



NEW MEXICO  
LEGISLATIVE  
FINANCE  
COMMITTEE

## New Mexico Legislating for Results

Charles Sallee, Deputy Director for Budget  
July 13, 2022

# Presentation Overview

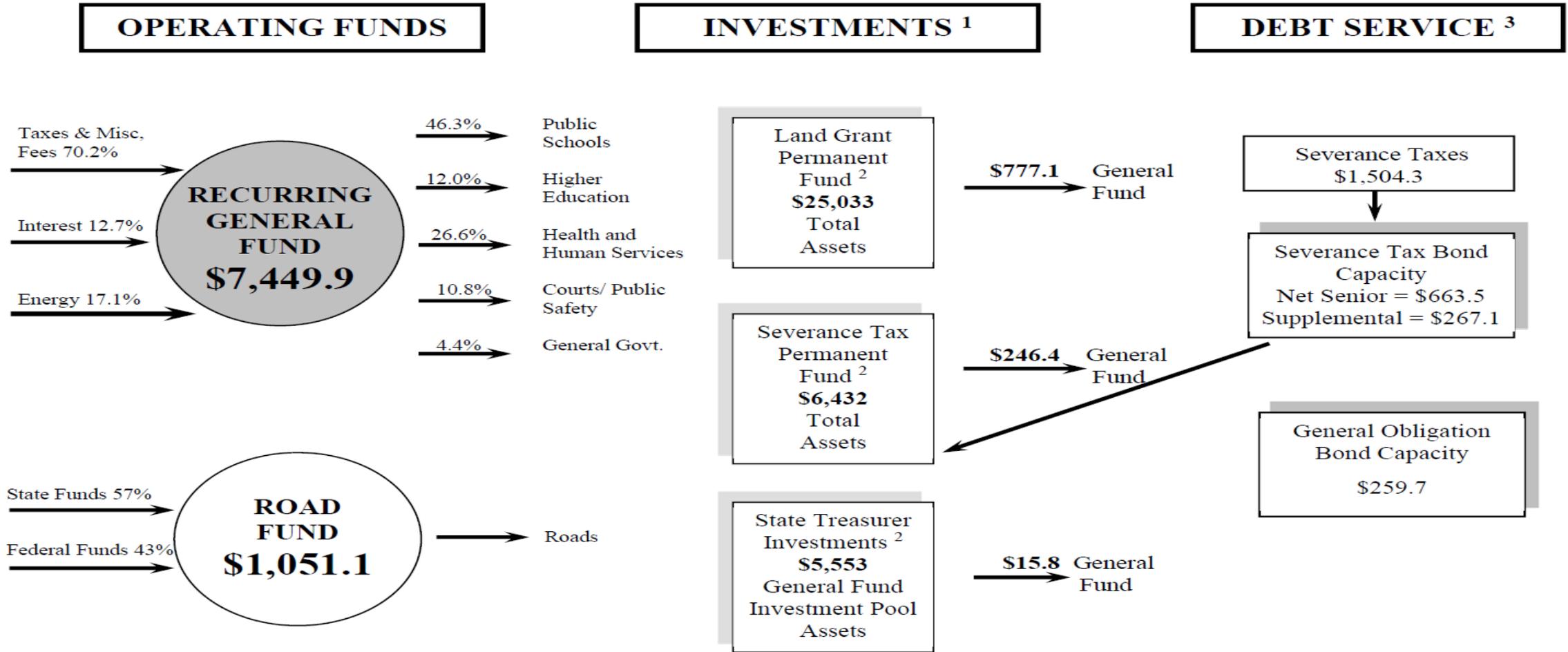
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- Budget Process Overview
- Legislating for Results Framework
- Example of the Framework
- New Tools for the Framework
  - LegisSTAT
  - Results Focused Government Ratings



# OVERVIEW OF NEW MEXICO FINANCES: FY22 OPERATING BUDGET

(in millions of dollars)



1 Investments exclude retirement funds  
2 October 31, 2021 Value  
3 Includes only state debt service

Source: LFC Files

# Budget Process

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Fiscal Year: July 1-June 30

July/August: LFC reviews and approves budget guidelines. DFA sends out budget preparation directions to agencies.

