



FY23 Budget Request

Legislative Finance Committee

November 16, 2021

Department of Finance and Administration

Cabinet Secretary Deborah Romero



New Mexico Department of
Finance & Administration

OUR VISION

Public entities, throughout New Mexico, are fiscally responsible, effective and accountable.

OUR MISSION

Guide, serve and support public entities to ensure fiscal accountability and effective government that is responsive to all New Mexicans.

OUR GUIDING VALUES

Accountable, Collaboration, Communication, Efficiency, Effectiveness, Fiscally Responsible, Service and Quality



Donnie Quintana, Local Government
Division Director



Our Focus: 5 Key Areas

FISCAL STRENGTH & STABILITY

STRENGTHEN STATE FINANCES THROUGH LONG-TERM FINANCIAL AND BUDGET PLANNING AND OVERSIGHT



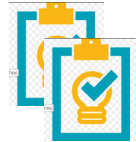
QUALITY SERVICES

DELIVER HIGH-PERFORMING FINANCIAL and ADMINISTRATIVE SERVICES



GOVT ACCOUNTABILITY, INNOVATION & EFFICIENCY

COMMIT TO OPERATIONAL EXCELLENCE and CONTINUOUS IMPROVEMENT



THRIVING COMMUNITIES

(state agencies and local public entities)

IMPROVE COMMUNICATION TO BUILD A NETWORK OF SUPPORT AND COLLABORATION



WORKFORCE DEVELOPMENT & ENGAGEMENT

SUPPORT AND INVEST IN OUR WORKFORCE





FY23 Budget Request - 34100

All Funding Sources:

SOURCES:	FY20	FY21	FY21	FY22	FY23	Change: FY23 Over FY22	
	Actual	Operating	Actual Est.	Operating	Request	\$	%
General Fund	21,268.1	21,625.6	21,625.6	22,255.4	24,697.9	2,442.5	11.0%
Other Transfers	17,500.0	17,000.0	36,277.0	12,000.0	16,250.0	4,250.0	35.4%
Federal Revenue	10,203.3	19,980.9	10,413.7	19,980.9	22,190.1	2,209.2	11.1%
Other Revenue	87,227.1	92,692.0	88,762.6	83,813.0	89,113.0	5,300.0	6.3%
Fund Balance	583.2	583.2	3,698.0	883.2	2,860.2	1,977.0	223.8%
TOTAL	136,781.7	151,881.7	160,776.9	138,932.5	155,111.2	16,178.7	11.6%
USES:							
200 - PSEB	12,798.8	12,509.7	10,898.6	12,990.4	14,959.8	1,969.4	15.2%
300 - Contracts	7,790.3	7,563.7	7,007.2	8,475.2	8,838.4	363.2	4.3%
400 - Other	59,862.6	61,597.3	44,071.1	69,736.9	73,056.0	3,319.1	4.8%
500 - Other Financing Uses	56,330.0	61,030.0	71,030.0	47,730.0	58,257.0	10,527.0	22.1%
TOTAL	136,781.7	142,700.7	133,006.8	138,932.5	155,111.2	16,178.7	11.6%

34100	FY22 Funded		FY22	FY23
	Filled	Vacant	Unfunde	Request
	123	12	12	159
Vacancy Rate		20%		
Authorized FTE		147		
New FTE		12		

General Fund:

SOURCES:	FY22	FY23	Change: FY23 Over FY22	
	Operating	Request	\$	%
General Fund	22,255.4	24,697.9	2,442.5	11.0%
TOTAL	22,255.4	24,697.9	2,442.5	11.0%
USES:				
200 - PSEB	11,342.0	12,936.3	1,594.3	14.1%
300 - Contracts	1,698.8	1,575.7	(123.1)	-7.2%
400 - Other	566.5	802.2	235.7	41.6%
Subtotal	13,607.3	15,314.2	1,706.9	12.5%
Memberships/Specials	8,648.1	9,383.7	735.6	7.8%
DFA Total	22,255.4	24,697.9	2,442.5	11.0%





New Mexico Department of
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Fiscal Strength & Stability

DFA's FY23 budget request recognizes current and projected economic constraints while prioritizing fiscal strength and stability. Priorities include:

- Retaining agency staff and expertise,
- Continued support of the new federal oversight bureau,
- Stopping vendor fraud,
- Protecting and improving on the state's bond rating, and
- Improving on consistent financial management.

Outcomes: These Priorities ensure steady statewide financial decision making for New Mexico's long-term fiscal strength and stability while maintaining low-cost financing for projects in our communities.





New Mexico Department of
Finance & Administration

Quality Services

DFA's budget request also emphasizes maintaining quality services. Priorities include:

- Distributing federal and state funds timely,
- Maximize federal funding opportunities across state government,
- Responding **to local government** needs, and
- Equipping local and state agencies with financial expertise, training, and technical assistance.

