

Funding and Performance of the Aging Network

Summary

As older adults continue to make up a larger portion of New Mexico's population, the state faces growing challenges with ensuring the programs that serve them can keep up with growing demand. New Mexico currently spends \$39 million on the Aging Network Division of the Aging and Long-Term

The Evaluation: *Resource Allocation, Cost, Availability and Effectiveness of the Aging Network* (May 2014) found the Aging and Long-Term Services Department (ALTSD) can improve how it funds and oversees services for older adults through the state's Area Agencies on Aging (AAAs). While ALTSD has improved performance monitoring, little has changed in how it allocates funds to AAAs, continuing to call into question the equitability of services. Findings from recent audits and assessments also raise growing concerns about accountability and spending controls at AAAs.

Services Department (ALTSD), most of which goes toward providing nutrition, transportation, personal care, and other services through four area agencies on aging (AAAs). A 2014 Legislative Finance Committee evaluation of the Aging Network found issues with ALTSD's allocation of resources to AAAs and providers, its control over the management of funds, and how it tracks agency and provider performance.

Overall, ALTSD has implemented or is making progress on 17 out of 18 recommendations from the 2014 LFC report. While ALTSD has made changes that improve the integrity of its capital outlay process and is working to more closely monitor AAA management of state and federal funds, it has not implemented LFC-recommended changes to its funding formula or to the allocation of administrative expenses and local contributions to the aging system. Distributions of funds to AAAs continue to be based primarily on prior levels rather than the needs of the population served, contributing to inefficiencies in the system. Recent audit findings also indicate significant issues with the management of funds by state's largest AAA.

The department is working toward improved use of data to drive program and policy decisions, including regular collaboration between users of its data system and the proposal of new performance measures and the elimination of older, less useful ones. In particular, new measures to track the cost of service in rural and urban areas are intended to help understand how needs vary by geography.

Progress Reports foster accountability by assessing the implementation status of previous program evaluation reports, recommendations and need for further changes.



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

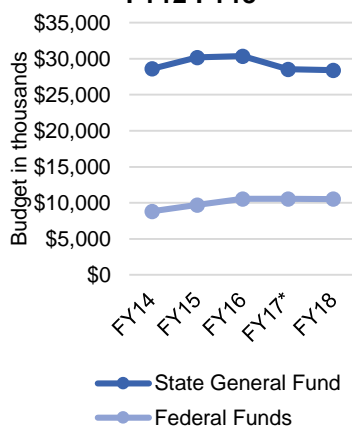
ALTSD has not changed how funds are allocated to the Aging Network.

The aging of New Mexico's population necessitates planning appropriately to provide senior services.

By 2030, the U.S. Census projects 682 thousand New Mexicans, or nearly one-third of the state's population, will be aged 60 or older, compared to 487 thousand, or 24 percent, in 2015. The growth in New Mexico's older adult population is expected to slightly outpace the nation as a whole, increasing 40 percent between 2015 and 2030, compared to a 39 percent increase nationwide. This growth in the share of New Mexico's population that uses senior services will require planning on the state's part to ensure resources are allocated efficiently and effectively to meet the growing demand.

An LFC evaluation published in May of 2014 examined the role of the Aging and Long-Term Services Department (ALTSD) in administering New Mexico's system of services for seniors, including funding for senior centers, home-delivered and congregate meals, and senior transportation. The evaluation found the state and local governments are bearing an increasing burden in funding these services as federal funding stagnates, and that New Mexico faces risks to its Aging Network system from issues with monitoring provider performance.

Chart 1. State and Federal Funding for the Aging Network, FY12-FY18



* Adjusted budget
Source: LFC files

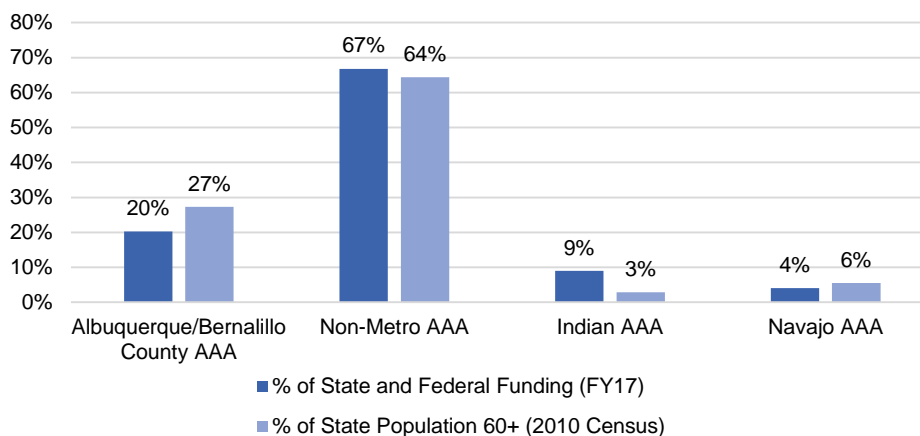
The Aging Network's formula for allocating funds remains based on prior funding rather than area needs.