August: Consensus Revenue Estimate Group general fund revenue estimates released.

September 1: Agencies submit appropriations requests to LFC and DFA. Requests for public school support and institutions of higher education due in November/December.

September-December: LFC fiscal staff analyze requests and make staff recommendations to the Committee, which holds public hearings on all requests.

January: Statute requires the Governor to submit appropriation recommendations, including capital outlay, to LFC and full Legislature. LFC finalizes recommendation in December and releases it usually the day after the Governor.

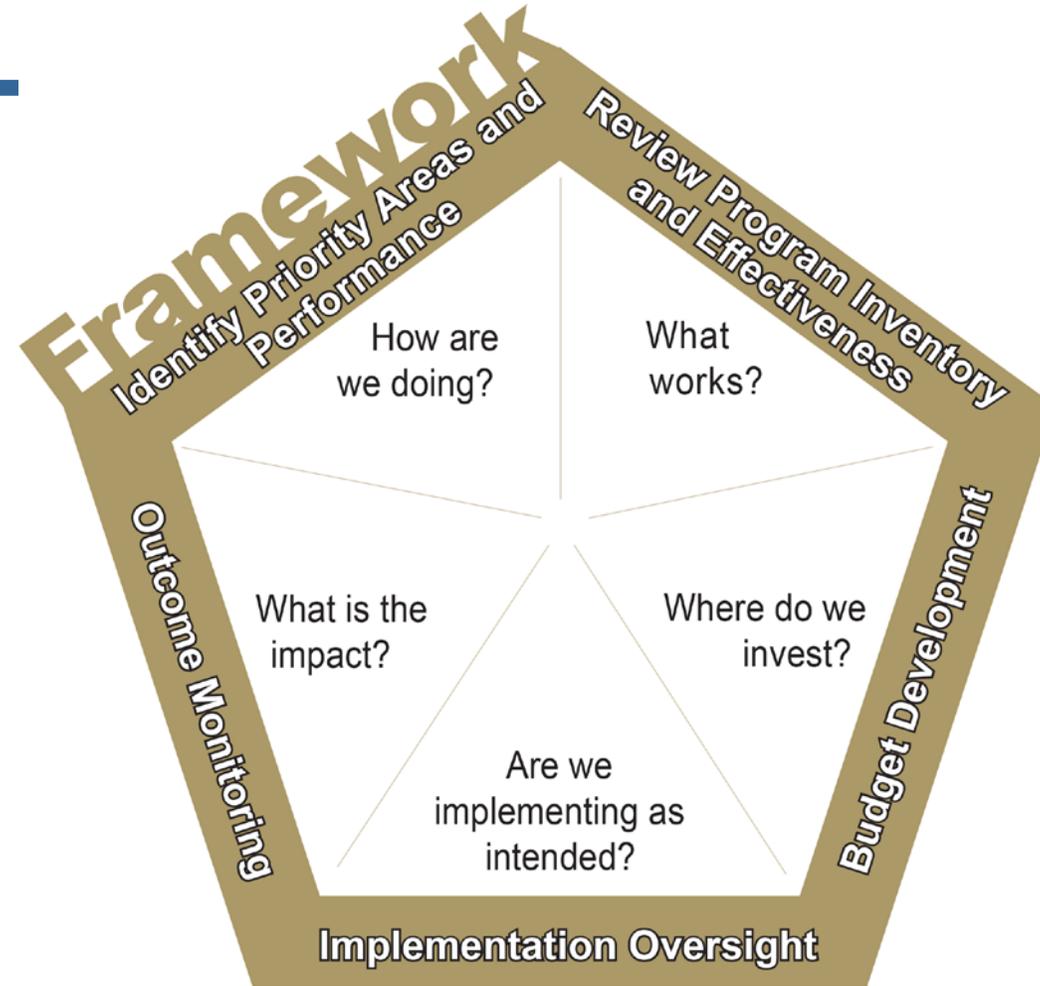
# Budget Process, cont.