Outcomes: Local and state government entities are better positioned to respond to issues effecting their communities. Through programs like the Enhanced 911 Program, Community Development Block Grant and the Local DWI Grant Program, **and very soon the Rural and Frontier Equity initiative**, DFA helps to build and rebuild resiliency in local communities.





Government Accountability, Innovation & Efficiency

Another DFA necessity is improving government accountability, innovation and efficiency. Priorities include:

- Retaining and building on Budget Division staff expertise,
- Continuation of implementing new budget software for state and local entities,
- Building on capital outlay and **federal funding** dashboards,
- Developing state-wide federal reporting and monitoring,
- Emphasizing performance monitoring,
- Developing responsible budget recommendations that meet the needs of New Mexicans,
- **Implementation of the Rural and Frontier Equity Ombudsman position, bringing the needs of rural and frontier communities to the state's policy-and grant-making processes, and**
- Growing the established Federal Grant Bureau unit.

Outcomes: Improved state government performance and capacity to meet the needs of your communities.





Thriving Communities

DFA continues assisting and supporting state agencies and local governments every day. Priorities include:

- Providing intensive one-on-one assistance,
- Continue the administration of NM Housing Assistance Programs;
 - Emergency Rental Assistance Program
 - Homeowner Assistance Program
- Frequent training, and
- Education continuation.

Outcomes: Improving local government budgeting, ensuring timely financial audits, and accountably spent state and federally funded expenditures at the local level.





New Mexico Department of
Finance & Administration

Workforce Development & Engagement

Workforce development and engagement is key to recruiting and retaining resilient staff, now more than ever. Priorities include:

- Focusing on vibrant staff communication in the current telework environment with improved technological support,
- Providing training opportunities on a frequent basis, and
- Encouraging management to stay constantly engaged with staff to ensure accountability and performance.

Outcomes: Enhancing the skills, engagement, knowledge, and customer-focused professionalism among DFA staff.





Special/Other Appropriations

	PROGRAM	FY21 Actuals	FY22 Operating Budget	FY23 Budget Request	\$ Difference	% Change
A	County Detention of Prisoners	2,396.5	2,387.5	2,387.5	-	0.0%
B	Fiscal Agent **	961.2	1,064.8	1,064.8	-	0.0%
C	Membership and Dues	147.8	148.0	148.0	-	0.0%
D	State Planning Districts	693.0	693.0	693.0	-	0.0%
E	Land Grant Council	275.9	496.9	650.0	153.1	30.8%
F	Acequia and Community Ditch Education	307.8	398.2	398.2	-	0.0%
G	Leasehold Community Assistance	70.0	120.0	239.6	119.6	99.7%
H	New Mexico Acequia Commission	82.1	88.1	88.1	-	0.0%
I	Statewide Teen Court	17.7	17.7	17.7	-	0.0%
J	Emergency water supply fund	109.9	109.9	109.9	-	0.0%
	DFA Special Appropriations - GF Only (A thru J)	5,061.9	5,524.1	5,796.8	272.7	4.9%
K	Law Enforcement	5,810.5	15,100.0	15,100.0	-	0.0%
L	Statewide Teen Court	78.9	120.2	120.2	-	0.0%
	Total DFA Special Appropriations (A thru L)	10,951.3	20,744.3	21,017.0	272.7	1.3%
M	Civil Legal Services (GF & Other State Funds)	4,425.3	3,899.0	5,186.9	1,287.9	33.0%
N	Tobacco	34,000.0	12,000.0	18,527.0	6,527.0	54.4%
O	County Supported Medicaid	43,200.0	34,900.0	38,900.0	4,000.0	11.5%
P	E911	14,278.1	12,451.0	12,476.0	25.0	0.2%
Q	DWI	22,536.7	20,200.0	21,500.0	1,300.0	6.4%
R	CDBG (Federal)	11,378.0	11,977.3	11,977.3	-	0.0%
S	Forest Reserve (Federal)	8,394.3	9,308.4	9,308.4	-	0.0%
T	Taylor Grazing (Federal)	417.0	469.2	469.2	-	0.0%
U	Grant Administration Program (Federal)	-	-	435.1	435.1	100.0%
	TOTAL DFA PASS THROUGHHS (A thru T)	149,580.7	125,949.2	139,796.9	13,847.7	11.0%

****Note:** requested amount is subject to change. BOF staff is currently finalizing award of the new Fiscal Agent and treasury services contracts and Custody Bank contract will be finalized just prior to FY23.