New Mexico funds its system of services for older adults through four area agencies on aging (AAAs), expecting to serve approximately 68 thousand people statewide in FY18. These agencies are the Albuquerque/Bernalillo County AAA; the Non-Metro AAA, serving all other counties and non-tribal areas; the Indian AAA, serving New Mexico's 19 Pueblos and two Apache nations; and the Navajo AAA, serving the Navajo Nation. ALTSD oversees state and federal funding for the AAAs, consisting mostly of general fund appropriations and federal funding under Title III of the Older Americans Act (OAA). This funding totals \$38.9 million in FY18, of which 73 percent is derived from state general fund appropriations. While this total is 4 percent higher than the \$37.4 million total budget for the Aging Network Division in FY14, the state general fund accounts for a slightly smaller share at 73 percent in FY18, compared to 76 percent in FY14. AAAs may also use other revenues to fund providers, including funding from counties, local governments, and program income, but these sources are not controlled by ALTSD.

LFC's original evaluation found New Mexico provides substantially more state funding for aging services than other states, but lacks a good methodology for allocating funds to the Aging Network and that ALTSD's Intrastate Funding Formula, which governs the distribution of federal funds awarded to the state under the Older Americans Act, rewards high cost at the expense of efficiency. Chart 2 shows the distributions of state and federal funds to New Mexico's AAAs in FY17 relative to the proportion of the state's population 60 and older living in each AAA's service area. The Non-Metro AAA, operated under contract by the North Central New Mexico Economic Development District (NCNMEDD), which serves clients in 32 of New

Mexico's 33 counties, received 67 percent of the total state and federal funding allocated to AAAs in FY17, reaching 64 percent of the state's 60-and-over population. Meanwhile, the Albuquerque/Bernalillo County AAA, operated by the City of Albuquerque, received 20 percent of state and federal funds and served 27 percent of the state's 60-plus population.

Chart 2. AAA Shares of State and Federal Funding and 60+ Population



Note: The Indian AAA receives no federal funding through ALTSD. Each Pueblo or tribe receives OAA funds directly. The Navajo AAA receives no federal funding from ALTSD, but receives federal funding from the Arizona State Unit on Aging for the New Mexico portion of the Nation and receives some direct federal funding as well. The chart is reflective only of New Mexico ALTSD state funding to these two AAAs.
Source: LFC analysis of ALTSD data

As shown in Table 1, the formula is mostly designed to maintain AAA funding levels from one year to the next through a hold-harmless provision. Ten percent of any new funds are divided evenly between each of the four planning and service areas (PSAs), with the remainder allocated based on demographic and socioeconomic factors. The formula gives no consideration to individual needs and does not take into account geographic factors such as whether an area is urban or rural, although OAA provisions do require state plans to ensure that funding for older individuals living in rural areas not fall below 2000 levels. By allocating the majority of funds based on prior year levels and only basing a portion of new funding on client characteristics, there is little incentive for AAAs to align funding with the needs of clients and the actual cost of services in their service areas.

As the 2014 evaluation found, unit costs of services such as congregate and home-delivered meals and transportation, as well as total per-consumer service costs, can vary widely between different locations statewide. In FY17, the cost per consumer of services provided through AAAs varied from nearly \$1,900 in Harding County to as low as \$257 in San Juan County and \$139 in Laguna Pueblo (Appendix A).

The evaluation recommended ALTSD review other states' formulas to determine if there are opportunities to improve the targeting of resources. ALTSD notes that since the original evaluation, it has reviewed the intrastate funding formulas in Oklahoma, Utah, and Colorado, the latter two of which distribute state funds according to the same formula as federal funds, but has elected not to make any changes to the existing formula for New Mexico. Additionally, the newest New Mexico State Plan for Aging and Long-Term Services, for the period from October 1, 2017 to September 30, 2021, does not

Table 1. Steps to Determine Distributions Under ALTSD Intrastate Funding Formula

1. "Grandfather differential" maintains funding levels from prior year
2. 10 percent of new funds are divided equally among all PSAs
3. Remaining new funds are distributed based on each PSA's average percentage of (a) population 60 and over, (b) minority population 60 and over, and (c) population 65 and over below 100 percent of the federal poverty level.

Source: ALTSD 2017-2021 State Plan

The federal aging grant places a cap on state and AAA administrative costs.

change the Intrastate Funding Formula that has been in existence for many years. However, ALTSD notes that there has been recent staff turnover and the Aging Network Division will revisit the current funding formula to evaluate whether changes are needed.

ALTSD has not implemented recommendations to cap the amount of state funds that can be used for administrative expenses. Currently, up to 10 percent of ALTSD's Title III federal funds may be used for up to 75 percent of AAA administrative costs, but there is no cap on the amount of state funds that may be used for administration. ALTSD engaged with state units on aging from Colorado, Utah, and Oklahoma on their practices in response to LFC's recommendation to contractually cap general fund administrative allowances for AAAs. The department noted Utah does not set a cap, while Colorado and Oklahoma do. ALTSD has not modified its requirements related to administrative allowances since the original evaluation, and ALTSD's FY18 contracts with AAAs do not specify the amount of state funding that may be used for administrative expenses. However, based on ongoing concerns with the allocation of funds for administrative costs expressed by some providers, the department is currently reevaluating its policy on administrative caps as part of its strategic planning process.

