor resources due to conflicting priorities; the vendor recently added staff to mitigate some risk. Corrections IT Division currently has a 23 percent vacancy rate; while the agency recently hired a quality assurance analyst, it continues to use a staff augmentation vendor for the implementation phase.			
Overall					The project continues to progress, with no major issues with scope, schedule, or budget.			
(1) Amount includes Laws 2018 appropriation of \$2.3 million.								

Agency	780	Department of Public Safety (DPS)						
Project Name	Computer Automated Dispatch (CAD)							
Project Description:	Replace 10-year old CAD system. CAD is used to dispatch 911 calls to officers, map the call location in the dispatch center, provide automatic vehicle location of officers in the field, and provide the National Crime Information Center with access to data.							
Project Phase:	Implementation	Estimated Implementation Date:			9/27/2017			
		Estimated Total Cost (in thousands):			\$3,988.8			
	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	\$4,150.0		\$4,150.0	\$4,044.2	\$105.8	97.5%		
FY18 Rating	Q1	Q2	Q3	Q4	Status			
Budget					DPS is updating the budget to reflect additional cost for GIS work.			
Schedule					Luna and Valencia counties went live; project close-out is pending.			
Risk					DPS completed the mitigating strategy for statewide mapping. DPS continues to update the mapping system to include Valencia data; and system response issues with Valencia are of concern.			
Overall					The system continues to be stable. DPS is considering additional functionality for gun and boat permits under a future project.			

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

Fourth Quarter,  
Fiscal Year 2018

Legislative Finance Committee  
Information Technology Status Report

Other IT Projects of Concern

Agency	420	Regulation and Licensing Department (RLD)	
Project Name	Accela Replacement		
Project Description:	Replace Construction Industries Division (CID) permitting and inspection software, Accela.		
State Funding (in thousands):	\$967.0	Project Phase:	Planning
<p>► CID permitting collects an estimated \$4 million in revenue;</p> <p>► The current system is at risk due to system down time and lack of vendor support;</p> <p>► Project Certification Committee certified \$250 thousand for the Initiation and Planning phase in June 2018;</p> <p>► RLD does not have a qualified project manager assigned; and</p> <p>► Agency may be experiencing procurement delays due to DoIT's contract review process.</p>			

Agency	780	Department of Public Safety (DPS)	
Project Name	Records Management System (RMS)		
Project Description:	Replace 10-year old CAD system. CAD is used to dispatch 911 calls to officers, map the call location in the dispatch center, provide automatic vehicle location of officers in the field, and provide the National Crime Information Center with access to data.		
State Funding (in thousands):	\$1,842.9	Project Phase:	Planning
<ul style="list-style-type: none"><li>▶ DOS currently operates without an integrated RMS;</li><li>▶ DPS initiated the project in FY16, shifting priorities to implementation of the Computer Aided Dispatch project;</li><li>▶ Project Certification Committee certified \$632 thousand for the Planning phase in April 2018;</li><li>▶ Request for proposals (RFP) process will be overseen by a contract project manager, due to limited agency resources; and</li><li>▶ Status of the procurements are unknown as of this writing.</li></ul>			

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August 24, 2018

**LFC INVESTMENT REPORT FOR THE QUARTER ENDING JUNE 30, 2018**

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).<sup>1</sup>

**INVESTMENT PERFORMANCE HIGHLIGHTS**

- In FY18, the aggregate value of New Mexico's combined investment holdings for the pension and permanent funds grew by nearly \$2.4 billion, or 4.8 percent, to end the fiscal year at \$50.8 billion.
- Over the last five years, the state's combined investment holdings grew \$11.5 billion, or 29.4 percent.
- One-year returns ranged from 6.9 percent to 8.4 percent. Over the last 10 years, investment returns ranged from 5.5 percent to 6.8 percent.
- ERB and SIC's funds outperformed their long-term targets for the one-, three-, and five-year periods. PERA's fund outperformed its long-term target for the five-year period.<sup>2</sup>
- When compared with peer funds greater than \$1 billion on a net-of-fee basis, the ERB fund performed in the highest quartile for the quarter, three-year, and ten-year periods, and it performed above the median for the one-year and five-year periods. The permanent funds performed above the median for the quarter, one-, three-, and five-year periods, and the LGPF performed at the median for the 10-year period. The PERA fund performed in lowest quartile for all periods reported.

**Returns as of June 30, 2018 (Net of Fees)<sup>3</sup>**

Returns (%)	<u>PERA</u>		<u>ERB</u>		<u>LGPF</u>		<u>STPF</u>	
	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index
Quarter	0.80	0.98	1.50	0.90	0.85	1.00	1.67	1.03
1-Year	6.93	5.27	<b>8.30</b>	8.50	<b>8.36</b>	7.94	<b>8.43</b>	8.10
3-Year	6.08	6.20	<b>7.60</b>	7.30	<b>7.04</b>	6.62	<b>7.04</b>	6.72
5-Year	<b>7.31</b>	7.34	<b>8.10</b>	7.60	<b>7.93</b>	8.00	<b>7.90</b>	8.06
10-Year	5.49	5.86	6.80	6.00	6.08	6.21	5.50	6.16

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

<sup>1</sup> Agency performance and market environment information are derived from the investment performance reports submitted by PERA, ERB, and SIC for the quarter ending June 30, 2018.