- **Memberships & Dues \$148 thousand (Line C)**
 - National Governor's Association Dues
 - Western Governor's Association Dues
 - National Association of State Budget Officers
- **Leasehold Community Assistance \$239.6 thousand (Line G)**

Request based on statutory requirement, FY21 expenditures were \$70 thousand
- **Fiscal Agent \$1.06 million (Line B)**

State will be entering into new contracts for treasury services and custody bank. **(BOF staff is currently finalizing award of the new Fiscal Agent and treasury services contracts and Custody Bank contract will be finalized just prior to FY23.)**
- **Acequia and Community Ditch Education \$398 thousand (Line F)**

The funding for this program supports education and outreach to build capacity of acequias by strengthening acequia governance.
- **Emergency water supply fund \$109.9 thousand (Line J)**

No change, 100% of funds issued loans/grants by the NM Board of Finance



Other State Funds

- **County Supported Medicaid \$38.9 million (Line O)**
Flat request based on prior year revenue
- **Local DWI Grant Fund \$21.5 million (Line Q)**
Increase in request based on increase projection of liquor excise tax.
- **Civil Legal Services Fund \$5.1 million (Line M)**
Increase in general fund support, as revenues from court fees have decreased, while the need for legal assistance has increased.

Federal Funds

- **Grant Administration Program \$435.1 thousand (Line U)**
Expansion request to create 5 new term positions to support the new federal grant bureau.



Performance Measures by Program

Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability (P541)

Measure Name	2020-21 Target	2020-21 Actuals	2021-22 Target	2022-23 Request
General fund reserves as a percent of recurring appropriations	25.00	45.00	25.00	25.00
Error rate for the eighteen-month general fund revenue forecast, excluding oil and gas revenue and corporate income taxes	5.00	-	5.00	-
Error rate for the eighteen-month general fund revenue forecast, including oil and gas revenue and corporate income taxes	5.00	-	5.00	-
General obligation bond rating (Moody's and S&P)	1.00	-	1.00	-
Number of formal and informal trainings conducted by the state budget division	3.00	4.00	3.00	3.00
Percent of agencies attending state budget division trainings	95.00	95.00	95.00	95.00
Percent of capital outlay expended within six months for all funding sources	5.00	7.00	5.00	5.00
Percent of capital outlay projects with no activity after one year	-	3.00	-	3.00
Percent of state agencies who are satisfied with DFA services based on survey responses	90.00	0.00	90.00	-
Percent of capital outlay expended within three years for all funding sources	85.00	88.50	85.00	88.50
*General fund reserves as a percent of nonrecurring appropriations for the prior fiscal year	-	-	-	-
*new measure				

Performance Measures by Program

Fiscal Management and Oversight (P544)

Measure Name	2020-21 Target	2020-21 Actuals	2021-22 Target	2022-23 Request
Length of time to issue the annual financial report after the end of the fiscal year, in days	-	-	-	-
Date of submitting the annual statewide cost allocation plan for federal approval	-	-	-	-
Percent of payroll payments to employees made by the scheduled payday	100.00	100.00	100.00	100.00
Percent of vouchered vendor payments processed within five working days	100.00	100.00	100.00	100.00
Percent of bank accounts reconciled on an annual basis	100.00	100.00	100.00	100.00
Number of trainings held by financial control division	10.00	50.00	25.00	25.00
Percent of material audit findings resolved in financial annual report	75.00	25.00	75.00	75.00



Performance Measures by Program

Community Development, Local Government Assistance and Fiscal Oversight (P543)

Measure Name	2020-21 Target	2020-21 Actuals	2021-22 Target	2022-23 Request
Percent of required site visits by enhanced-911/driving while intoxicated/community development block grant staff are conducted annually (% by program)	90.00	93.00	90.00	90.00
Number of counties and municipalities local government division assisted during the fiscal year to resolve audit findings and diminish poor audit opinions	11.00	14.00	11.00	11.00
Number of local government division visits to local public entities	140.00	167.00	140.00	140.00
Percent of local public entities that meet required reserve levels	100.00	97.00	0.00	0.00
Number of visits to local public entities to provide enhanced 911 general support or technical assistance	13.00	26.00	13.00	24.00
Percent of local public entities who are satisfied with local government division services based on survey responses	80.00	100.00	80.00	80.00
Percent of grantee payment requests processed within ten working days in local government division	100.00	97.00	100.00	100.00
Percent of local public entities submitting submitting infrastructure capital improvement plans (ICIPs)	95.00	95.00	95.00	95.00
Percent of local public entities with current audits	100.00	96.00	100.00	-
Number of trainings provided to local public entities	13.00	41.00	13.00	13.00
Percent of capital intergovernmental grant agreements (IGAs) entered into within 60 days	50.00	50.00	50.00	50.00



Performance Measures by Program

Program Support (P542)

Measure Name	2020-21 Target	2020-21 Actuals	2021-22 Target	2022-23 Request
Percent of major fund reconciliations completed as an internal control within 21 days after the official closing of the books each quarter	97.00	67.00	97.00	97.00
Percent of prior-year department of finance and administration audit findings resolved/improved	80.00	50.00	80.00	80.00
Number of DFA security scans performed annually	999,999.10	8.00	5.00	12.00

QUESTIONS