With respect to administrative expenses paid from federal funds, the 2016 financial audit of ALTSD found the department does not have procedures in place to monitor compliance with earmarking requirements pertaining to area plan administration costs for programs operated under Title III funding. The audit recommended ALTSD implement a process to monitor and review these costs, and the department has proposed a corrective action plan for doing so.

ALTSD lacks information on AAA provider contracts and how funds are used. Currently, contracts between the state require AAAs to submit to ALTSD information on their monitoring of providers. However, they do not require the sharing of provider contracts with ALTSD, including information on provider budgets and planned use of state and federal funds passed through the AAAs, including funds for administrative costs. This inhibits the department's ability to fully understand how subrecipients are using the state and federal funds distributed to them. ALTSD should consider inserting language in its contracts with AAAs that require sharing all subrecipient contracts and budgets for the use of state and federal funds provided under ALTSD funding agreements.

Local cash makes up a slightly greater portion of funding for aging services than it did in FY13. The original evaluation found a lack of cost-sharing requirements resulted in some local governments relying disproportionately on state and federal funds for aging services in some areas. Moreover, local contributions to AAA programs are not a factor in the state's Intrastate Funding Formula, so an area that has more local financial support would have more funding overall than a comparable area where the local government contributes less or not at all.

Local cash contributions made up 26 percent of all AAA expenditures in FY13, compared with 29 percent in FY17 (Chart 3). Local cash totaled \$11.2 million in FY13 and \$11.8 million in FY17, an increase of 6 percent. This stands in contrast to AAA funding from the federal government, which was 20 percent of funding in FY17 compared to 23 percent in FY13. These figures do not account for local in-kind contributions, which include non-budgeted or non-cash resources such as facility space, supplies, equipment, or personnel time. The 2014 evaluation found ALTSD and AAAs lacked a standard methodology for reporting in-kind contributions, and as such these have been excluded from ALTSD’s recent reporting on AAA expenditures.

The 2014 evaluation recommended ALTSD work with local governments to determine the feasibility of a minimum threshold for local contributions. In response, the department engaged with and collected information from neighboring states and found they do not have such thresholds. Currently, ALTSD has no plans to require AAAs to establish minimum thresholds for securing local funding.

ALTSD has moved to address capital outlay concerns. In response to the 2014 LFC report, ALTSD revised its capital outlay process to address concerns about subjectivity and minimum criteria for projects to proceed. This includes requiring compliance with Executive Order 2013-006, which established uniform funding criteria and oversight requirements for capital projects with end users outside state government. ALTSD’s capital outlay prioritization application for FY18 is included in Appendix B. However, the most recent scoring sheet still does not include a “gateway” requirement that recipients ensure and document that they can provide funding for ongoing operations and maintenance before the application proceeds.

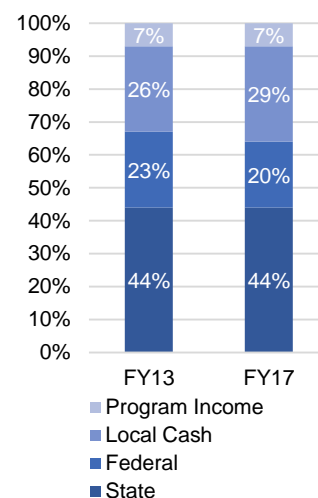
Following an LFC finding that Aging Network service providers were relying solely on capital outlay funds to purchase vehicles for use in senior transportation programs, ALTSD engaged with the New Mexico Department of Transportation (NMDOT) to develop a shared strategy for assisting grantees in applying for federal transportation funds. Both ALTSD and NMDOT notify constituents when federal Senior and Disabilities Transit funding is available, and NMDOT has presented to providers at statewide Aging Network trainings about applying for funding. Additionally, ALTSD has provided information on available NMDOT funding opportunities as part of its capital outlay training process.

ALTSD is improving performance tracking and oversight of the Aging Network, but control of the system remains a challenge

Despite more active monitoring of AAAs and providers, compliance issues remain.

In response to the 2014 LFC evaluation, ALTSD updated regulations in the New Mexico Administrative Code related to the administration of the Aging Network and has conducted assessments on the two largest Area Agencies on Aging in the state, the Albuquerque/Bernalillo County AAA and the Non-Metro AAA. The department has issued a report in each of the last two years discussing its findings and making recommendations for further action.

Chart 3. AAA Funding by Source, FY13 and FY17



Source: LFC analysis of ALTSD data

The FY16 financial audit of the Non-Metro AAA found a lack of documentation to reconcile payments to providers.