<sup>2</sup> The funds' long-term return targets are 7.25 percent (PERA), 7.25 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

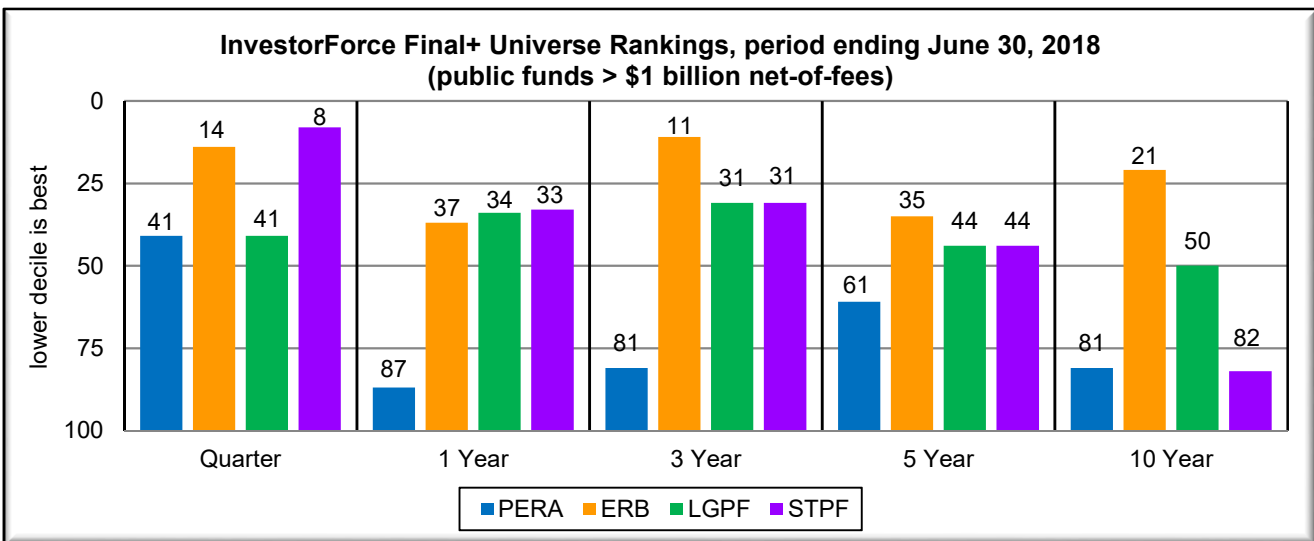
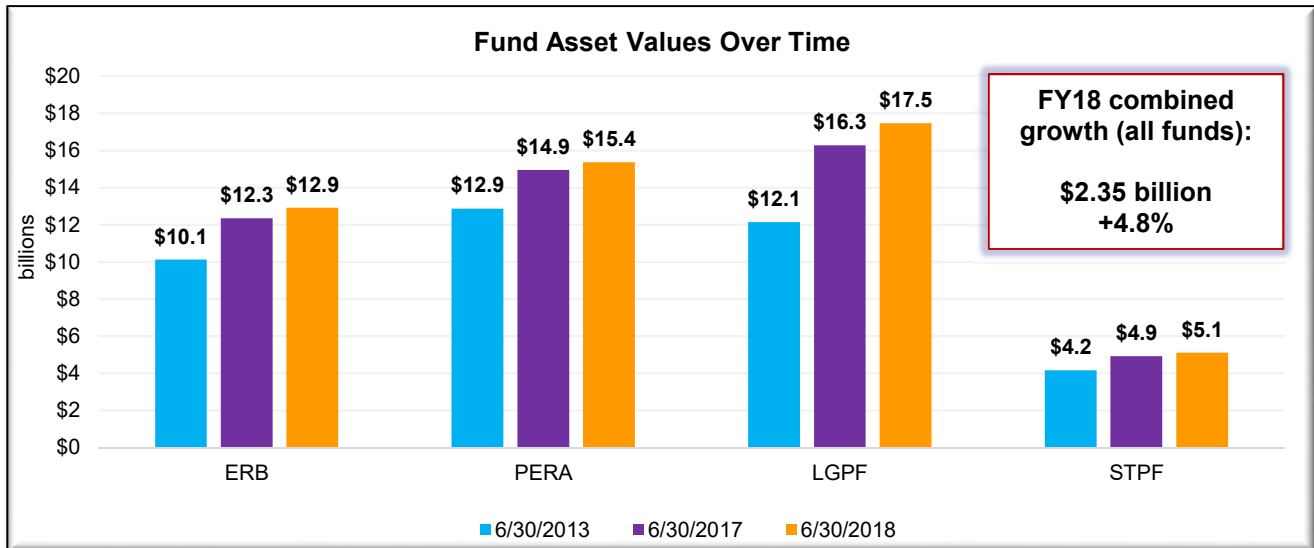
<sup>3</sup> A fund's policy index is a custom benchmark that show the returns that would have been generated if a passive investor consistently followed the agency's asset allocation targets according to their investment policy.



## Investment Agency Performance Dashboard

Quarter Ending June 30, 2018

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



### Risk Profiles, Five Years Ending 06/30/18, Net of Fees

Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	4.6	5.8	4.0	4.1
Sharpe Ratio**	1.7	1.2	1.8	1.8
Beta***	0.4	0.5	0.5	0.5

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

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

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

**Aggregate Value  
of New Mexico  
Investment  
Holdings**

**\$50.8 billion**

Source: Agency  
Investment Reports