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January-Feb/March/April:

- Legislative “Feed bill” usually passed during first days of the session to fund the operations of the Legislature, its agencies and session expenses.
- House Appropriations and Finance Committee (HAFC) typically creates the General Appropriation Act first; both HAFC/SFC review LFC and Governor recommendations.
- After House passage Senate Finance Committee typically holds public hearings and develops an amendment containing the SFC substantive changes and move the bill for passage by the full Senate.
- Senate changes are either accepted by the House or go to a public conference committee to reconcile differences.
- Both chambers adopt the final GAA and send it to the Governor.
- The Governor may sign the bill, veto it entirely, or exercise a partial veto, also called “line item veto”
- Partial veto is the power to destroy, not to alter or expand, based on past judicial rulings.
- The bill becomes effective upon approval by the Governor.

# Legislating for Results Framework



# Legislating for Results Tools

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LFC Integrates a mix of....

- Research
- Cost-Benefit Analysis
- Policy Analysis
- Budget Analysis
- Performance Monitoring (Report Cards)
- Performance, Policy and Budget public LFC hearings &
- Program Evaluation

Into the policy and budget process, in addition to traditional approaches



# Key Resource for Legislators

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- Budget Documents (Vol 1 Policy Analysis, Vol II Budget Recommendations, Vol III Supplemental Data)
- Revenue Estimates
- General Fund Financial Summary
- Agency Report Cards
- Program Evaluation Reports
- Staff Briefs
- High Level Budget Summaries
- Finance Facts – one page summaries on key topics