The September 2017 ALTSD assessment of the Albuquerque-Bernalillo County Area Agency on Aging noted that the AAA has completed implementation of a new monitoring tool for its Title III-D Evidence-Based Health Promotion provider. However, the assessment noted several repeat findings from FY16, including a need to update policies and procedures to align with OAA Title III-D requirements. Additionally, as noted earlier, the FY16 financial audit of the department itself included findings around compliance with federal administrative earmarking requirements, as well as lack of segregation of duties in the payroll function and insufficient supporting documentation for participant eligibility determinations for the Senior Community Service Employment Program.

Recent assessments have revealed issues with reimbursements to providers by the Non-Metro AAA. The North Central New Mexico Economic Development District (NCNMEDD) operates the Non-Metro AAA under a contract with ALTSD, administering state and federal funds for aging services across 32 of New Mexico's 33 counties. The FY16 financial audit of NCNMEDD found significant deficiencies in the handling of federal Title III funds, resulting in the District being out of compliance with federal requirements. Specifically, the audit found a lack of monitoring of subrecipient providers and a lack of supporting documentation to reconcile payments to providers. Additionally, ALTSD's September 2017 program assessment of the Non-Metro AAA found a discrepancy of nearly \$337 thousand between billings for administrative costs and the AAA's general ledger, and that the AAA drew down excess federal funding for provider prepayments contradictory to the agency's revised reimbursement methodology. The assessment also found the AAA charged expenditures to incorrect service line items to use available balances rather than submit budget adjustment requests to reflect needed changes, and that program income was being carried over to the next fiscal year rather than expended in the year it was received.

A 2017 review of the Non-Metro AAA by ALTSD found a discrepancy of \$337 thousand in billings and administrative costs on its general ledger.

The assessment includes required actions for the Non-Metro AAA to take. Specifically, ALTSD is requiring the Non-Metro AAA to:

- Provide a written update on corrective actions it is taking in response to the FY16 financial audit;
- Develop and submit a plan to identify and address prompt payment to at-risk contractors;
- Expend all program income in the year in which it is received; Justify any budget adjustment requests included on a request for reimbursement and submit such requests to ALTSD for approval; and
- Cease the practice of charging expenditures to incorrect service lines.

ALTSD is progressing in using data to drive planning and policy.

The 2014 LFC evaluation found that ALTSD's Social Assistance Management System (SAMS) could be streamlined and made more effective, and that the department could improve its use of data to assess trends and predict future needs. Since that time, the department worked with the AAAs to roll out the use of SAMS across all AAAs and providers and develop an ongoing user training program. Currently, the only AAA not using SAMS is the Navajo AAA, which postponed its planned implementation due to management changes and budget constraints.

Following LFC's recommendation to install billing edits in the system to prevent errors, ALTSD noted that Harmony, the vendor behind the SAMS system, stated that doing this systemwide was not feasible. However, ALTSD is continuing to work with the vendor on adapting the system to monitor AAA fiscal back-up for contract invoices, and has developed a SAMS Business Operations Guide to ensure all users follow standard practices. Additionally, ALTSD's SAMS User Group, consisting of department, AAA, and provider users, continues to meet and coordinate the use of data to implement service changes. For example, the group examined the Nutritional Risk Assessment, administered by AAAs and nutrition service providers, to determine if data collected through the assessment could be used to determine the extent of food insecurity.

Changes to performance measures will enable tracking of service costs in urban and rural areas. The original report found inadequate tracking of performance measures related to capacity and service outcomes. ALTSD, with LFC and DFA staff, have worked to refine the Aging Network's performance measures since FY16. While existing outcome measures related to food insecurity and employment among older New Mexicans remain, some existing outcome measures are proposed for elimination in FY19 due to vague language that may not be useful in identifying concrete outcomes. Proposed new measures for FY19 will report the costs of meals and transportation in urban and rural areas, allowing for a comparison of geographical costs, as well as report on volunteer service by seniors. Table 2 shows the proposed changes in performance measures for FY19. The department is also working on developing internal performance measures intended to connect outcomes in the Aging Network with those of other department divisions, such as Adult Protective Services.

Table 2. FY19 Proposed Changes to Aging Network Performance Measures

Action	Performance Measure Type	Performance Measure	Explanation
Discontinue	Output	Number of persons served through healthy and productive aging programs and initiatives	"Healthy and productive aging" is not defined
Discontinue	Outcome	Percentage of older New Mexicans receiving services to support caregiving and healthy and productive aging through the Aging Network	Parameters of the percentage are not defined, nor is "supporting caregiving and healthy productive aging"
Discontinue	Explanatory	Average cost per individual served through aging network services	Replaced by new, more specific measures
Restore	Output	Number of hours of service provided by senior volunteers, statewide	High legislative interest in this measure
New	Explanatory	Average cost per meal in Bernalillo and Santa Fe counties	To enable comparison of urban and rural meal costs
New	Explanatory	Average cost per meal in rural and tribal areas (all counties except Bernalillo and Santa Fe)	To enable comparison of urban and rural meal costs
New	Explanatory	Average cost per unit of transportation in Bernalillo and Santa Fe counties	To enable comparison of urban and rural transportation costs
New	Explanatory	Average cost per unit of transportation in rural and tribal areas (all counties except Bernalillo and Santa Fe)	To enable comparison of urban and rural transportation costs

Source: ALTSD, LFC files

ALTSD also commissioned a study of adult day services to examine the status and needs of these programs in New Mexico. Adult day services provide activities, transportation, meals, personal care, health and wellness education, and other services to older adults who require assistance or whose primary caregivers work. The study, conducted in 2015 by the New Mexico State University Survey Research and Program Evaluation Center, surveyed adult day service providers and ALTSD and AAA staff and found perceptions among providers that demand for adult day services is greater than current availability allows, and that this is only expected to increase in the future as the state's population ages. Surveyed providers were less confident that funding would be available to provide services to clients who are unable to pay on their own. The report also found that most adult day service providers did not use Medicaid funding despite the service being covered.

Updated Recommendations






ALTSD should:

- Revise its funding allocation formula to reduce the emphasis on prior year funding and include factors for local service costs.
- Implement the original LFC recommendation to contractually cap AAA administrative allowances from the state general fund.
- Include language in AAA contracts requiring AAAs to share their contracts with subrecipient providers, including provider budgets for the use of state and federal funds, with ALTSD.
- Implement the original LFC recommendation to work with local governments to determine the feasibility of establishing a minimum threshold for local contributions and lead in solicitation of funding from local governmental entities.
- Work with AAAs and Aging Network providers of adult day programs to determine opportunities for using Medicaid funding for these services.

Status of Key Recommendations




Finding

Better oversight by the department and area agencies on aging is required to ensure appropriate use of funds and service delivery.

Recommendation	Status			Comments
	No Action	Progressing	Complete	
ALTSD should take action to resolve external audit findings by implementing systems which correct findings and prevent future occurrences.				Findings from the FY13 audit, noted in the original evaluation, were resolved. The department continues to examine its process to ensure adequate internal controls exist. As risks are identified the internal structure will be updated and/or changed as necessary. The CFO will continue to prioritize hiring staff to ensure procedures and controls are meeting the requirements of financial audits.
ALTSD should standardize policies, procedures, or administrative code for important functions relevant to AAAs and providers.				ALTSD revised NMAC rules related to the Aging Network and has updated operational policies pursuant to these changes.
ALTSD should review the AAA process for provider assessments to more quickly discover and address issues.				Senior Services Bureau staff continue to review AAA contract provider assessments, and to assess the AAAs, including making monitoring visits to a sampling of AAA contract providers. Training needs in the area of nutrition have been identified, and an online training program is being developed to meet the need.
ALTSD should assess departmental contracts with AAAs and administrative code to determine if the department should recall any portions of the scope of work to ensure ALTSD maintains appropriate control of the aging system. Align ALTSD assessment process of AAAs to reflect duties assigned in administrative code.				Use of revised scopes of work continues. Assessments, utilizing revised tools, continue. ASD has implemented changes in the contracting process per DFA. ALTSD will continue to work with DFA on changes to the contracting process and align its policies with DFA requirements.
ALTSD should establish standards of service, including allowable units and install edits in the information system to prevent billing errors.				Harmony has clarified that installing edits in the SAMS information system to enforce system-wide maximums for allowable units is not currently feasible. ALTSD continues to convene and staff a SAMS User Group. A SAMS Business Operations Guide has been developed by ALTSD for all SAMS users. The ALTSD is currently working with Mediware on adapting the SAMS system to monitor AAA fiscal back-up for contract invoices.



Finding

State appropriations and local funding serve as the primary funding sources for senior programs.

Recommendation	Status			Comments
	No Action	Progressing	Complete	
ALTSD should review formulas from other states to evaluate if opportunities exist to improve New Mexico's Intrastate Funding Formula and general fund allocations to better target resources.				ALTSD has reviewed the use of funding formulas by other states, as well as national practices. Staff will continue to reevaluate the formula, but there are no current plans to modify the allocation process.
ALTSD should contractually cap the state general fund administrative allowance for AAAs.				ALTSD has found that Utah does not establish maximum percentages of state funding that can be used for AAA administrative costs, while Colorado and Oklahoma do. ALTSD does not include caps in its FY18 contracts, but is reevaluating this as part of its strategic planning process based on provider concerns.
ALTSD should work with local governmental entities to determine feasibility of minimum threshold for local contributions. ALTSD should lead in solicitation of funding from local governmental entities.				ALTSD has documented collected information, and found that, like New Mexico, Utah, Colorado and Oklahoma do not establish minimum thresholds for local contributions. ALTSD has no plans to require AAAs to establish minimum thresholds for local contributions at this time.

Finding

The capital outlay process may be unsuccessful in fairly and efficiently distributing funds to the most needy.