# Legislating for Results Example – Child Protective Services

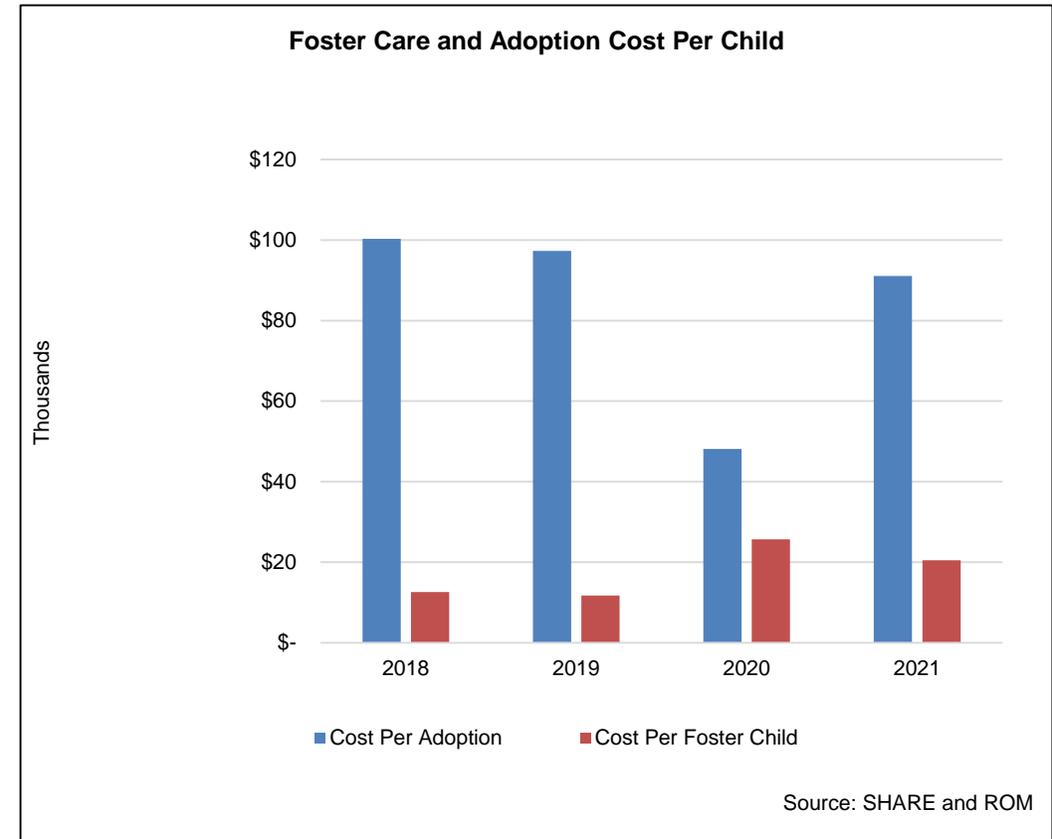
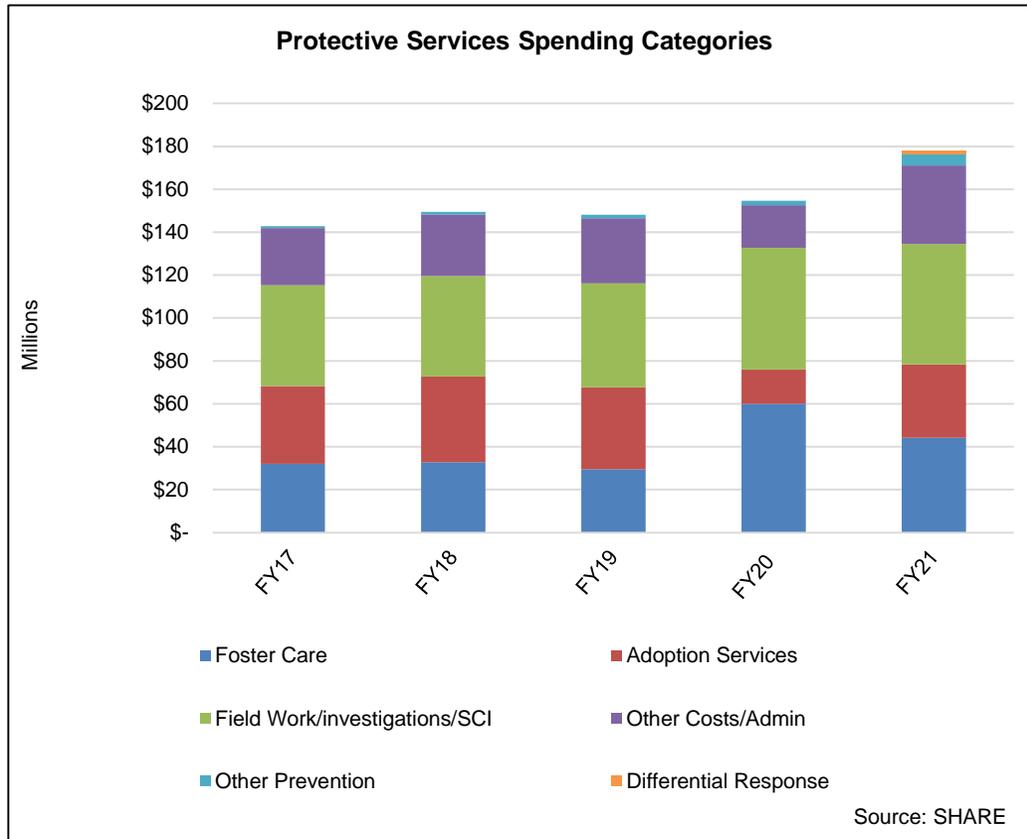
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## PERFORMANCE REPORT CARD Children, Youth and Families Department Third Quarter, Fiscal Year 2022