Recommendation	Status			Comments
	No Action	Progressing	Complete	
ALTSD should work with NMDOT to develop strategies where grant application most in need are considered priority for funding and investigate options on how procurement code and grant requirements can be met in lieu of upfront match payments.				ALTSD Capital Projects Bureau (CPB) continues to collaborate with NMDOT and share information regarding the annual application process for infrastructure funding. ALTSD and NMDOT send emails to their constituents when the Notice of Funding Availability is released on an annual basis. NMDOT provided a presentation during the December 2016 Aging Network Training to senior center providers about the Section 5310 Application for Enhanced Mobility of Seniors and Individuals with Disabilities. The Capital Projects Bureau also provides information to grantees during the Capital Outlay Application Training sessions regarding the NMDOT 5310 funding opportunity. CPB will continue to share information on funding opportunities and include the NMDOT 5310 opportunity in the 2019 ALTSD Notice of Funding Availability Guidance and other presentations.
ALTSD should remove subjectivity for capital outlay process and rely on a quantified system. Create gateway criteria in priority process which will not allow an application to move forward for ranking if the applicant is not in compliance with the Executive Order and if they cannot demonstrate they can provide ongoing operations.				ALTSD Capital Projects Bureau (CPB) evaluates its application on an annual basis in consultation with DFA Capital Outlay Bureau, ALTSD Senior Services Bureau, and the Area Agencies on Aging. Applicants must meet certain prerequisites to assure project readiness including, 1) compliance with Executive Order 2013-006; 2) fully executed Operating/Use Agreements if applicable; 3) project evaluations provided by "Subject Matter Experts" to verify criticality of need; 4) proposed projects must be documented in the applicants Infrastructure Capital Improvement Plan; 5) applicant must provide quotes/cost estimates; 6) schematic designs for

				construction projects; and, 7) asset management listings for facilities, vehicles and equipment. The ALTSD process mirrors the current legislative process for capital outlay requests. For projects that did not score in the "fundable" range (5 projects), CPB advised the AAAs to begin to provide technical assistance with the application in anticipation of the next funding cycle (2019 STB). CPB will continue to be proactive in providing TA and work closely with applicants, SSB and DFA.
ALTSD should develop a plan to address equipment needs costing less than five thousand dollars.				It is the DFA position that capital requests with a value of \$10,000 or less should be funded by the local government. The ALTSD Capital Outlay Application training conducted in 2017 informed participants that requests for \$10,000 or less will no longer be included as part of the ALTSD annual recommendation. The AAA's are working to identify funding streams to assist providers with purchasing critical equipment valued at \$10,000 or less. ALTSD will be submitting a request for a special appropriation to fund critical and emergency equipment valued at \$10,000 or less, and will continue to work with DFA in developing a plan to fund critical and emergency equipment valued at \$10,000 or less.
ALTSD should investigate if bulk purchasing through the department is feasible and if cost saving could occur.				ALTSD does not believe it can arrange a bulk purchasing scenario because it is a pass through agency and the funding does not come to it to procure on behalf of the local government and then turn the asset over to the senior center. In addition, each senior center has different needs and requirements. It would be extremely difficult to customize a vehicle purchase, for every funded project across the State.

Finding

Strategic planning is necessary to ensure the adequacy and efficiency of the Aging Network in meeting current and future needs.

Recommendation	Status			Comments
	No Action	Progressing	Complete	
ALTSD should track service outcomes and report these performance measures to give a better idea about the network's capacity and adequacy				The Aging Network Division continues to participate in performance measure review and refinement. New measures to compare the cost of rural vs. urban aging network services have been developed. The new measures will provide a method to track performance that will reflect aging network provider capacity and adequacy to deliver meals and transportation services.
ALTSD should create standardized training manuals and provide more direct training to providers.				The Aging Network training manual has been completed. Spring and Winter Aging Network Training events continue to be held for all providers. Additionally, The NM Conference on Aging offers significant training opportunities for providers. In FY17, 1,745 providers and consumers receiving training to build their knowledge and capacity with regard to aging network services. The AND has implemented a Healthy Aging Training Academy: online training for aging network providers.
ALTSD should work with AAAs and providers to leverage the network into better purchasing positions.				The state nutritionist has provided technical assistance and training to nutrition services providers in the areas of purchasing and inventory. ASD staff provided training at an Aging Network Training Event regarding state

				<p>purchasing and procurement. State purchasing agreements do not meet the needs of all providers, as many providers are private organizations. The state nutritionist will continue to provide technical assistance and training to nutrition services providers in the areas of purchasing and inventory. This training topic is also being included in the Healthy Aging Training Academy curriculum.</p>
<p>ALTSD should work with AAAs to streamline data reporting and allow ALTSD to see provider data directly.</p>				<p>As the State Entity, ALTSD currently has the ability to see all information in the data reporting system down to the provider level. ALTSD continues to convene and staff a SAMS User Group. The AAAs that utilize SAMS all have sufficient licenses. The IAAA has fully implemented the use of SAMS among its providers. Implementation of SAMS by the Navajo AAA has been postponed due to changes in Nation management and budgeting of the AAA. The ALTSD is currently working with Medware on adapting the SAMS system to monitor area agency fiscal back-up for contract invoices. The Office of Indian Elder Affairs will be working with the Navajo Nation AAA to implement SAMS.</p>
<p>ALTSD should enhance the state's data policy by providing more information on how providers and users can better utilize the SAMS system to produce different reports.</p>				<p>A SAMS Business Operations Guide has been developed by ALTSD for all SAMS users. All users are following standard practices with regard to the use of SAMS. The Navajo Nation will be included in the SAMS User Group as it begins to implement SAMS.</p>
<p>ALTSD should work with LFC and other partners to develop strategy for longitudinal analysis of data and use these results to track and predict changes in service needs in targeting resources.</p>				<p>ALTSD continues to work with Harmony and Medware on refining SAMS applications. ALTSD continues to track performance measures and to utilize the data in informing the strategic plan. An adult day care study was completed by NMSU. The NM State Plan for Family Caregivers was completed. ALTSD plans to follow-up on the recommendations in the Adult Day Care study, implementing the action plan as funds become available to expand adult day care services. ALTSD is implementing the State Plan for Family Caregivers, including a Veteran's Project to address the long-term care needs of Veterans and their caregivers. The Aging & Disability Resource Center continues to focus its efforts on reaching and supporting caregivers, especially with regard to its Options Counseling Program. The Office of Alzheimer's and Dementia Care is developing a NM Caregivers Guide Book. ALSTD continues to work with AARP NM to implement the Age Friendly Communities initiative in selected communities.</p>

Appendix A. FY17 Per Capita Service Costs by County

Aging Network Per Capita Funding by County, FY17

County/Tribal Area	Total FY17 Funding	FY17 Consumers Served	FY17 Cost per Consumer
Harding	\$125,417	67	\$1,872
Lea	\$1,551,429	1,245	\$1,246
Pueblo of Acoma	\$125,400	105	\$1,194
Guadalupe	\$434,990	385	\$1,130
Grant	\$490,305	451	\$1,087
Cibola	\$442,069	440	\$1,005
Rio Arriba	\$1,921,599	1,957	\$982
Ohkay Owingeh	\$114,913	120	\$958
DeBaca	\$195,396	207	\$944
San Miguel	\$821,722	900	\$913
Union	\$226,635	249	\$910
Pueblo de Cochiti	\$123,866	140	\$885
Sandoval	\$3,095,415	3,654	\$847
Eight Northern Indian Pueblos Council, Inc.	\$226,927	270	\$840
Mora	\$380,944	457	\$834
Taos	\$813,917	1,012	\$804
Pueblo of Santa Clara	\$257,375	325	\$792
Hidalgo	\$308,349	390	\$791
Socorro	\$666,744	850	\$784
Pueblo of Zuni	\$266,418	340	\$784
Pueblo de San Felipe	\$136,599	175	\$781
Roosevelt	\$314,536	403	\$780
Pueblo of Isleta	\$175,577	228	\$770
Pueblo of Taos	\$95,968	125	\$768
Chaves	\$1,453,221	1,949	\$746
Eddy	\$968,536	1,423	\$681
Los Alamos	\$688,612	1,042	\$661
Mescalero Apache Nation	\$111,133	170	\$654
Quay	\$487,081	747	\$652
Santo Domingo Tribe	\$127,780	200	\$639
Bernalillo	\$7,280,346	12,529	\$581
Otero	\$1,630,744	2,842	\$574
Lincoln	\$841,623	1,530	\$550
Santa Fe (city and county)	\$3,549,673	7,172	\$495
Jicarilla Apache Nation	\$136,404	280	\$487
Doña Ana	\$2,441,064	5,185	\$471
McKinley	\$1,092,949	2,354	\$464
Catron	\$408,936	890	\$459
Curry	\$813,400	1,804	\$451
Valencia	\$899,257	2,105	\$427
Colfax	\$834,635	1,960	\$426
Five Sandoval Indian Pueblos, Inc.	\$169,850	400	\$425
Sierra	\$601,252	1,496	\$402
Luna	\$708,595	1,809	\$392
Torrance	\$315,365	810	\$389
Pueblo of Tesuque	\$54,130	150	\$361
Pueblo of Jemez	\$123,755	450	\$275
San Juan	\$913,486	3,551	\$257
Navajo Nation	\$1,070,000	6,674	\$160
Pueblo of Laguna	\$140,905	1,015	\$139

Source: LFC analysis of ALTSD data

Appendix B. FY18 ALTSD Capital Project Application

2018 CAPITAL OUTLAY REQUEST APPLICATION – PROJECT PRIORITIZATION PROCESS

Applicant Name: _____ Project Title: _____ Amount: \$ _____

Application Type: A-1 ☐ Improvement for Code Compliance/ Other Renovation Project (<\$200,000)
 A-2 ☐ Meals Equipment/Other Equipment Project
 A-3 ☐ Vehicle Purchase & Equip Project
 A-4 ☐ New Construction/Major Addition Project (>\$200,000)
 A-5 ☐ Plan/Design