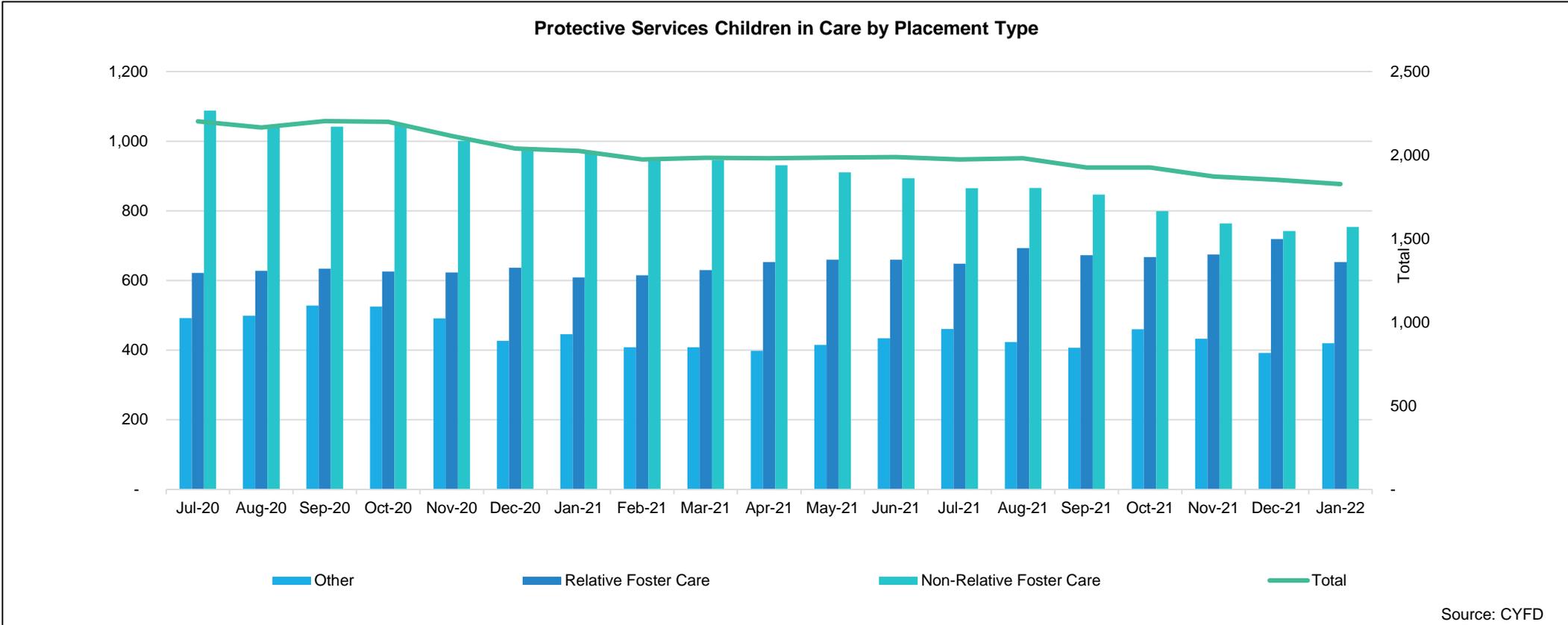
	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
<b>Budget:</b> \$179,905.2 <b>FTE:</b> 1,081 Children in foster care who have at least one monthly visit with their caseworker	96%	98%	50%	97%	97%	96%	<b>G</b>
Children in foster care for more than 8 days who achieve permanency within 12 months of entry into foster care	29%	30%	30%	32%	33%	35%	<b>G</b>
Children in foster care for 12 to 23 months at the start of a 12-month period who achieve permanency	40%	40%	35%	38%	41%	38%	<b>G</b>
Children in foster care for 24 months, or more, at the start of a 12-month period who achieve permanency	34%	41%	32%	42%	39%	38%	<b>G</b>
Children who were victims of a substantiated maltreatment report during a 12-month period who were victims of another substantiated maltreatment allegation within 12 months of their initial report	14%	14%	9%	14%	14%	14%	<b>R</b>



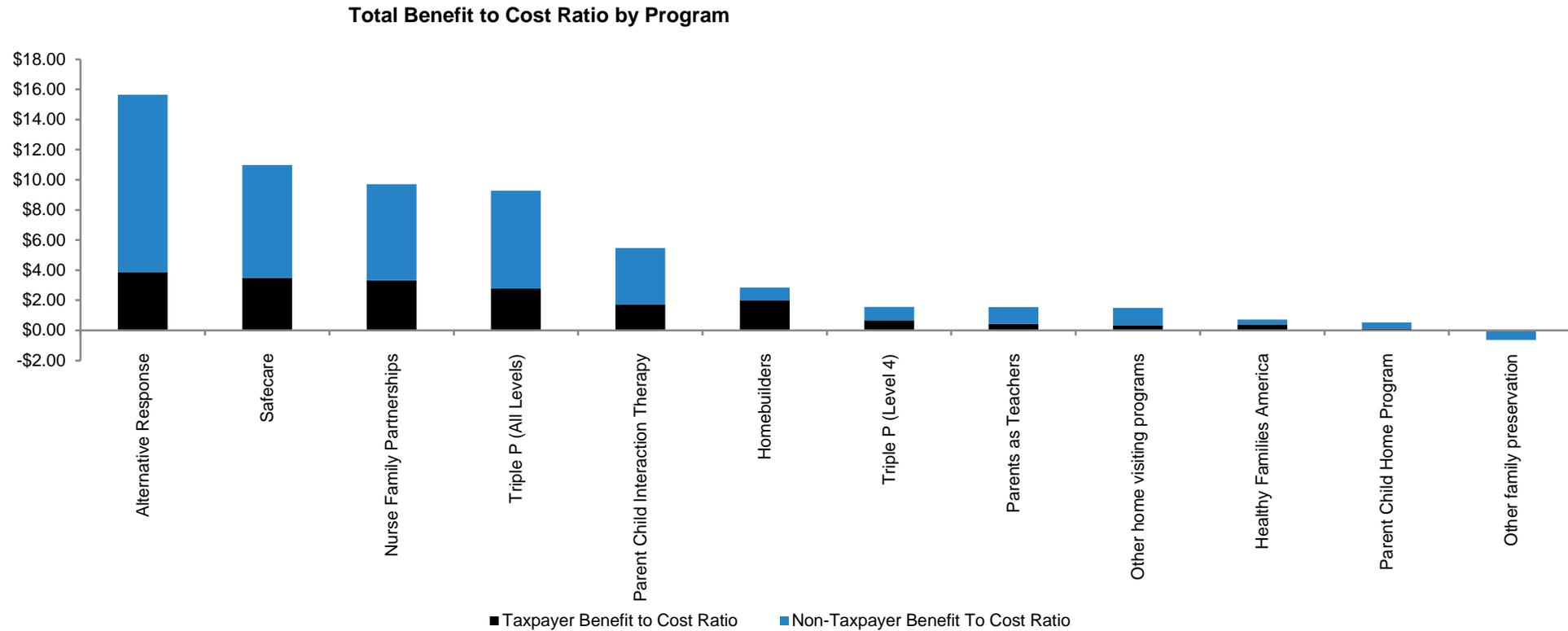
# Most of CPS Spending on Out-of-Home Placements



# Decline in Out of Home Placement Free Up Funding



# What works to get better outcomes?



# Budget Development

**CHILDREN, YOUTH AND FAMILIES DEPARTMENT**  
**General Fund Highlevel**  
(in thousands)

	Executive Recommendation	LFC Recommendation	Laws 2022, Chapter 54	
<b>24</b>				<b>24</b>
<b>PROTECTIVE SERVICES</b>				
<b>25</b>	<b>98,538.4</b>	<b>98,538.4</b>	<b>98,538.4</b>	<b>25</b>
<b>Prior Year OpBud</b>				
<b>26</b>	3,523.5	3,623.6	3,623.6	<b>26</b>
<b>Reduce Vacancies</b>				
<b>27</b>	3,000.0	3,000.0	3,000.0	<b>27</b>
<b>Extended Foster Care</b>				
<b>28</b>	1,150.0	1,150.0	1,150.0	<b>28</b>
<b>Supportive Housing</b>				
<b>29</b>		(2,000.0)	(2,000.0)	<b>29</b>
<b>Repurpose Foster Spending for Prevention</b>				
<b>30</b>		2,000.0	2,000.0	<b>30</b>
<b>Increase Early Intervention Prevention Services</b>				
<b>31</b>	4,807.9			<b>31</b>
<b>Replace Federal Revenue with General Fund</b>				
<b>32</b>	100.1			<b>32</b>
<b>Miscellaneous</b>				
<b>33</b>	<b>111,119.9</b>	<b>106,312.0</b>	<b>106,312.0</b>	<b>33</b>
<b>Subtotal Current Year Base</b>				
<b>34</b>	12.8%	7.9%	7.9%	<b>34</b>
<b>% Change from OpBud</b>				

## LFC's *Legislating for Results* Framework: Evidence-Based Policy and Budgeting

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- Identify priority areas and performance,
- Review programs and performance,
- Budget development,
- **Implementation oversight, and**
- **Outcome monitoring**



# Two New Components of Legislating for Results Framework

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Ongoing LegisSTAT meetings to focus on Performance, implementation of evidence-based interventions, and outcomes.

*Goal: Make progress on high-priority agency challenges as identified by the Committee.*

**Parallel effort:** Yearly rating of selected agencies' use of best practices in evidence + performance + data.

*Goal: Strengthen agencies' capacity for high-performance government*

# Two New Tools for the Legislating for Results Framework

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## LEGISSTAT

- LegisSTAT is an **initiative of the LFC** designed to help the committee become a more effective partner with New Mexico state agencies in continually improving agency programs and policies.
- Based on a leadership strategy known as **PerformanceStat**.
- LegisSTAT **adapts the PerformanceStat approach to a legislative context**.
- The goal is to ensure **focused conversations** between the LFC (as a committee or subcommittee) and agency leaders about addressing high-priority agency performance challenges and opportunities.

## RESULTS FOCUSED GOVERNMENT RATINGS

- Parallel effort to help establish good government best practices – focused on larger service delivery agencies.
- LFC analysts will work with agencies to rate their use of 10 of the best practices and produce an annual scorecard.
- Plan in works for ongoing training and support to for agencies implement the best practices.

# NM LegisSTAT

- In August 2021, LFC launched LegisStat, first adaptation of PerformanceStat strategy to a legislative context.
- Builds on existing efforts in New Mexico around evidence-based budgeting.
- Broad goal: Strengthen collaboration with state agencies in monitoring the implementation of state programs and improve state budget decisions.



# LegisSTAT adapts performance conversations to a Legislative environment

- PerformanceStat involves ongoing, regular meetings between executive leadership and departments or bureaus.
- Participants review key performance measures and diagnose performance deficits, then decide how to fix those problems.
- Examples include CitiStat in Baltimore, StateStat in Maryland (picture at right) and many others.



# Motivation for LegisSTAT

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- Changing the format of agency hearings.
- Strengthening a focus on key agency performance challenges.
- Better tracking priority policies and programs.
- Making discussions more data-driven.
- Sustaining a focus on key challenges over time.

# Principals of LegisSTAT

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- **Focused:** Meetings focus on most important challenges facing agencies, identified ahead of time.
- **Committee-driven:** Meetings driven by the committee chair and by members' questions; only short presentations.
- **Emphasizing deeper dives:** Use of follow-up questions by members to get to the root causes of problems...“the Five Whys.”
- **Action-oriented:** Agencies ideally commit to specific actions by the next meeting, representing near-term actions even if long-term challenges.
- **Strong on accountability:** Meetings designed to start with agency updates on action items from previous meeting.
- **Collaborative:** Meetings require ongoing collaboration between legislators and agency leaders.
- **Aiming for impact:** Important part of the initiative's impact occurs between meetings, when agencies work to achieve action items committed to during the meetings.

# LegisSTAT Briefing Materials

**NEW MEXICO LEGISLATIVE FINANCE COMMITTEE**  
**LegisSTAT**  
 Priority: Public Education  
 May 19, 2022

## Public Education: Student Performance and Extended Learning

### Background Information

Math and reading proficiency rates have long been key measures of student academic success. In the *Martinez-Yazici* education lawsuit, the court used these metrics as benchmarks for educational sufficiency. National data suggests overall student achievement has worsened over the pandemic, increasing the urgency to help students re-engage in school and recover academically. However, school participation in interventions to make up lost instructional time—K-5 Plus and Extended Learning Time (ELT) programs—remains low. Additionally, a change in assessments for FY21 limits the state's ability to compare current performance to pre-pandemic performance.

**LegisSTAT Recap.** On October 28, 2021, LFC staff reported the Public Education Department (PED) lacked data on student academic performance during the pandemic, hindering the state's ability to ensure schools were serving at-risk students with appropriate interventions. Staff also reported statewide participation in K-5 Plus and ELT programs declined while student chronic absenteeism soared. In response, PED proposed requiring statewide assessments at the end of FY22. PED's FY23 budget request also kept K-5 Plus and ELT fully funded with the intent to increase enrollment.

### Progress Report

**Student Performance Data.** On November 12, 2021, PED accelerated efforts to assess students, issuing a statewide directive to collect interim test data from all schools at the beginning, middle, and end of FY22. The department set a target deadline for submitting all assessment results by June 30, 2022.

On December 3, 2021, PED reported preliminary data on FY21 short-cycle assessments. Although not representative of the state, the results indicated student math and reading proficiency rates had fallen below pre-pandemic levels.

On May 13, 2022, PED reported beginning-of-year (BOY) and middle-of-year (MOY) interim assessment data for FY21 and FY22, showing a dip in student performance at the start of FY22. Mid-year results suggest students have improved performance slightly.

**Extended Learning.** On March 3, 2022, PED released details for ELT, K-5 Plus, K-12 Plus, and planning grant programs for extended learning opportunities. PED conducted regional meetings across the state, urging school leaders to add learning time for students.

On March 9, 2022, the state enacted the 2022 GAA, providing sufficient funding to offer 73 thousand students K-5 Plus (55 percent of K-5 students) and 158 thousand students in ELT (85 percent of all students).

On April 29, 2022, PED reported 6,751 students in K-5 Plus and 136 thousand students in ELT programs budgeted for FY23, down from 8,334 students in K-5 Plus and 139 thousand students in ELT programs funded during FY22.

**Chart 1.1: New Mexico 4th Grade Proficiency Rates**

**Chart 1.2: New Mexico 8th Grade Proficiency Rates**

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**NEW MEXICO LEGISLATIVE FINANCE COMMITTEE**  
**LegisSTAT**  
 Priority: Public Education  
 May 19, 2022

## Learning Indicators

**Chart 2.2: Extended Learning Time Participation (all students)**

**Chart 2.3: K-5 Plus Participation (K-5 students)**

**Performance Trends:**  
 Student interim performance shows some improvement, but large achievement gaps remain for at-risk students. Schools have access to short-cycle student performance data but many are not using it to inform and change instructional practices. Students are more likely to be absent from school and historically worse on all academic metrics.

**Learning:** Participation in K-5 Plus continues to fall, with only 17 percent of elementary school students projected to enroll in FY23. Chronic absenteeism remains high, with the second largest district, opting into ELT for FY23, reporting a net loss of 1,000 students in the program. Chronic absenteeism rates are increasing, resulting in a net loss of 1,000 students.

**Assessments:** Interim tests to transcend low performing schools? Assessment data tell the state about student outcomes? Participation in K-5 Plus or ELT programs? Do school districts that opt out of K-5 Plus or ELT? Do schools with high chronic absenteeism rates? Do schools with low attendance, achievement, and attainment? Do student outcomes?

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**NEW MEXICO LEGISLATIVE FINANCE COMMITTEE**  
**LegisSTAT**  
 Priority: Public Education  
 May 19, 2022

## Term Outcomes

**1: Average Number of Days Students are Absent**

**Reading Proficiency Rates for At-Risk Students**

**Math Proficiency Rates for At-Risk Students**

**High School Graduation Rates**

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# Results Focused Government

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## ***Best Practices in Leadership***

- Practice #1: Demonstrating that agency leadership values evidence and results

## ***Best Practices in Evidence-Related Strategies***

- Practice #2: Using evidence-based budgeting
- Practice #3: Developing a learning agenda
- Practice #4: Creating an evaluation policy
- Practice #5: Using rapid experimentation (also known as A/B testing)
- Practice #6: Implementing results-driven contracting
- Practice #7: Adding evidence incentives to grants

## ***Best Practices in Performance Management***

- Practice #8: Using performance information
- Practice #9: Implementing strategic planning
- Practice #10: Collaborating with other agencies or levels of government

## ***Best Practices in Using Data***

- Practice #11: Expanding data sharing and usage



# NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

## For More Information

- <http://www.nmlegis.gov/lcs/lfc/lfcdefault.aspx>
  - Session Publications – Budgets
    - Performance Report Cards
      - Program Evaluations

Charles Sallee, Deputy Director  
Charles.Sallee@nmlegis.gov  
325 Don Gaspar – Suite 101  
Santa Fe, NM 87501  
505-986-4550