Note: If the response to any question in this section is no , no further review of the proposed project will continue.			
Application Certification – The governmental entity serving as the fiscal agent must certify that the application is supported by the governing body of the applicant. <input type="checkbox"/> Yes <input type="checkbox"/> No			
Executive Order 2013-06 – Entities receiving capital outlay must be compliant with the State Audit Act and EO6.			
1. Does the applying entity or the fiscal agent acting on behalf of the applying entity for the proposed project have a current published audit? <input type="checkbox"/> Yes <input type="checkbox"/> No			
2. Does the applying entity or the fiscal agent acting on behalf of the applying entity for the proposed project have its most recent budget submitted and approved by DFA/Local Government Division? <input type="checkbox"/> Yes <input type="checkbox"/> No			
3. Does the applying entity or the fiscal agent acting on behalf of the applying entity for the proposed project have its quarterly reports up to date, submitted and approved by DFA/Local Government Division? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Operating and Use Agreement – Has the applicant included the Agreement documenting that the political subdivision will own the capital asset and that they are willing and able to enter into an operating and use agreement to comply with the Anti-Donation Clause of the New Mexico Constitution? The State Board of Finance will not issue bonds until the project demonstrates anti-donation compliance. <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No			
Infrastructure Capital Improvement Plan 2018-2022 for Senior Facilities (ICIP) – Has the applying entity or the fiscal agent acting on behalf of the applying entity for the proposed project clearly demonstrated that it has adopted a local Infrastructure Capital Improvement Plan (ICIP) which has qualified for publication in the most recent ICIP and has a copy been provided in the application package? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Asset Management Forms for Meals Equipment, Vehicles, and Facility Inventory Listings -- Has the applying entity or the fiscal agent acting on behalf of the applying entity for the proposed project provided the up-to-date Asset Management listings in the application package? <input type="checkbox"/> Yes <input type="checkbox"/> No			
		Possible Points	Score
1	Application Narrative Summary & Background		
a)	The applicant provided a clear and concise project summary and narrative background regarding the proposed project. <input type="checkbox"/> Yes <input type="checkbox"/> No	10	
		10	
2	Criticality of Need		
a)	Does the applicant provide a compelling explanation on how the project will eliminate a risk or hazard to public health and/or safety that immediately endangers occupants of a premises such that corrective action is urgent and unavoidable? <input type="checkbox"/> Yes	5	
b)	<input type="checkbox"/> No		
c)	The proposed project was evaluated by a subject matter expert who clearly documented the criticality of need for the project and a copy of the evaluation is provided. <input type="checkbox"/> Yes <input type="checkbox"/> No	15	
	Is the proposed project a code compliance issue which addresses an emergency situation? <input type="checkbox"/> Yes <input type="checkbox"/> No	5	
e)	The applicant documented the outcome of not receiving this funding and that the intended corrective action proposed is considered critical, urgent and/or unavoidable. <input type="checkbox"/> Yes <input type="checkbox"/> No	5	
		30	

3	Funding		
a)	The applicant provides leverage to the project with local, federal or other sources to fully fund the proposed project. <input type="checkbox"/> Yes	5	
b)	<input type="checkbox"/> No	5	
c)	The project budget provided specific information on the sources for matching funds including the amount leveraged and effective date(s). <input type="checkbox"/> Yes <input type="checkbox"/> No	5	
	Do the requested funds complete a fully functional phase of the project or complete a project previously funded by a legislative appropriation? <input type="checkbox"/> Yes <input type="checkbox"/> No	5	
		15	
4	Readiness to Proceed		
a)	The proposed project is realistic and is substantiated by the subject matter expert evaluation. <input type="checkbox"/> Yes	5	
b)	<input type="checkbox"/> No	5	
c)	The applicant provided mandatory quotes/cost estimates for the proposed project? <input type="checkbox"/> Yes <input type="checkbox"/> No	5	
	Does the applying entity describe how operating and maintenance costs will be provided for upon completion of the project? <input type="checkbox"/> Yes <input type="checkbox"/> No		
		15	
5	Project Oversight		
	Are there oversight mechanisms built in that would ensure timely construction and completion of project on budget? <input type="checkbox"/> Yes <input type="checkbox"/> No	15	
		15	
6	Cost-Benefit – Has the applicant provided information on the anticipated number of direct beneficiaries of the project compared to the amount of funding being requested? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Note: An applicant may use (SAMS) data as reported to ALTSD.</i>	10	
		10	
7	Project Management – per contract requirements for currently funded capital projects through ALTSD, is the applicant: <ul style="list-style-type: none"> Reporting project status timely into the CPMS? <input type="checkbox"/> Yes <input type="checkbox"/> No Submitting requests for payment within the quarter that the expenditure was made? <input type="checkbox"/> Yes <input type="checkbox"/> No Adhering to spend down requirements per SBOF Rule (5% encumbered and/or 85% expended). <input type="checkbox"/> Yes <input type="checkbox"/> No 	5 5 10	
		20	
Total Score		115	

Reviewer Comments:

1. _____

2. _____

3. _____

4. _____

5.

6.

7.

Reviewer Name & Phone Number:
