

LFC 2023 STAFF INTERIM WORK PLANS

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2023 INTERIM WORK PLAN SUMMARY
Public and Higher Education

Sunny Liu/Connor Jorgensen

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: <i>Review of Higher Education Funding</i>. With the creation of the opportunity scholarship and the continuation of the lottery scholarship, the State of New Mexico is paying for an increasing proportion of higher education institution costs. However, while the state is currently responsible for covering significant portions of student tuition, each individual institution is responsible for setting tuition rates, creating potential uncertainty in projecting costs of higher education. Additionally, the state has yet to create a funding policy setting out priorities for funding tuition increases or “base budgets” through instruction and general operations.</p> <ul style="list-style-type: none"> • Goal: Create current and out-year cost projections for the opportunity and lottery scholarship programs. • Goal: Work with Legislators and HEIs to determine funding priorities. • Goal: Project total cost of higher education including tuition and I&G. • Goal: Monitor potential changes to the funding formula and impact of award changes. • Goal: Work with institutions and the department to determine criteria for continued inclusion of research and public service projects. 	<ul style="list-style-type: none"> • Potential brief and subcommittee hearing topic • Volume 1 • Volume 3 • Activity reports 	<ul style="list-style-type: none"> • Improve transparency and accountability • Reach a consensus cost projection for tuition subsidy programs 	Jorgensen	December 2023
2	<p>Issue: <i>Accountability for Initiatives</i>. Despite resuming student testing in FY22, the state has not improved reporting on student achievement nor used results to make data-driven decisions. Nonrecurring appropriations for Public Education Department (PED) initiatives will be over \$200 million with unclear evidence on student outcomes, with many having recurring costs.</p> <ul style="list-style-type: none"> • Goal: Evaluate efficacy of “below-the-line” initiatives 	<ul style="list-style-type: none"> • Policy brief and potential LFC hearing topic • Quarterly report card • School district dashboards • Activity reports • Volume 1 • Joint accountability report 	<ul style="list-style-type: none"> • Increase focus on evidence-based practices • Reprioritize resources • Improve transparency and accountability • Improve capabilities to study longitudinal impacts • More timely interventions 	Liu	August 2023

	<ul style="list-style-type: none"> • Goal: Establish regular performance metrics, targets, and reporting requirements for schools. • Goal: Report performance results and develop ways to hold schools accountable for improving outcomes. 				
3	<p>Issue: <i>Student Engagement, Attendance, and Behavioral Health</i>. Schools continue to report high chronic absenteeism rates, negating effects of increased instructional time in closing achievement gaps, and student mental health issues are negatively affecting engagement and academic growth.</p> <ul style="list-style-type: none"> • Goal: Evaluate efficacy of student and family engagement strategies, including Attendance for Success Act interventions, and community schools pursuant to HM44, social-emotional learning, behavioral health, and out-of-school time programs. • Goal: Identify where regional education cooperatives (REC), non-profits, PED programs, and other organizations offer most cost-effective support. 	<ul style="list-style-type: none"> • Policy brief and potential LFC hearing topic • Performance measures • Site visits • Activity reports • Volumes 1, 2, and 3 	<ul style="list-style-type: none"> • Increase student attendance, reduce dropout rates, and re-engage disconnected youth • Increase graduation rates, reduce college remediation rates, and improve workforce readiness • Increase family and community involvement in schools • Leverage blended funding streams in schools for student engagement 	Liu	December 2023
4	<p>Issue: <i>School Workforce and Leadership</i>. Despite increased compensation and declining student enrollment, schools continue to report staffing vacancies and experience high leadership turnover.</p> <ul style="list-style-type: none"> • Goal: Evaluate efficacy, funding, and oversight of leadership initiatives and professional work time. • Goal: Evaluate effectiveness of educator preparation programs, residencies, REC supports, and other teacher pipeline initiatives in supplying quality educators to the workforce. • Goal: Analyze staffing levels across the state, particularly for long-term substitutes, counselors, nurses, and social workers. • Goal: Compare salary and benefit competitiveness with neighboring states. 	<ul style="list-style-type: none"> • Policy brief and potential LFC hearing topic • Potential committee-sponsored legislation • Activity reports • Volumes 1, 2, and 3 	<ul style="list-style-type: none"> • Increase educator retention and competencies • Decrease staff vacancy rates • Sustain implementation of evidence-based strategies to improve student outcomes 	Liu	July 2023
5	<p>Issue: <i>Higher Education Student Outcomes</i>. Higher education enrollment increased in 2022 for the first time in the past decade, likely driven by the ending of the Covid pandemic and the creation of the opportunity</p>	<ul style="list-style-type: none"> • Quarterly report card • Volume 1 • Activity reports 	<ul style="list-style-type: none"> • Improve strategies for student retention 	Jorgensen	November 2023

	<p>scholarship program. Covid-related learning loss and the financial incentive for students to attend a research institution rather than a comprehensive or community college may result in student dropouts and loss of scholarship eligibility in the future.</p> <ul style="list-style-type: none"> • Goal: Work with institutions of higher education to track student retention and graduation rates. • Goal: benchmark New Mexico student performance to determine how New Mexico students compare with the nation and region. • Goal: Identify student support services offered and HEI priorities for additional services. • Goal: Track degree and certificate production in high-demand fields. • Goal: assess the impact of leadership turnover on student outcomes. 		<ul style="list-style-type: none"> • Establish uniform performance metrics centering on student outcomes • Improve accountability and transparency 		
6	<p>Issue: <i>Targeted Higher Education Appropriations</i>. Higher education institutions received a number of targeted recurring and nonrecurring appropriations for high-priority labor shortages including endowment programs for nursing, teaching, and social work. The additional funding was appropriated to allow institutions to expand faculty and student enrollment in select programs.</p> <ul style="list-style-type: none"> • Goal: Monitor distribution of nonrecurring funds. • Goal: Determine impact of targeted appropriations on program budgets and enrollment. • Goal: Determine total projected labor shortages for targeted occupations. 	<ul style="list-style-type: none"> • Volume 1 • Volume 3 • Activity reports 	<ul style="list-style-type: none"> • Improve accountability and transparency 	Jorgensen, Chenier	December 2023
7	<p>Issue: <i>Building Future Workforce</i>. The Legislature increased funding for research and development in each of the past two sessions. Additionally, a new scholarship program for graduate students in STEM fields was created in 2023. These appropriations are designed to improve New Mexico's competitiveness in the high tech economy.</p> <ul style="list-style-type: none"> • Goal: Monitor distribution of scholarship funds. • Goal: Monitor expenditure of research grant funding and track matching funds. 	<ul style="list-style-type: none"> • Volume 1 • Volume 3 • Activity reports 	<ul style="list-style-type: none"> • Improve accountability and transparency • Improve coordination of training and preparation for STEM-based development 	Jorgensen	December 2023

	<ul style="list-style-type: none"> Goal: Work with HEIs to develop best practice for STEM-related training. 				
8	<p>Issue: <i>Dual Credit and Career Technical Education</i>. Funding for Career Technical Education (CTE) has quadrupled to \$40 million over the past year. Many students are currently enrolled in dual credit courses through higher education institutions that may provide similar opportunities to CTE programs. However, dual credit coursework does not appear to be contributing to increased degree production HEIs and accurate cost-sharing of dual credit programs between public schools and HEIs remains unclear. The state needs a strategic approach to creating sustainable CTE funding which may leverage existing HEI resources.</p> <ul style="list-style-type: none"> Goal: determine how school districts and HEIs can partner to deliver dual credit or CTE for students. Goal: Identify costs of programming and develop funding recommendations for dual credit and CTE programs. Goal: Monitor student success in dual credit and CTE programs. 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Performance measures Activity reports Volume 1 Potential program evaluation progress report 	<ul style="list-style-type: none"> Improved college and career guidance and student readiness Increased focus on evidence-based practices Improved transparency and accountability More efficient budgeting and spending practices 	Liu, Jorgensen	August, 2023
9	<p>Issue: <i>Financial Aid/Tuition Assistance</i>. New Mexico became a national leader in providing for tuition-free higher education for residents seeking a higher education. However, there are concerns about what the cost of the opportunity scholarship will be and how it may affect student enrollment and completion. An increased focus on student support, in addition to tuition assistance, will likely be necessary to improve student outcomes.</p> <ul style="list-style-type: none"> Goal: Work with the higher education department and institutions to determine what the annual cost of the opportunity scholarship will be going forward and how it may impact the need for funding through the formula. 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Volume 1 Activity reports 	<ul style="list-style-type: none"> More efficient budgeting and spending practices Improve transparency and accountability Maximize use of state resources 	Jorgensen	December 2023

	<ul style="list-style-type: none"> Goal: Monitor work study program expenditures and outcomes. 				
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SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: <i>Higher Education Adequacy and Equity</i>. During the 2022 legislative session, several higher education institutions produced studies showing funding inequity among institutions. In response, the Legislature included a nonrecurring appropriation to study higher education funding.</p> <ul style="list-style-type: none"> Goal: participate in funding study and monitor recommendations coming from HED, HEIs, and outside consultants. 	<ul style="list-style-type: none"> Volume 1 Activity reports 	<ul style="list-style-type: none"> Improve understanding of total higher education funding and needs 	Jorgensen	December 2023
2	<p>Issue: <i>K-12 Plus and Funding Formulas</i>. Since the <i>Martinez-Yazzie</i> education lawsuit ruling, the funding formula has changed each year, substantially reallocating program units and funds. The state should assess whether legislated changes have resulted in desired effects and addressed deficiencies highlighted in the court findings.</p> <ul style="list-style-type: none"> Goal: Evaluate changes in formula funding for districts and charters. Goal: Evaluate participation in K-12 Plus and changes in school calendars and instructional time Goal: Study the public school funding formula pursuant to HM51. Goal: Study the transportation distribution formula. 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Activity reports Volumes 1, 2, and 3 	<ul style="list-style-type: none"> Reduce student achievement and opportunity gaps Sufficient allocation of operational funds 	Liu	Ongoing
3	<p>Issue: <i>Public School Capital Outlay</i>. To increase access to public school capital outlay funds, the Legislature temporarily reduced local match requirements between FY24 and FY26 and removed legislative offsets. Growth in project awards will drive up construction costs and encourage facility footprint expansions despite overall declining student enrollment.</p>	<ul style="list-style-type: none"> Policy brief and potential PSCOOTF hearing topic Volume 1, 2, and 3 Activity reports 	<ul style="list-style-type: none"> Equitable distribution of capital outlay funds Improve facility conditions Provide adequate educational space 	Liu, Carswell	August 2023

	<ul style="list-style-type: none"> • Goal: Revise local-state match formula to equalize access to public school capital outlay funds. • Goal: Monitor project cost trends and school facility gross square footage. • Goal: Study school heating, ventilation, and air conditioning systems pursuant to HJM7. • Goal: Track uses of SB212 and HB505 distributions for security, CTE, prekindergarten, and maintenance. 		<ul style="list-style-type: none"> • Efficient building designs and lower operational costs • 		
4	<p>Issue: <i>Administrative and Fiscal Oversight</i>. Delays in processing award letters slow implementation of programming. Some critical reporting elements, such as standards-based assessment data or student membership counts, take months to certify and report.</p> <ul style="list-style-type: none"> • Goal: Identify and remove bottlenecks in data collection and reporting pursuant to SJM14. • Goal: Monitor public school federal fund spending, particularly expenses addressing learning loss. • Goal: Monitor school operational reserve balances • Goal: Monitor tribal education department and tribal library appropriations. • Goal: Monitor spending of family income index and at-risk intervention funds and develop oversight mechanisms for at-risk spending. 	<ul style="list-style-type: none"> • Policy brief and potential LFC hearing topic • Activity reports • Report cards • Volumes 1, 2, and 3 	<ul style="list-style-type: none"> • Streamline grant and award processing • Expedite reporting data • Equitable distribution of grant and capital outlay funding • Increase tribal collaboration and engagement 	Liu	August 2023

2023 INTERIM WORK PLAN SUMMARY

Kelly Klundt: DOH, ALTSD, ECECD

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The state vastly expanded the prekindergarten and early prekindergarten programs. Funding included expanding the number for children who will receive services and the length of services. The state needs to ensure quality of prekindergarten continues at the levels of services.</p> <p>Objective: Monitor prekindergarten spending and capacity. Monitor prekindergarten outcome data.</p> <p>Goal: Monitor prekindergarten enrollment, spending, and system implementation.</p>	<p>Output: Continued monitoring of prekindergarten spending and enrollment.</p> <p>Site visits to prekindergarten providers to better understand system and its needs.</p> <p>Identify latest national policy trends regarding how other states are re-implementing in-person prekindergarten and if expected outcomes and quality continue.</p> <p>Possible interim legislative hearings</p> <p>Volume 1 Policy Discussion</p>	<p>Outcome: Improved budget recommendation and performance measures.</p>	Klundt, ECECD	December 2023
2	<p>Issue: Childcare assistance is the state’s largest early childhood program. Monitoring of program growth and policy development needs to remain a legislative priority, to ensure high quality services, improve coordination, and to avoid duplication of federal Head Start and prekindergarten.</p> <p>Objective: Provide policy options to improve system continuity including monitoring of quality standards and underserved populations such as infants, continued monitoring or</p>	<p>Output: Continued monitoring of the implementation of quality improvements.</p> <p>Identify latest national policy trends regarding infant and toddler care</p> <p>Monitor prekindergarten expansion and childcare assistance funding.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>Monitor copayment restructure and other policy changes</p>	Klundt, ECECD	December 2023

	<p>quality improvement, monitor system capacity, and collaboration with federally funded Head Start programs.</p> <p>Goal: Monitor quality of childcare assistance program continue to improve and receive evidence-based services.</p>	<p>Monitor ending of nonrecurring federal childcare assistance related to recurring program spending.</p> <p>Volume 1 Policy Discussion</p>			
3	<p>Issue: The state has invested additional revenues to expand the Medicaid matched home visiting program. Implementation to expand Medicaid eligible providers has lagged behind appropriations resulting in unmatched federal revenues.</p> <p>Objective: Monitor the expansion for the Medicaid matched home visiting program. Provide policy options to expand program more quickly.</p>	<p>Output: Continued monitoring of Medicaid matched home visiting program.</p> <p>Identify latest national policy trends expand program.</p> <p>Possible interim legislative hearings</p> <p>Volume 1 Policy Discussion</p>	<p>Outcome: Improved budget recommendation and performance measures.</p>	Klundt, ECECD	December 2023
4	<p>Issue: The Department of Health has eliminated the waiting list for services to people developmental disabilities (DD). However, provider stability and network adequacy has been raised as a possible concern. Additionally, the place of the community supports waiver, less comprehensive services option initially built for individuals who were on a waitlist for the more comprehensive waivers, in the system of services needs additional development or possible elimination. Scaling the provider network to support elimination of the wait list and monitoring both the traditional and community supports waivers will be essential in ensuring the plan approved by the legislature is successful.</p>	<p>Output: Monitor and provide input on supports waiver and elimination of wait list implementation, make recommendations to improve system to determine appropriate service levels.</p> <p>Monitor program accountability and quality of services</p> <p>Interim legislative hearings</p> <p>Community outreach to provider network to better understand system support needs</p>	<p>Outcome: Support provider scaling, reduce average costs to the state, and improve outcomes for people.</p>	Klundt, DOH	Ongoing

	Goal: Monitoring system scaling and movement of individuals from the wait list to waivers. Monitor effectiveness of supports waiver, continue working towards improving the evaluation system to determine appropriate service levels on the DD waiver to reduce average costs, and speed up the individual budget allocation process for new enrollees.	Communicate with DOH and HSD			
5	<p>Issue: Department of Health state facilities continue to experience significant reductions individuals receiving services. This has resulted in unused capacity and lower revenues.</p> <p>Objective: Monitor facility capacity. Visit facilities to better understand underutilized capacity and facility needs.</p> <p>Goal: Increase capacity utilization and third party revenues to reduce or eliminate state facility funding deficits.</p>	<p>Output: Monitor facility capacity. Visit facilities to better understand underutilized capacity and facility needs.</p> <p>Monitor department spending projections</p> <p>Update status from recommendations of recent program evaluation and interim legislative hearings</p> <p>Meeting and site visit with state facilities</p> <p>Monitor status of leadership appointments and enterprise healthcare related to facilities</p>	Outcomes: Improved budget recommendation and performance measures.	Klundt, DOH, Evaluation Unit	December 2023

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
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1	<p>Issue: As a social safety net agency the Aging and Long-Term Services Department oversees funding the area agencies on aging (AAA), the state also appropriated increases funding for the agency to provide for emergency advancements and additional funding AAA.</p> <p>Goal: Improve Aging Network fund allocations and alleviate need for emergency advancements and monitor expenditures.</p>	<p>Output: Monitor emergency advancements and gain an understanding of the need.</p> <p>Monitor AAA allocations and system needs</p>	<p>Outcome: Ensure no adults go hungry, particularly because of wait lists or untimely reimbursements.</p>	Klundt, ALTSD	Ongoing
2	<p>Issue: Health and human services agencies performance measures' effectiveness have declined over the past several years.</p> <p>Objective: Ensure funding is resulting in improved outcomes for New Mexicans.</p> <p>Goal: Enhance health and human services agencies' performance measures.</p>	<p>Output: Collaborate with DOH, ALTSD, and ECECD and to add improved performance measures to budgets and quarterly reports.</p> <p>Collaborate on "Managing for Results" project in collaboration with DFA and health and human services agencies.</p>	<p>Outcome: Improved performance measures in DOH, CYFD, ALTSD, and ECECD FY25 budget recommendations.</p>	Klundt,	December 2023
3	<p>Issue: Monitor capital outlay needs and issues for DOH.</p> <p>Goal: Continued monitoring DOH facility needs and master planning. Especially related to the additional facilities being built at the New Mexico Veteran's Home.</p>	<p>Output: Monitor DOH and ALTSD capital outlay requests.</p> <p>Possible interim legislative hearings</p>	<p>Outcome: Recommendations for FY25 budget.</p> <p>Policy discussions</p>	Kludt	Ongoing

4	<p>Issue: That state has many food security programs across several state agencies.</p> <p>Goal: Consolidated inventory of state food security programs</p>	<p>Output: State food security program inventory</p>	<p>Outcome: Recommendations for FY25 budget.</p> <p>Policy discussions</p>	<p>Klundt</p>	<p>Ongoing</p>
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2023 INTERIM WORK PLAN SUMMARY

Health and Human Services: Ruby Ann Esquibel

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Maintaining a sufficient healthcare workforce is a major challenge in New Mexico necessary to ensure access to health care. Access to health care is more challenging in rural areas of the state.</p> <p>Chapter 204, Laws of 2023 (SB 7), Rural Health Care Delivery, addresses support for rural health care delivery and HB2 included a special appropriation for \$60 million in general fund support and \$20 million from the health care affordability fund for rural healthcare development.</p> <p>Chapter 87, Laws of 2021 (HB 67) created the Primary Care Council Act to focus on the issue of addressing New Mexico’s healthcare workforce.</p> <p>Objective: Collaborate with HSD, UNM Health Sciences Center, Burrell, DOH and others regarding ensuring access and funding to primary care, behavioral health care, and maternal and child health care; maintaining access to care in rural hospitals and other health care settings; and expanding graduate medical education and other health care workforce policy interventions.</p> <p>Goal: Improve access to primary care, behavioral health, and maternal and child health in all areas of New Mexico. Include a focus on improving behavioral health workforce including examining tribal serving workforce.</p>	<p>Output: Maintain funding for Medicaid rates for primary care, behavioral health, and maternal and child health. Maintain funding for hospitals and rural health care.</p> <p>Collaborate with HSD regarding implementation of Medicaid funding to support expanding graduate medical education positions in family medicine and psychiatry programs and start new residencies, especially in rural settings.</p> <p>Attend the HSD Primary Care Council’s meetings.</p> <p>Monitor DOH and higher education programs and funding to expand New Mexico’s healthcare workforce.</p>	<p>Outcome: HSD/HCAD, UNMHSC, DOH recommendations for FY25 budget.</p> <p>Policy discussions.</p> <p>Legislative hearings.</p> <p>Medicaid regulatory changes.</p> <p>Participate with the new Primary Care Council on opportunities to expand primary care access for New Mexicans.</p> <p>Monitor implementation of rural health care development funding.</p>	<p>Esquibel, LFC program evaluators, Jorgensen, Klundt, HSD/HCAD, DOH, UNMHSC, higher education institutions</p>	<p>Ongoing</p>

2	<p>Issue: New Mexico’s Medicaid program is leveraging hundreds of millions of dollars under the home and community-based services (HCBS) Medicaid waiver to provide services to people with developmental disabilities and people receiving long-term services and supports.</p> <p>Objective: Review and monitor the status and implementation of New Mexico’s federally-approved plan for HCBS.</p> <p>Goal: Expand service provision and ensure service accessibility for those eligible for services under New Mexico’s Medicaid home and community-based waiver.</p>	<p>Output: Monthly status updates on numbers of developmentally disabled individuals and other individuals receiving Medicaid long-term services and supports.</p> <p>Review status and funding implications associated with regular monitoring for abuse, neglect, exploitation of individuals on the DD waiver.</p>	<p>Outcome: Collaborate with HSD/HCAD and DOH on status of HCBS waiver implementation.</p> <p>Monitor funding status through quarterly Medicaid funding projection meetings.</p>	Esquibel, Klundt, HSD.HCAD, DOH	Ongoing
3	<p>Issue: New Mexico has high rates of substance use disorder (SUD), mental health issues, and homelessness. The Medicaid program and HSD’s Behavioral Health Services Division include funding to address county reincarceration and homelessness rates, medication-assisted treatment in jails and prisons, grants to local Law Enforcement Assisted Diversion (LEAD), and additional justice-related services and housing.</p> <p>Chapter 49, Laws of 2023 (SB 425), County Detention Facility Treatment Programs, requires establishment of medication-assisted treatment programs in county detention facilities and expands such treatment programs in state corrections facilities.</p> <p>Goal: Improve access to services and health outcomes from SUD including alcohol and methamphetamine use, as well as behavioral health services for incarcerated and homeless individuals. Also, improve behavioral health services for Native Americans.</p>	<p>Output: Improve access to behavioral health services, maintain a sufficient behavioral healthcare workforce, and improve behavioral health outcomes within the justice-involved system and within the state.</p> <p>Work with DOH, HSD, Corrections Department, and counties to develop recommendations for interventions to improve access to care for substance use disorder, and recommend policy options to address alcohol misuse. Enhance medication-assisted treatment and collaborate with Medicaid to implement reentry programs and services.</p>	<p>Outcome: LFC hearing on SUD and justice-involved behavioral health issues and multiple streams of funding through Medicaid, HSD/BHSD, Corrections, community corrections, DFA, Mortgage Finance Authority.</p> <p>Reduce incarceration and reincarceration rates, reduce substance use disorder (SUD) deaths and improve SUD outcomes.</p> <p>Track leveraging federal matching funds, how local governments receive and use funding, and the effectiveness of the programs and services.</p> <p>Attend quarterly Behavioral Health Collaborative meetings.</p>	Esquibel, Chenier, Klundt, LFC program evaluators, HSD, Medicaid, BHSD, Corrections, community corrections, DOH, DFA, Mortgage Finance Authority.	Ongoing
4	Issue: The federally declared public health emergency (PHE) is currently in effect through	Output: Attend Medicaid projections, Medicaid rate meetings,	Outcome: LFC hearings on the status of the Medicaid program’s funding, federal	Esquibel, LFC Program	December 2023

	<p>May 11, 2023. A temporary increase in federal Medicaid matching funds (FMAP) is in effect through December 2023, but declines in steps from 6.2 percent to 1.5 percent. The enhanced FMAP required a maintenance of effort continuous enrollment which is no longer in effect beginning in April 2023. Medicaid will need to determine eligibility for the entire 996,000 enrollees and unwind the enrollment for those no longer eligible. HSD projects 85,000 are ineligible for Medicaid, of which 40,000 will have coverage through their employer or spouse, and 20,000 will take up coverage on the New Mexico health insurance exchange. Over 80,000 members are projected to remain enrolled in Medicaid.</p> <p>Objective: Analyze Medicaid enrollment, unwinding projections, and funding for people eligible for Medicaid as the federal maintenance of effort requirements expire.</p> <p>Goal: Adjust FY25 budget recommendation to account for federal fund and enrollment changes and monitor New Mexico health insurance exchange enrollment.</p>	<p>and monthly meetings with HSD leadership.</p> <p>Attend New Mexico health insurance exchange (NMHIX) monthly board meetings.</p> <p>Review Medicaid projection methodology with HSD regarding data, enrollment projections, and MCO and provider rate assumptions.</p> <p>Gain further understanding of HSD's Medicaid FY23 through FY25 enrollment and budget projection methodology and its role in HSD's Medicaid budget development.</p> <p>Participate in Medicaid consensus estimating process and LFC staff and evaluators will independently verify projections.</p> <p>Monitor re-procurement for Medicaid managed care organizations and relevant cost projections.</p>	<p>funding, enrollment, and performance outcomes.</p> <p>Inform recommendations for FY25 Medicaid budget.</p> <p>Collaborate with HSD/HCAD on status of the Medicaid program.</p> <p>Present to, and collaborate with, the Legislative Health and Human Services Committee (LHHS) on Medicaid enrollment, funding, and performance outcomes.</p> <p>Participate in quarterly Medicaid projections with HSD/HCAD and use the data to inform the HSD/HCAD and Medicaid budget recommendation.</p>	<p>Evaluators, HSD/HCAD, NMHIX</p>	
5	<p>Issue: Regular data and reporting is needed regarding funding implementation for provider rates, flow through of rate increases from Medicaid MCOs to providers, and data on Medicaid MCO profits, fines, penalties, claw backs, value-based purchasing, and value-added services reinvested into communities.</p> <p>Objective: Receive regular standardized quarterly reports from the Medicaid program providing information on MCOs.</p> <p>Goal: Improved transparency on Medicaid spending and outcomes to inform and support the</p>	<p>Implement standardized and regular reporting system to review provider rates, flow through of rate increases from Medicaid MCOs to providers, and data on Medicaid MCO profits, fines, penalties, claw backs, value-based purchasing, and value-added services reinvested into communities.</p> <p>Add reporting on MCOs to quarterly Medicaid projections.</p>	<p>Inform recommendations for FY25 Medicaid budget.</p> <p>Collaborate with HSD/HCAD on status of the Medicaid program.</p> <p>Present to, and collaborate with, the Legislative Health and Human Services Committee (LHHS) on Medicaid enrollment, funding, and performance outcomes.</p> <p>Participate in quarterly Medicaid projections with HSD/HCAD and use</p>	<p>Esquibel, HSD/HCAD, Medicaid MCOs, Medicaid contractor Dana Flannery</p>	<p>Ongoing</p>

	state's Medicaid budget. Ensure appropriated funding is expended according to legislative intent. Additionally, improve tracking of behavioral health sources and uses and improve reporting of spending for Medicaid overall.		the data to inform the HSD/HCAD and Medicaid budget recommendation.		
SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Chapter 205, Laws of 2023 (SB 16), Create Health Care Authority Department (HCAD), establishes a single unified department at the current Human Services Department responsible for health care purchasing, regulation, and policy with a goal to have more effective management and increased oversight of health care. The HCAD is intended to improve transparency and align licensing and oversight with the purchasing of health care services.</p> <p>Objective: The Risk Management Division of the General Services Department, the Health Policy Commission's statutory mission, and the Developmental Disabilities Services Division and Division of Health Improvement at the Department of Health will be consolidated within the Human Services Department to form the new Health Care Authority Department in FY25.</p>	<p>Output: Track and monitor the plan to create the Health Care Authority Department. The FY25 budget request will be submitted with all the divisions compiled and combined under the Health Care Authority Department and LFC will need to review HCAD for budget comprehensiveness, accuracy, transparency, and ensure there is not mission creep or duplication with the New Mexico health insurance exchange.</p>	<p>Outcome: LFC hearing on HSD's plans to create Health Care Authority Department.</p> <p>Collaborate with HSD on planning for the Health Care Authority Department.</p> <p>Collaborate with HSD, GSD, DOH, DFA to ensure new HCAD operates to meet the goals of improving health care purchasing, health policy, and improved transparency and oversight and does not just operate in silos combined under a single department.</p> <p>Determine the effects on the health care affordability fund and the subsidized programs for individuals, businesses, and undocumented individuals on the New Mexico health insurance exchange (NMHIX).</p>	<p>Esquibel, Chenier, Simon, Klundt, HSD/HCAD, DOH, GSD, DFA, OSI, NMHIX</p>	December 2023
2	<p>Issue: The Medicaid Management Information System replacement (MMISR) IT project is expected to cost approximately \$300 million over several years. MMISR is associated with HHS 2020 and combines IT system modules for use by HSD, DOH, CYFD, and ALTSD.</p>	<p>Output: Convene quarterly MMISR update meetings.</p> <p>Attend all PCC meetings.</p> <p>Collaborate with the HSD/HCAD and Department of Information Technology (DoIT) on MMISR funding needs,</p>	<p>Outcome: Quarterly reports on MMISR implementation status.</p>	<p>Esquibel, Hitzman, LFC program evaluators</p>	Ongoing

	<p>Objective: Maintain federal funding for implementation of MMISR in FY25/FY26.</p> <p>Goal: Implement MMISR to provide more functionality, transparency and in-house data for all HHS services and programs.</p>	<p>IV&V status, timelines, and federal funding outlook.</p>			
3	<p>Issue: New Mexicans continue to experience increases in healthcare premiums, high deductibles and out-of-pocket expenses, and increased pharmaceutical costs. Medicaid covers many New Mexicans, but others still lack coverage and many have difficulty accessing health care.</p> <p>Chapter 198, Laws of 2023 (HB 400), State-Administered Health Coverage Plan, calls for a study to create a state-administered health coverage plan (Medicaid Forward) to provide health insurance coverage for persons who are not otherwise covered under Medicaid.</p> <p>Chapter 33, Laws of 2022 (HB 95) created the Health-Easy Enrollment Act allowing tax filers to check a box and be steered to enrolling in multiple public health insurance options including Medicaid and plans on the New Mexico health insurance exchange. Also, Chapter 136, Laws of 2021 (SB317/HB122) increased the health insurance premium surtax to provide subsidies to address rising healthcare costs for people in the state and created the health care affordability fund.</p> <p>The Office of Superintendent of Insurance (OSI), New Mexico health insurance exchange, Human Services Department, and the Taxation and Revenue Department are implementing multiple significant programs of expanding state-subsidized health</p>	<p>Output: Collaborative and meet with HSD on the study for Medicaid Forward.</p> <p>Regularly meet with the Office of Superintendent of Insurance (OSI), the Interagency Health Care Affordability Working Group (if it continues under the new Superintendent of Insurance), Human Services Department (HSD), Taxation and Revenue Department, and New Mexico Health Insurance Exchange (NMHIX) to review insurance coverage across multiple programs including subsidized coverage for individuals, small business, undocumented individuals, and former Medicaid enrollees slated to receive one month of free coverage on NMHIX.</p> <p>Study policy options to provide coverage for residents of New Mexico including small business coverage under NMHIX and funded through the health care affordability fund.</p> <p>OSI is required to present a report and policy and funding options to the LFC by July 2023.</p> <p>Collaborate with HSD, NMHIX, OSI, New Mexico Medical Insurance Pool (NMMIP) and others regarding most cost effective methods to insure New Mexicans.</p>	<p>Outcome: Participate in meetings with NMHIX, and attend Interagency Health Care Affordability Working Group meetings. Participate in quarterly projections with HSD regarding Medicaid enrollment and funding as well as the impact of federal funding on the program and NMHIX.</p> <p>Per Chapter 136, Laws of 2021 (SB317/HB122), prior to July 1 each year, OSI shall provide actuarial data from the health care affordability fund to LFC.</p> <p>Per Chapter 136, Laws of 2021 (SB317/HB122), OSI shall report by November 1 of each year to the governor, LFC, and LHHS data regarding the elimination of behavioral health coverage cost sharing.</p> <p>Per Chapter 136, Laws of 2021 (SB317/HB122), LFC shall report by November 1 of each year to the governor and LHHS data regarding the elimination of cost sharing, including effects on providers and patients with regard to costs for behavioral health services and the effects on health and social outcomes for patients, by using a set of performance measurement tools related to health care quality assurance, developed by a nationally recognized organization.</p>	<p>Esquibel, Dick-Peddie, LFC performance evaluators, HSD, OSI, NMHIX</p>	<p>Ongoing</p>

	<p>insurance coverage options for New Mexicans.</p> <p>Objective: Determine the funding needs from the health care affordability fund and other revenue sources to fund insurance coverage for New Mexicans.</p> <p>Monitor the New Mexico Health Insurance Exchange (NMHIX) regarding expanding the number of people enrolled for coverage there and the resulting impact on Medicaid's enrollment and budget given that Medicaid funds about 80 percent of the budget for NMHIX.</p> <p>Goal: Ensure cost effective health insurance coverage for New Mexicans.</p>	Analyze costs, expenditures, and revenue projections for the health care affordability fund.			
4	<p>Issue: Need to validate Medicaid projections.</p> <p>Goal: Build internal LFC capacity to validate Medicaid budget projections sources and uses. Gain a better understanding of overall behavioral health spending and sources of funding.</p>	<p>Output: Build internal LFC capacity to analyze quarterly Medicaid revenue and expenditure projections.</p>	<p>Outcome: Inform recommendations for FY25 Medicaid budget and collaborate with HSD/HCAD on the Medicaid program.</p>	Esquibel, Rachel Garcia, LFC program evaluators	Ongoing
5	<p>Issue: Pharmaceutical costs continue to rise and increase costs for Medicaid, Corrections, and the Interagency Benefits Advisory Council (i.e., state and local government employees, NMPSIA, RHCA).</p> <p>Chapter 206, Laws of 2023, (SB 51), Cost Sharing Contributions for Prescriptions, is intended to ensure discounts provided to pharmacies, pharmacy benefit managers (PBMs), or wholesalers are passed on to the patient, reducing the patient's cost-sharing amount, and prohibit discrimination against entities participating in the federal 340B drug pricing program.</p>	<p>Output: Attend the General Services Department's Interagency Pharmaceutical Purchasing Council meetings.</p> <p>Collaborate with the Office of Superintendent of Insurance (OSI) and others on health insurance regulatory changes to address innovative measures for pharmaceutical benefits management (PBM) and other strategies to reduce the cost of pharmaceuticals within Medicaid, IBAC and other insurance coverage.</p>	<p>Outcome: Implement and leverage group purchasing of pharmaceutical benefits.</p> <p>Explore innovative models of pharmaceutical purchasing and pharmacy benefits management.</p> <p>Deliver cost effective pharmacy benefits for New Mexicans.</p>	Simon, Esquibel, LFC program evaluators, HSD/HCAD, OSI	Ongoing

	<p>Objective: Leverage the HCAD to improve cost effective pharmaceutical purchasing for state and public entities and consumers.</p> <p>Goal: Implement innovative group pharmaceutical purchasing and review innovative approaches to pharmaceutical benefits management.</p>				
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2022 INTERIM WORK PLAN SUMMARY

Health and Communities (Eric Chenier)

Analyst name and agency: Eric Chenier, CYFD and WSD

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Between 2016 and 2021 New Mexico’s repeat child maltreatment ranking ranged between fourth and tenth highest in the nation and child deaths continue to be an issue. For evidence-based prevention programs, CYFD received state funding and can leverage more federal revenue to reduce maltreatment. The department has not prioritized prevention as much as needed to significantly reduce maltreatment.</p> <p>Goal: Expand and monitor the expansion of evidence-based services to prevent child maltreatment and keep families together when appropriate. Additionally assess whether other structural changes would be helpful including examining proposals from the 2023 Legislative session.</p>	<p>Output: Work with CYFD on developing a plan to use funding for evidence-based programs and ensure the department grows prevention services with recent appropriations. LegisStat Hearings</p>	<p>Outcome: Reduce child maltreatment.</p>	<p>CYFD, Federal Government, Eric, and evaluators</p>	<p>Ongoing</p>
2	<p>Issue: Child Protective Services (CPS) has one of the highest social worker caseloads in the country leading to lawsuits bringing the state under court supervision, child and adolescent behavioral health specialist shortages, and fewer services so that children and families fall through the cracks. Additionally, much of CYFD’s front line workforce lacks appropriate education or professional credentials.</p> <p>Objective: Expand social worker and behavioral health workforce pipeline to CYFD and provider agencies to improve recruitment and retention, address workforce related lawsuits, reduce CPS caseloads, and provide adequate services.</p>	<p>Output: Ensure CYFD uses recent appropriations to improve workforce recruitment and retention and increase provider capacity. Work with CYFD to get a better idea of educational and credentialing workforce needs. LegisStat Hearings</p>	<p>Outcome: Reduce caseloads, provide adequate behavioral health services, and eliminate child maltreatment related to an inadequate workforce.</p>	<p>CYFD, HSD, and Eric</p>	<p>Ongoing</p>

3	<p>Issue: CYFD’s Behavioral Health Services Program general fund budget continues to grow significantly. However, data reported by the program is scant and the department may not use much data to manage the program and improve behavioral health outcomes for children. Additionally, the legislature appropriated funding to HSD to improve behavioral health services for children. There may not be a unified vision for children’s behavioral health in New Mexico.</p> <p>Goal: Work with department to set a vision for children’s behavioral health in New Mexico.</p>	<p>Output: Work with CYFD policy and accountability office and others to improve reporting.</p>	<p>Outcome: Improve behavioral health outcomes for children.</p>	<p>CYFD, Falling Colors, BH Collaborative, Eric and evaluators</p>	<p>Ongoing</p>
4	<p>Issue: New Mexico ranks 3rd in the nation for low labor force participation. Low labor force participation rates cause rising dependency ratios because fewer workers are available to support those who do not work, higher tax rates because of a shrinking base, and slower economic growth because fewer people are working. Low participation rates may be the result of youth not working as much as in the past, childcare deserts, low participation among criminal justice involved individuals and continued concerns with Covid-19.</p> <p>Goal: Improve the labor force participation rate.</p>	<p>Output: Continue working with the department to spend the \$10 million appropriation for youth apprentices and adult reemployment.</p> <p>LFC Hearing</p>	<p>Outcome: Improve labor force participation by improving the youth employment pipeline and improving local workforce board coordination.</p>	<p>WSD, Eric</p>	<p>Ongoing</p>

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The 2023 Legislative session included several proposals related to the workforce such as increasing the minimum wage, tying future minimum wage increases to inflation and enacting a paid family medical leave program.</p> <p>Objective: Monitor these efforts going forward and develop improved models of impact.</p>	Output: Monitor and Improve modeling	Outcome: Better inform the legislature on the impact of proposed legislation	Eric and Jennifer	October 2023
2	<p>Issue: The Legislature created the Office of Family Representation and Advocacy in 2022 and the new office received its first operating budget for FY24.</p> <p>Objective: Monitor the establishment of the new office and report back to the committee.</p>	Output: Activity reports	Outcome: FY25 budget recommendation	Eric	October 2023
3	<p>Issue: The populations in Juvenile Justice Services facilities continue to decrease and CYFD recently closed the Camino Nuevo Facility in Albuquerque.</p> <p>Objective: Determine whether Juvenile Justice savings could be reinvested in evidence-based community programs.</p>	Output: Activity reports, hearing topic, budget recommendations	Outcome: Better use of Juvenile Justice funding	Eric	December 2023
4	<p>Issue: The Workforce Solutions Department may end up increasing unemployment insurance rates charged to employers because it is not considering the pandemic years within the formula for calculating the rates.</p> <p>Objective: Determine whether the state can maintain solvency of the unemployment insurance trust fund by removing the higher unemployment rates from the pandemic years from the rate calculation formula.</p>	Output: Activity Reports, Possible Recommendation for Legislation	Outcome: Maintain lower unemployment insurance rates and improve economic output	Eric	December 2023

2023 INTERIM WORK PLAN SUMMARY

Justice and Public Safety: Scott Sanchez, Nina Chavez, Courts/LOPD Analyst (TBD)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Parole revocations comprise about one-third of prison admissions, with a significant number of revocations due to technical violations, driving up costs. The governor vetoed 2023 legislation meant to reduce incarceration due to technical probation or parole violations (Senate Bill 84). Individuals remain incarcerated despite being eligible for release because the Parole Board has denied their release, often due to issues finding appropriate housing. The Legislature appropriated funds to provide transitional housing in FY23, which the Corrections Department (NMCD) is implementing. The Parole Board did not grant any applications for medical or geriatric parole in FY21 or FY22. Laws 2023, Chapter 89 (Senate Bill 29) gives NMCD additional control over the medical and geriatric parole process and should increase the number of individuals who receive parole.</p> <p>Goal: Coordinate work through NMSC to develop consensus legislation to reduce incarceration for technical probation parole violations. Monitor implementation of 2023 SB29. Monitor NMCD's implementation of transitional housing. Develop improved performance measures for NMCD and the Parole Board to better monitor relevant outcomes.</p>	Activity reports, performance measures, recommended legislation for 2024 legislative session, FY25 budget recommendation and narrative.	Reduced incarceration of individuals on parole and continued reductions in prison populations and costs.	Sanchez, Chavez, Courts/LOPD Analyst	December 2023
2	<p>Issue: Although NMCD's three-year recidivism rate has seen some improvements recently, it remains extremely high. NMCD has created a new Reentry Program that consolidates recidivism reduction, educational, and community correction programming, as well as transitional services. The Legislature appropriated funds from FY21 through</p>	Activity reports, performance measure recommendations, budget recommendation and narrative.	Improved data and accountability on reentry programs, improved reentry process, increased funding for effective recidivism reduction programs, and reduced recidivism.	Sanchez	December 2023

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	<p>FY22 for NMCD to pilot reentry programming with a randomized control trial, with an assessment of programming effectiveness on recidivism due in October 2023.</p> <p>Goal: Develop more robust performance measures for the Reentry Program to effectively monitor their output and outcomes and improve accountability. Monitor reentry and recidivism reduction programming pilot projects. Examine programming offerings both inside and outside the Reentry Program. Provide policy and budgetary recommendations to address issues in this area to reduce barriers to successful reentry and reintegration.</p>				
3	<p>Issue: Healthcare and behavioral healthcare in the criminal justice system is spread among different agencies that are often unable to coordinate care. The Legislature has appropriated \$6.7 million to NMCD to implement an electronic health records (EHR) system. Some tools, such as treatment courts, are under-utilized, while other areas, such as healthcare within prisons, have seen huge cost expansions in recent years.</p> <p>Goal: Research ways to centralize and integrate criminal justice healthcare and behavioral healthcare systems. Monitor planning and implementation of NMCD's EHR system and identify opportunities for integration. Assess the possibility of implementing a different, more cost-effective, structure of healthcare provision in New Mexico's prisons and jails and make relevant recommendations. Monitor the University of New Mexico's management of healthcare services at the Metropolitan Detention Center to assess the feasibility of implementing a similar system at the</p>	<p>Activity reports, policy brief, report cards, IT report cards, site visits, memo summarizing different approaches to integrating healthcare and reducing costs, memo proposing structural changes to criminal justice healthcare approaches, recommended legislation, and budget recommendations.</p>	<p>Integrated, effective, and cost-effective healthcare and behavioral healthcare services across the criminal justice system; improved healthcare and behavioral healthcare outcomes for justice-involved populations; increased use of treatment courts or other evidence-based models.</p>	<p>Sanchez, Courts/LOPD Analyst</p>	<p>December 2024 (2023 interim deliverables: activity reports, IT report cards, site visits, memo summarizing different approaches to integrating healthcare and reducing costs)</p> <p>EHR project monitoring ongoing until complete</p>

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	state level. Identify areas where alternative healthcare provision strategies can be piloted. Monitor and evaluate treatment court utilization and certification.				
4	<p>Issue: New Mexico has the one of the highest per capita rates of people killed by police in the country. 2022 legislation transitioned the function of law enforcement certification and misconduct oversight and training to two new entities, effective in FY24. Laws 2023, Chapter 86 (Senate Bills 19 and 252) made some additional changes, including the creation of a public database showing the outcomes of adjudicated misconducted investigations and regulating law enforcement use-of-force policies.</p> <p>Goal: Monitor implementation of new Certification Board to ensure limitations of the existing LEAB are avoided. Monitor implementation of new training processes and requirements. Monitor development of new public database for tracking law enforcement misconduct.</p>	Activity reports and FY25 budget narrative and recommendation.	Improved police training and accountability, independent and effective process for addressing officer misconduct, and improved public confidence in law enforcement.	Sanchez	November 2023
5	<p>Issue: Chapter 184 will eliminate most post-adjudication fees starting in FY25. At least eight entities will likely request to replace fee revenue with general fund revenue. Fee funding may have been insufficient for some entities and may have overfunded other entities.</p> <p>Goal: Evaluate fee funding levels. Estimate the true costs to operate fee-funded enterprises. Develop preliminary recommendations for general fund swaps that considers ideal funding levels.</p>	Activity reports, budget narrative, and budget recommendation.	A full general fund revenue swap for fee-funded entities with needed programs in FY25.	Courts/LOPD Analyst	October 2023
6	<p>Issue: Laws 2022, Chapter 56 (House Bill 68), the 2022 GAA, Laws 2023, Chapter 188 (House Bill 357), and the 2023 GAA modify and create several programs to provide grants or otherwise distribute</p>	Activity reports, memo, and budget recommendations.	Successful implementation of programs to fund effective solutions to issues in the criminal justice system, including violent crime, law enforcement staffing	Sanchez, Courts/LOPD Analyst,	Ongoing

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	<p>funds to promote public safety across many agencies, with almost \$200 million appropriated over two years. Implementation of some of these programs during FY23 prompted concerns, particularly law enforcement recruitment and retention money appropriated to DFA. Some of the 2023 appropriations include guardrails to protect against such issues in the future while others do not.</p> <p>Goal: Monitor and evaluate implementation and administration of these programs to ensure they are having the intended impact, including establishing performance measures. Areas of focus should include law enforcement recruitment and retention funding appropriated without significant guardrails (\$107 million) and warrant enforcement funding (\$10 million).</p>		shortages, law enforcement and public attorney training deficiencies, and insufficient pretrial services and monitoring.	Klundt, Hitzman	

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: New Mexico’s public safety outcomes remain some of the worst in the nation, resulting in significant costs to the state. There are many differing proposals to address these issues, and producing a budget recommendation that both aligns with the Legislature’s policy direction and supports best practices, evidence- and research-based policies, and effective programs requires ongoing collaboration between staff and legislators.</p> <p>Goal: Coordinate with interested legislators (especially LFC members and members of the Courts, Corrections and Justice Committee) on</p>	High-level tracking sheet, meetings with stakeholders, FY25 budget recommendations and narratives, and recommended legislation.	Reduced costs to the justice system and reprioritization of funding towards effective interventions to prevent crime, reduce recidivism, and address victim needs.	Sanchez, Chavez, Courts/LOPD Analyst, Courtney	December 2023

	<p>areas of interest regarding public safety and help them develop budgetary and legislative proposals. Monitor the Sentencing Commission's (NMSC) project to rewrite the criminal code.</p>				
2	<p>Issue: Public trust in the criminal justice system to fairly and responsibly enforce the law continues to erode, especially in the pretrial phase. A 2022 survey of residents regarding pretrial detention policy indicate widespread distrust of current practices. However, past reform efforts have proposed overbroad changes that, evidence suggests, may have little impact on crime, create significant costs, and raise constitutional issues.</p> <p>Goal: Analyze the current judicial framework of re-offense risk assessments. Propose statutory changes that will improve oversight and public trust in the pretrial risk adjudication process while ensuring constitutional rights are upheld. Convene stakeholders to reach consensus.</p>	<p>Stakeholders meetings, activity reports, report cards, and recommended legislation.</p>	<p>Improved policy analysis, strengthened public confidence in criminal justice system, and enhanced budget recommendation.</p>	<p>Courts/LOPD Analyst, Sanchez, Courtney</p>	<p>November 2023</p>
3	<p>Issue: Significant reductions in prison populations and changes to NMCD's classification system provide savings within the prison system, and future reforms to the criminal code (including sentencing reform) and the probation and parole systems could produce further savings to reinvest in effective interventions to address the root causes of crime (and reduce recidivism) inside and outside prisons, improve swiftness and certainty of justice for the most violent crimes, and better serve individuals and communities victimized by violent crime. The state must ensure these savings are captured and reinvested in effective programs, and future criminal justice reform efforts should contain mechanisms to capture and reinvest savings.</p> <p>Goal: Develop a system for identifying, capturing, and reinvesting savings from reduced criminal justice involvement and reduced incarceration. Research justice reinvestment legislation</p>	<p>Activity reports, memo summarizing different approaches, memo on recommended system, recommended legislation, savings projections, and budget recommendations.</p>	<p>Increased investments in effective interventions to prevent crime, reduce recidivism, and address victim needs, as well as investments in underfunded criminal justice system partners.</p>	<p>Sanchez, Chavez, Courts/LOPD Analyst</p>	<p>December 2024 (2023 interim deliverables: activity reports, memo summarizing different approaches)</p>

	implemented in other states (Louisiana, Utah, Kansas) to enact reforms and redirect savings.				
4	<p>Issue: The Legislature provided judges a 14 percent salary increase for FY24, but a veto removed the 8 percent targeted pay. Decoupling of magistrate judge salaries has been unanimously supported by the Legislature for two consecutive sessions and has been a top priority for the judiciary. The judicial branch asserts salary increases are necessary for recruitment of judges in metropolitan court and district courts. The judiciary will likely request more funding for pay for FY25.</p> <p>Goal: Analyze salaries of judges, justices, and magistrates. Determine if salaries outpace that of executive branch employees, and analyze potential issues with compaction and retirement contributions. Convene stakeholders to reach consensus on statutory changes that decouple magistrate judge salaries.</p>	Activity reports, budget recommendations.	Prevent judicial employee compaction and provide input on potential legislation.	Courts/LOPD Analyst, Simon	November 2023
5	<p>Issue: Public attorney staffing challenges demonstrate challenges in pursuing justice for crime victims and for meeting the state's constitutional obligation to provide indigent defense. The legislature made significant recruitment and retention investments in 2023. However, fewer referrals and changing caseload dynamics make evaluating appropriate staffing levels difficult.</p> <p>Goal: Analyze the efficacy of new and existing programs aimed at supporting recruitment and retention, such as the loan forgiveness program and the workforce fund. Propose improved performance measures that better describe workload. Evaluate workload trends and determine optimal staffing levels. Analyze pay scales for district attorney offices and for contract and in-house defense. Propose a long-term competitive pay plan to attract and retain talent.</p>	Activity reports, recommended rule changes and legislation regarding loan forgiveness, budget narrative, and budget recommendation.	Improved public attorney caseloads and outcomes.	Chavez, Courts/LOPD Analyst	October 2024 (2023 interim deliverables: activity reports, legislation regarding loan forgiveness)

6	<p>Issue: Long adjudication times have impacts across the criminal justice system and on families. Currently, civil case outcome trends are worse than criminal cases. Civil cases have a much wider array of impacts than criminal cases, and courts may be unnecessarily punitive to families, children, and the poor because of long adjudication times.</p> <p>Goal: Analyze adjudication times. Evaluate trends in civil case outcome data. Identify procedural or practice changes that may improve outcomes. Research systemic changes that may improve the civil case pipeline.</p>	Activity reports, site visits, committee hearing, policy brief, and budget recommendations.	Prioritization of civil cases in budget recommendations and improved report cards.	Courts/LOPD Analyst	December 2025 (2023 interim deliverables: activity reports, site visits, committee hearing)
7	<p>Issue: The December 2020 Missing and Murdered Indigenous Women and Relatives Task Force Report and associated May 2022 state response plan have key, unmet resourcing needs. The 2023 GAA contains a significant appropriation to develop a tribal affairs division in the office of the attorney general, and the 2022 session included a \$1 million appropriation for MMIW. LFC should adopt a framework to analyze these activities and incorporate further support in budget recommendations.</p> <p>Goal: Analyze current resourcing constraints that contribute to issues identified by the task force report. Research other state activities.</p>	Activity reports, budget recommendations, budget narrative.	Improved criminal justice outcomes in tribal communities, including better cooperation among law enforcement agencies.	Sanchez	October 2023
8	<p>Issue: Research indicates most offenders were themselves victimized and meeting victim needs can address both the consequences of crime and one of its root causes. Further, issues with victim cooperation are a leading cause of criminal case dismissals, and adequate services may improve cooperation with prosecutors, reducing criminal case dismissals and increasing the certainty of justice. The Legislature has made significant investments in victim services, including sexual assault services and victim advocates, over the past two years. Using funds appropriated during the 2022 legislative session, the New Mexico Coalition of Sexual Assault Programs (NMCSAP)</p>	Activity reports, budget recommendations, budget narrative.	Improved provision of services to victims, increased victim cooperation with law enforcement and prosecution, and reduced crime.	Sanchez (coordinate with other analysts as appropriate)	October 2023

	<p>is engaging in a statewide victimization survey to collect the data necessary to better identify and assess the state’s specific needs.</p> <p>Goal: Analyze the availability and accessibility of current victim services. Review the results of NMCSAP survey to identify gaps. Identify strategies to increase service providers, including, but not limited to, increased state funding.</p>				
9	<p>Issue: Data-based decision making in the criminal justice system is improving and has the potential to reduce crime, recidivism, and spending. However, much of this data is siloed, and obtaining reliable data streams from local criminal justice partners has been difficult. NMSC and the Administrative Office of the Courts (AOC) have received funding in the 2023 GAA and prior years to support data integration efforts.</p> <p>Goal: Monitor progress on data integration efforts led by NMSC and work with the commission to ensure the creation of reliable data streams for criminal justice data relevant to lawmakers. Demonstrate utility of data integration system by working with AOC and NMSC to develop a dashboard monitoring arrests, charges, adjudications, and incarceration related to criminal penalty changes by legislative session.</p>	Activity reports, stakeholder meetings, dashboard, budget narratives, more informative criminal justice FIRs.	Integrated data sharing between justice partners, improved understanding of crime trends and their impact on costs to the criminal justice system (enforcement, adjudication, and incarceration), and improved data on how individuals navigate the criminal justice system. Improved targeting of legislative efforts to reduce crime.	Sanchez, Chavez, Courts/LOPD Analyst, Hitzman	Ongoing (2023 interim deliverables: activity reports, stakeholder meetings, and new/changed crime dashboard)
10	<p>Issue: NMCD’s classification system has shown itself to be insufficient to meet current needs, and the agency is currently in the process of reevaluating and redesigning the system and made some changes in June 2021. Facility capacity and design should be right-sized to meet the needs of a new classification system, the <i>Duran</i> settlement agreement, and declining prison populations. The agency rescinded plans to close Springer Correctional Center and took over operations of two private prisons in November 2021, despite significant excess capacity in the prison system.</p>	Site visits, activity reports, budget narrative(s), and budget recommendation(s).	Improved FY24 operating and capital budget recommendations.	Sanchez, Carswell	Ongoing

	<p>Goal: Monitor NMCD’s continuing efforts to redesign its inmate classification system and the impact of classification and other changes (including population declines, <i>Duran</i> settlement, etc.) on facility capacity usage. Evaluate the agency’s usage of non-state-owned prison facilities.</p>				
11	<p>Issue: 2022 IRS policy changes make utilizing consumer settlement fund revenues more challenging. Revenues that can be used in the OAG’s base budget may become less common, and the agency may need to increase general fund utilization. The 2023 GAA contains a significant increase for OAG personnel, in large part to expand the civil litigation division which may increase revenues. The legislature does not have a clear framework for spending settlement revenues where allowable uses are narrowly defined.</p> <p>Goal: Monitor settlement revenues and allowable uses as provided by settlement language. Evaluate the impacts of additional in-house civil litigation personnel on settlement outcomes. Develop a strategic framework to ensure appropriations are compliant and offer maximize benefits to consumers.</p>	<p>Activity reports, budget narrative, budget recommendation, endorsed legislation.</p>	<p>Improved and more regular contact between the Legislature and the Attorney General, greater legislative review of settlement documents, more legislative input on how settlement revenues can be leveraged for evidence-based programs. Legislation that provides an overarching framework.</p>	<p>Sanchez</p>	<p>Ongoing</p>

Analyst name and agency: Scott Sanchez, Natural Resources

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The Office of the State Engineer (OSE) received over \$75 million in nonrecurring funding for work on the middle and lower Rio Grande to support river channel improvements, water supply augmentation (including through treatment of brackish water), interstate compact litigation, and aquifer health. The agency should also be able to leverage additional federal funding for water infrastructure projects.</p> <p>Despite substantial state and federal government investments, the Energy, Minerals and Natural Resources Department’s (EMNRD) orphan oil and gas well-plugging program has lagged in FY23. Both competitive and formula grants for this purpose were part of the federal infrastructure package, and EMNRD will need to commit resources to administer the funding it received.</p> <p>Objective: Monitor agency success in committing funds for the stated purposes and applying for federal grants. Track federal dollars received, agency spending plans, and program performance. Participate in ongoing discussions with the Water Policy and Infrastructure Task Force to assist executive agencies with project planning and decision-making.</p>	<p>Activity report items, volume 1 and 2 discussions.</p> <p>Activity report and OSE performance report card updates on the progress of the projects and the task force’s work.</p> <p>Brief and hearing on <i>Texas v. New Mexico</i>, the Colorado River compact compliance efforts, and federal funding opportunities.</p> <p>Provide updates on the status of well-plugging efforts. Track expenditures from the oil reclamation fund—activity report updates.</p>	<p>Ensure funds are spent wisely and efficiently. Long-term solutions to ongoing water use issues that should improve settlement results in <i>Texas v. New Mexico</i> and ensure New Mexico’s compliance with interstate compacts, preventing interstate conflict in the future.</p> <p>Accountability and oversight related to a significant financial investment.</p> <p>Budget recommendations to leverage additional federal dollars.</p> <p>Economic development opportunities through water supply augmentation in drought-prone areas.</p>	OSE, Dick-Peddie, Carswell	June, plus ongoing monitoring and updates.

2	<p>Issue: The Department of Finance and Administration (DFA) received \$100 million through the Hermits Peak-Calf Canyon Fire Recovery Funds Act (Laws 2023, Chapter 2) to provide zero-interest reimbursable loans to political subdivisions of the state to replace or repair infrastructure damaged by fire, flooding, or debris flows caused by the Hermit's Peak-Calf Canyon Fire. The bill requires DFA to consult with the Department of Homeland Security and Emergency Management (DHSEM) when providing loans.</p> <p>Objective: Monitor agency success in committing funds for the stated purposes: track federal dollars received and repayment of loans. Participate in meetings and information sessions hosted by DFA and DHSEM to ensure eligible entities receive timely and complete information about the program.</p>	<p>Activity report items, volume 1 discussion.</p> <p>Brief and hearing on the status of recovery funding and uptake by political subdivisions of the state.</p>	<p>Ensure funds are spent wisely and for the stated purpose. Ensure citizens of San Miguel and Mora counties can benefit from these recovery funds to restore damaged infrastructure.</p>	<p>DFA, DHSEM, Dick-Peddie, Sanchez, Hitzman</p>	<p>Ongoing</p>
3	<p>Issue: The Environment Department's (NMED) Water Protection Division (WPD) received \$950 in recurring funding for contract engineers and vacancy rate reduction. The division also received approximately \$27 million in special appropriations for various projects related to water quality, including the cleanup of contaminated groundwater, the development of a surface water discharge-permitting program, the regionalization of small water systems, and federal superfund match.</p> <p>The Office of the State Engineer received \$885 thousand for targeted pay raises, vacancy rate reduction, and a new capital project management team in the 2023 legislative session</p> <p>Objective: Monitor agency success in committing funds for the stated purposes. Track federal dollars received and the progress of the projects funded. Track recruitment and retention efforts and report on the division's management of infrastructure projects.</p>	<p>Activity report items, volume 1 and 2 discussions.</p> <p>Provide updates on the status of the surface water discharge-permitting program and the rulemaking process for the regionalization of small water systems.</p>	<p>Additional information regarding the agency's ability to develop other resources to support regionalization efforts and capacity development at political subdivisions of the state. (Consistent with the recommendations of the Water Policy Task Force.)</p>	<p>NMED, OSE, Dick-Peddie</p>	<p>Ongoing</p>

4	<p>Issue: OSE performance measures do not effectively demonstrate progress towards the agency’s key objectives and overall mission. Data on metrics of interest to legislators, such as statewide dam safety, are also absent.</p> <p>Goal: Work with OSE and DFA to develop measures that better reflect the agency’s work and core purpose and to improve performance reporting to convey the meaning and relevance of the data presented. Work with OSE to ensure the strategic plan has meaningful goals and objectives that can be measured.</p>	Performance measures focus on progress toward OSE’s strategic goals rather than administrative processes. More informative quarterly performance report cards.	Additional information regarding agency performance and areas needing improvement, leading to a more informed, data-driven budget recommendation.	Dick-Peddie	August
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SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The Texas v. New Mexico lawsuit has entered the final stage of litigation, which will result in either trial or settlement.</p> <p>Goal: Closely monitor litigation; provide a comprehensive analysis of the outcome, money spent on litigation, and implications for future water use in New Mexico.</p>	<p>Activity report items, budget recommendations, Volume 1 discussion.</p> <p>Work with appropriate agencies to ensure policies are in place to implement reforms successfully.</p>	<p>Provide the Legislature with actual cost and policy implications of case outcome.</p> <p>Improvement in interstate water deliveries.</p>	Dick-Peddie, Judicial Analyst, Evaluators	Ongoing

2	<p>Issue: The New Mexico Livestock Board (NMLB) still needs to obtain the necessary statutory authority to move forward with its meat and poultry inspection program during the 2023 legislative session. The bill made it through to the Senate Rules Committee but needed an up or down vote on the last day of the session to move to the floor. This will prevent the agency from receiving U.S. Department of Agriculture Food Safety Inspection Service reimbursement for half of the cost of program operations, representing a missed opportunity for the agency and the state budget.</p> <p>Goal: Coordinate with NMLB and relevant interim committees (likely LFC and WNRC) to ensure legislators are educated on the opportunity presented by a program that has already received over \$3 million in recurring and nonrecurring funding. Monitor agency success in hiring inspection staff and progress toward completing its application for FSIS certification. For example, if a bill were to pass in the 2024 session with an emergency clause, the program could still receive some federal reimbursement of costs or at least be well-positioned going into FY25 to do so.</p>	<p>Activity report items, budget recommendations, Volume 1 discussion.</p> <p>Brief and hearing at LFC and WNRC on the status of the program as well as efforts to obtain FSIS certification.</p>	<p>Provide the Legislature with information on the costs and benefits of the meat and poultry inspection program and agency efforts to ramp up hiring.</p>	<p>Dick-Peddie, NMLB</p>	<p>July</p>
3	<p>Issue: The Office of the Natural Resource Trustee (ONRT) is seeking public comment on the Draft Natural Resource Restoration Plan # 2 for the 2015 Gold King Mine Release. The draft restoration plan proposes funding for ten natural resource restoration projects using \$12 million recovered from the United States Environmental Protection Agency (EPA) and EPA contractors for injuries in New Mexico resulting from the release caused by the August 2015 Gold King Mine blowout. ONRT plans to release the final restoration plan to expend approximately \$12 million to implement the projects listed in the proposal.</p> <p>Goal: Monitor the implementation and activity of ONRT in expending funds from the Gold King Mine settlement.</p>	<p>Activity report items, budget recommendations, Volume 1 and Volume 2 discussion.</p> <p>Possible LFC and WNRC hearing on the final restoration plan.</p>	<p>Ensure funds are spent wisely and for the stated purpose.</p> <p>Ensure citizens of San Juan counties can benefit from these projects aimed at restoring damaged natural resources.</p>	<p>Dick-Peddie, ONRT</p>	<p>June or July (depending on committee schedules)</p>
4	<p>Goal: Attend board and commission meetings (Water Quality Commission, Interstate Stream Commission, etc.), Water and Natural Resource Committee, and Radioactive and Hazardous Materials Committee meetings in the interim.</p>	<p>Activity report items to inform legislators of board and commission activities.</p>	<p>Informed policy and budget recommendations.</p>	<p>Dick-Peddie</p>	<p>Ongoing</p>

5	<p>Issue: In the 2023 regular session, the Legislature considered, but did not pass, an act establishing clean fuel standards to reduce greenhouse gas emissions per unit of fuel used in the transportation sector. The bill is likely to resurface in future sessions. In the interim, it would benefit from additional consideration to ensure the next version supports the clean energy transition goals while still allowing for input from business and industrial partners.</p> <p>Goal: Provide the legislature with additional information and expertise on establishing clean fuel standards to support the goals set out in the Energy Transition Act (Laws 2019, Chapter 65).</p>	Possible LFC or WNRC hearing on the clean fuel standards act (HB 426, 2023 session)	Informed policy recommendations and improved analysis of fiscal impact.	Dick-Peddie	August
6	<p>Issue: The State Land Office has repeatedly asked the Legislature to raise the royalty rate on oil and gas leases. While the department argues it would generate income, there are concerns higher rates could reduce interest in trust land leases.</p> <p>Goal: Identify rates and demand based on experience in other states and for federally held land and the potential response from the oil industry to create an independent source of information on the issue.</p>	Memo on royalty rate environment and potential impact in New Mexico with an independent estimate of revenue gain or loss	Better informed decision when the bill is introduced to the Legislature again	Gaussoin	September
7	<p>Issue: The Game and Fish Department operates primarily on hunting and fishing fees, which has raised concerns the department focuses almost solely on game species, neglecting struggling wildlife populations.</p> <p>Goal: To examine financing mechanisms in the wildlife agencies of similar states and explore alternatives to the heavy reliance on hunting and fishing fees.</p>	Memo on department financial environment and alternatives	Better informed decisions on all issues concerning department financing and management of wildlife	Gaussoin	September
8	<p>Issue: Capital projects funded by the Legislature have faced difficulty progressing toward completion, especially when requiring inter-agency cooperation (water projects). Although LFC staff track the status of projects through the Capital Projects Management System (CPMS), no process currently exists to determine if local capital outlay appropriations result in complete functional phases.</p> <p>Goal: Examine and report on the progress of stalled capital outlay projects relating to natural resources.</p>	Activity report items, budget recommendations, and Volume I and II discussion items.	Ensure funds are spent wisely and for the stated purpose, and provide information regarding project progress.	Dick-Peddie, Carswell, Chavez	September

9	<p>Issue: The Department of Game and Fish combined game protection funds with ARPA funds, intended to serve the species of greatest conservation need, and other federal funds to purchase the 54 thousand-acre L Bar ranches. The department received a \$7 million special appropriation during the 2023 session with few constraints. Although that money is intended to offset revenue that would have been raised if higher hunting and fishing fees had been approved during the session, the money could be used to make additional land purchases.</p>	Monitor agency budget for land purchases	Better information for future agency budget decisions	Gaussoin	Ongoing
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2023 INTERIM WORK PLAN SUMMARY

Economic Development: Amanda Dick-Peddie

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Economic development and related agencies received millions in state and federal aid throughout the last two years. The legislature must track how agencies are spending these large appropriations to make informed decisions on future spending initiatives.</p> <p>Goal: Track actions plans on balances and returns on investment from:</p> <ul style="list-style-type: none"> • 20-year strategic Plan Initiatives (\$1.5 million) • \$13 million LEDA • \$50 million for Advanced Energy • \$10 million for Venture Capital • \$70 million for Opportunity Enterprise Fund • New Film Incentives 	<p>Activity Report Items, memos, budget recommendations</p> <p>Clear understanding of how 20-year plan interacts with local economic development groups.</p>	<p>Ensuring public and relief funds are spent responsibly and in a timely manner.</p> <p>LegisStat hearing</p>	Dick-Peddie	September 2023/Ongoing.
2	<p>Issue: Economic development in the state is heavily siloed, including state-run initiatives such as small business development centers and incubators run through higher education institutions. Additionally, it is unclear how EDD works with higher education institutions to develop the state’s workforce.</p> <p>Goal: Ensure state agencies are collaborating appropriately on economic development and state funding is not duplicative, especially with higher education.</p>	<p>Meetings, Activity Reports, site visits, create a document outlining various programs and overlap.</p>	<p>Budget recommendation, reduce state funding of duplicative programs.</p>	Dick-Peddie, Jorgesnsen	September 2023

3	<p>Issue: The Legislature recently implemented changes to medical malpractice laws and the Patient Compensation fund, along with judicial rulings over how medical costs are calculated. The fund also received an infusion of appropriations to better ensure solvency.</p> <p>Goal: Monitor the fiscal solvency of the fund and the impact of changes on the network of providers and hospitals.</p>	Possible budget recommendations, activity report items, ongoing analysis on upcoming settlements, and cash balances.	Understand the fiscal solvency of the fund and whether malpractice changes and insurance are positively or negatively impacting access to medical care.	Dick-Peddie	Interim
4	<p>Issue: While the Tourism Department has heavily invested in funding and tracking outcomes for marketing, other tourism initiatives, such as capital priorities, beautification, and cooperative grants, have become secondary.</p> <p>Goal: Continue to evaluate ROI on marketing funding, as well as track how the agency is working on tourism development in the state.</p>	Budget recommendation, activity report items.	Better outcomes and results-based funding for not only advertising but development.	Dick-Peddie	September 2023 and ongoing
5	<p>Issue: While overall tourism to the state has recovered to pre-pandemic levels, visitation to New Mexico museums is still well below 2019 levels. The legislature appropriated \$8 million for exhibit development for FY24 to attract new and entice returning visitors.</p> <p>Goal: Monitor new exhibit plans and track museum attendance more consistently throughout the year.</p>	Budget recommendation, activity report items. Quarterly meetings and reporting.	Work with the Department of Cultural Affairs to continue to improve the transparency of capital costs and exhibit development.	Dick-Peddie, Chavez, Carswell	October 2023 and ongoing

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Issue: The Legislature has heavily invested in film in the last several years, not only through film tax credits but through LEDA and JTIP awards as well as appropriating over \$40 million to build and manage two state-run film schools. The governor vetoed language stipulating that the Economic Development Department contract with higher education institutions to manage the schools.	Activity Reports, regular meetings with higher ed and EDD, close tracking of LEDA and JTIP to better gauge film spending in the state.	Budget Recommendations, possible hearing, ensure there is no overlap between existing film programs and new proposals.	Dick-Peddie, Jorgesen	September 2023
2	Issue: The Legislature appropriated \$10 million for tribal libraries, and an additional \$10 million to the rural library endowment fund. Distributions from the rural library's endowment fund are set to begin in FY24. While the Cultural Affairs Department has a preliminary plan for allocating funding to rural and tribal libraries, more detail is needed. Goal: Discuss current funding and analyze how much funding should go to materials, operations and construction of new libraries. Work with PED and IAD to ensure stakeholders are on the same page.	Activity report items, site visits, possible memo to LFC director.	Improved access to library services in rural and tribal communities.	Dick-Peddie, Chenier, Liu	September 2023

3	<p>Issue: The Office of Superintendent of Insurance is tasked with managing the Health Care Affordability Fund, and will receive over \$70 million from the fund to decrease healthcare costs for small businesses and individuals coming off Medicare or seeking other insurance assistance.</p> <p>Goal: Track the expenditure of funds at OSI, track the success of new and future programs, and monitor revenue projections and expenditures for the fund.</p>	<p>Activity report items, regular meetings with OSI. Potential LFC hearing on fund and insurance affordability initiatives.</p>	<p>Budget recommendations, clear understanding of available funds, reduced cost of healthcare in the state.</p>	<p>Dick-Peddie, Esquibel</p>	<p>September 2023/ongoing</p>
	<p>Issue: The state has invested over \$200 million in building and running Spaceport America. Though the Spaceport has secured one major tenant with Virgin Galactic, it needs more active tenants and more activity from tenants to become a true enterprise agency.</p> <p>Goal: Monitor all action at Spaceport America, including Virgin Galactic activity, new and existing lease negotiations, and ongoing spending practices.</p>	<p>BARs, Activity Reports, and site visits.</p>	<p>Budget Recommendations, improved contracts for the Spaceport, and increased revenue to Spaceport.</p>	<p>Dick-Peddie</p>	<p>September 2023</p>

4	<p>Issue: The Public Regulation Commission was restructured in mid-FY23. Commissioners now receive twice the salary previous commissioners received, and the agency continues to shrink as the PRC transportation division moves to NMDOT.</p> <p>Goal: Work with PRC to understand transition goals and potential changes to the organization, including the transition of transportation functions, ahead of the FY25 budget cycle.</p>	<p>Budget recommendations, activity report items, attend meetings.</p> <p>Possible hearing with bullets or brief</p>	Well-vetted budget recommendations.	Dick-Peddie/Simon	September 2023
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2023 INTERIM WORK PLAN SUMMARY

General Government: Ginger Anderson

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Several significant, outstanding tax policy issues were vetoed in this year’s session, and legislators and staff continue to cite the need for comprehensive tax study in the interim.</p> <p>Goals/Objective: Analyze the tax code, conduct comparative analyses, and study the potential impacts of tax changes. Coordinate with economists on tax research.</p>	<p>Activity reports</p> <p>Site visits (as feasible)</p> <p>Volume I, II</p> <p>Support economists with analysis for hearing briefs or memos</p> <p>Possible LFC sponsored legislation</p>	<p>Improved TRD budget recommendations for FY25</p> <p>Informed legislators, staff, and public</p> <p>Improved tax structure</p>	Anderson/ Torres/Faubion/ Gray	Ongoing
2	<p>Issue: TRD continues to fall behind its performance target for audit collections. The agency has implemented a new analytics tool that appears to be contributing to modest improvement in performance but further progress needs to be made on this measure to help address the state’s tax gap.</p> <p>Goals/Objective: Monitor performance and progress on collectible audit assessments. Assess performance and efficacy of analytics tool.</p>	<p>Reporting through quarterly report card</p> <p>Volume II</p>	<p>Improved oversight and monitoring of key performance metrics</p>	Anderson	Ongoing
3	<p>Issue: New Mexico has a selective sunset review process, with a limited number of entities subject to periodic review. In addition, the process is somewhat ad hoc, with limited time and resources available for in-depth review of entities scheduled for sunset review. The legislature could consider a more comprehensive sunset review process encompassing more agencies, with a more standardized, in-depth process that also considers occupational licensing regulatory issues.</p> <p>Goals/Objectives: Review sunset review best practices and evaluate New Mexico’s process compared to best practices. Make recommendations for potential legislative and/or internal changes to sunset review. Proactively keep 2024 Sunsets on radar. Comb through statutes to identify sunset agencies. Revise/update agency questionnaire to</p>	<p>Recommendations memo</p> <p>Creation/enhancement of sunset review procedures and templates</p>	<p>Improved sunset review process</p> <p>Recommendations to legislature and/or LFC on potential sunset review changes</p>	Anderson	Ongoing

	Identify sunset agencies. Revise/update agency questionnaire to reflect commission/board performance, budget, policy issues, and hearing procedures, and update best practices. Follow up on 2022 extensions.			Anderson	Ongoing
4	<p>Issue: With the passage of SB 111 during the 2023 session, many of RLD’s licensing boards will utilize fund balance to pay the cost of suspended licensure fees. An attempt to create the Boards and Commissions Division in statute also failed to pass.</p> <p>Goals/Objectives: Monitor fiscal solvency of RLD licensing boards within the Boards and Commissions Division. Track trends and outcomes of suspended license fees along with performance trends and how RLD is creating robust pathways to licensure for industries in the state (like through strengthened licensing compacts and reciprocity).</p>	<p>Activity reports</p> <p>FY25 budget recommendations</p> <p>FY25 performance measure target recommendations</p> <p>Volume I, II</p>	Improved oversight and monitoring of key performance metric	Anderson	Ongoing

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: In FY24, the Manufactured Housing Division of the Regulation Licensing Department was created as a separate division from the Construction Industries Division (CID), but it has been unclear 1) the full extent the program operates autonomously from CID and 2) the effectiveness of performance measures on outcomes.</p> <p>Goals/Objectives: Monitor the Manufactured Housing Division and how it differs operationally from Construction Industries Division including alignment with the statutory purpose. Review performance measures for <i>Total Plan Reviews</i> for Construction Industries Division and evaluate the effectiveness of measures compared with national best practice standards.</p> <p>Examine the effects of home rule on municipalities and cultivate a sense of added value for housing development throughout the state.</p>	<p>Activity Reports</p> <p>Volume II</p> <p>Site visits (as feasible)</p> <p>Policy brief</p>	<p>Informed budget recommendations for FY25</p> <p>Improved oversight and monitoring of key performance metrics</p>	Anderson	Ongoing

2	<p>Issue: New legislation has legalized the recreational use and sale of cannabis, creating the need for oversight and monitoring of state agency regulatory activity and costs, tax collection, and general compliance.</p> <p>Goals/Objectives: Oversee and report on status of cannabis sales in New Mexico. Monitor regulatory activities, as well as collections and compliance activities within TRD and RLD.</p>	<p>Activity reports</p> <p>Memo/Brief on status of Cannabis Sales</p> <p>Volume I, II</p>	<p>Increased oversight of the state’s cannabis industry, including regulatory and tax-related activities</p>	Anderson	Ongoing
3	<p>Issue: As a result of the 2022/2023 Sunset hearings, the Board of Licensure for Professional Engineers and Surveyors has received a substantial statutory increase in scholarship funds for their engineering and surveying programs, which is paid to New Mexico higher education institutions. The majority of funds seem to go to New Mexico State University. Specific educational outcomes resulting from the funds have been unclear.</p> <p>Goals/Objective: Monitor outcomes for scholarship funds appropriated to the board for New Mexico higher education institutions (primarily New Mexico State University). Determine the necessity for surveyors to complete a four-year program rather than a two-year program and compare program participation and completion with national averages.</p>	<p>Activity reports</p> <p>FY25 budget recommendations</p> <p>FY25 performance measure target recommendations</p> <p>Volume I, II</p>	<p>Informed budget recommendations for FY25</p> <p>Improved oversight and monitoring of key performance metrics</p>	Anderson/Higher Ed Analyst	Ongoing
4	<p>Issue: New federal regulations through the Horse Racing Integrity and Safety Act (HISA), which goes into effect July 2022. These programs will bring uniformity and improved safety, transparency and efficiency to all state racing jurisdictions but will require additional payments from states to implement, and the SRC received \$500 thousand in FY23 for this purpose. SRC should evaluate the potential costs of the new act over the long term and assess whether performance and safety measures improve with its passage.</p> <p>Goals/Objective: Review and assess agency performance relating to horseracing safety and efficiency following implementation of HISA. Understand and evaluate the need for funding or other supports to implement provisions of HISA in future years.</p>	<p>Activity reports</p> <p>FY25 budget recommendations</p> <p>FY25 performance measure target recommendations</p> <p>Volume I, II</p>	<p>Informed budget recommendations for FY25</p> <p>Improved safety and integrity in horseracing statewide</p> <p>Alignment of operations and federal requirements</p> <p>Improved oversight of the state’s racehorse industry</p>	Anderson	Ongoing

5	<p>Issue: MVD services and operations have undergone significant changes due to Covid-19 restrictions, including moving to an appointment-only model and adding other expanded online services and offerings. MVD should assess its future staffing, office space, and budget needs, as well as assess whether current online and mobile offerings are meeting customer needs.</p> <p>Goals/Objective: Assess MVD performance and compare current performance to pre-pandemic performance. Assess customer needs and determine how MVD can best meet needs. Assess budget and staffing needs for MVD and performance improvements in FY22/FY23 and adherence to SB 47 driver's license suspension penalties</p>	<p>Activity reports</p> <p>Site visits (as feasible)</p> <p>Volume I, II</p>	<p>Improved MVD performance and services</p> <p>Alignment of MVD services with actual customer volumes and needs</p> <p>Improved budget recommendations for FY25</p>	Anderson	Ongoing
6	<p>Other work:</p> <ul style="list-style-type: none"> • Quarterly report card reviews • Monitor meetings <ul style="list-style-type: none"> ○ (TRD Tax Policy Workgroup, boards and commissions as relevant) • Sunset review issues • Economic tax policy issues 	<p>Activity reports and/or memos</p> <p>Reporting to Director/Deputy Director</p>		Anderson	Ongoing

2023 INTERIM WORK PLAN SUMMARY

General Government & Information Technology: Jessica Hitzman

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The Department of Finance and Administration (DFA) has improved its processes for tracking and monitoring the historic levels of federal funding received by the state, but it is unclear if tracking is up to date and there is limited reporting to the legislature on uses of these funds. Monitoring and evaluating these initiatives—such as housing, hunger, and others—can help ensure these programs have the intended impact.</p> <p>Goal/Objective: Understand and oversee DFA’s process for managing, allocating, and overseeing federal ARPA and other nonrecurring funding. Report progress on federal and other funding initiatives.</p>	<p>Review of best and existing practices for grant administration processes in NM and other states;</p> <p>Federal funding updates;</p> <p>Activity reports;</p> <p>Volume I publications;</p> <p>FY25 budget recommendations.</p>	<p>More efficient administration of federal funding;</p> <p>Improved oversight and accountability over federal stimulus funds.</p>	<p>Hitzman</p> <p>Rabin</p> <p>Esquibel</p> <p>Jorgensen</p> <p>Chenier</p> <p>Carswell</p> <p>Chavez</p>	Ongoing
2	<p>Issue: Extensive revenue and expenditure changes made by the state for local governments in the last several years have made it difficult to understand the current fiscal situation for local governments, therefore the state continues to have limited understanding and oversight of local government finances and capacities to implement newly funded programs or projects.</p> <p>Goal/Objective: Work with LGD to track the net changes to local government budgets due to policy changes. Analyze historical trends. Compile information on locale-specific expenditure obligations. Assess LGD’s ability to and capacity for administering local funding programs.</p>	<p>Possible hearing, memo or brief;</p> <p>Updated Volume 1 document.</p>	<p>Informed legislators, staff, and public.</p> <p>Better understanding of local government finances, including obligations, expenditures, and funding capacity.</p>	<p>LFC economists,</p> <p>TRD economists,</p> <p>LGD staff,</p> <p>other experts</p>	September 2023
3	<p>Issue: The state has 55 outstanding Information Technology (IT) projects totaling over \$841 million, not including capital projects, and general fund spending on IT projects continues to increase. Some projects are high risk due to the complexity and overall cost. Other projects have fallen significantly behind schedule. These projects should continue to be monitored for progress and risks.</p> <p>Goals/Objectives: Monitor, oversee and report on the status of ongoing and new IT projects. Assist DoIT in modernizing its project management office procedures.</p>	<p>Quarterly IT report cards;</p> <p>Develop project spotlight reports;</p> <p>Report to Science, Technology and Telecommunication Committee and Project Certification Committee;</p> <p>Activity reports.</p>	<p>Keep legislators and stakeholders informed on key decisions regarding IT systems;</p> <p>Propose language in the GAA that could improve IT oversight, efficiency and accountability;</p> <p>Informed IT funding recommendations.</p>	<p>Hitzman</p> <p>Related Analysts</p>	<p>Ongoing</p> <p>CCWIS Spotlight report</p> <p>P25 Spotlight report</p>

4	<p>Issue: During the 2023 legislative session, DoIT received more funding for cybersecurity programs for state agencies (including RLD following a cyber-attack) and public and higher education institutions. Additional legislation passed (SB280) to create a cybersecurity office and move all cybersecurity funding and functions to that office. The establishment of that office and spending of available funds should be monitored.</p> <p>Goals/Objectives: Monitor cybersecurity projects and continue to evaluate progress with cybersecurity needs assessments, upgrades and project management services. Monitor new office and create recurring budget for FY25.</p>	<p>Publish quarterly IT report cards on cybersecurity projects;</p> <p>Attend and report to Science, Technology and Telecommunication Committee during the interim;</p> <p>Attend cybersecurity planning council meetings;</p> <p>Complete Volume I Policy brief; FY25 budget recommendations.</p>	<p>Keep legislators and stakeholders informed on key decisions relating to cybersecurity;</p> <p>Improved accountability and trust in IT systems, including election systems;</p> <p>Improved oversight of cybersecurity spending and coordination between agencies.</p>	<p>Hitzman Liu/Helms Jorgensen Anderson Related Analysts</p>	<p>Ongoing Cyber Update</p>
5	<p>Issue: Changes in recent years have required the state to cover the costs of elections for local governments, and funding for these reimbursements has increased in recent years, but there is uncertainty in how election cost reimbursements are validated. The Secretary of State’s office has been unable to provide documentation showing how those costs are reviewed and approved for local governments, making it difficult to budget for the future.</p> <p>Goals/Objectives: Determine average election costs and how reimbursements are validated/approved for local governments. Determine budgetary need in future years.</p>	<p>Review election costs and budget estimates for each election type;</p> <p>Memos & Activity Reports;</p> <p>Election fund projections for FY24 and beyond.</p> <p>FY25 budget recommendations.</p>	<p>Informed budget recommendations;</p> <p>Improved understanding of election costs and of local government election needs/spending;</p> <p>More transparency surrounding election costs and funding streams.</p>	<p>Hitzman</p>	<p>Fall 2023</p>
6	<p>Issue: The DFA Local Government Division (LGD) oversees the allocation and administration of local government budgets, including capital project funds, which are not effectively tracked or monitored. Tracking of local government funds and projects is limited and there is uncertainty surrounding the oversight of local government funds and projects.</p> <p>Goal/Objective: Ensure DFA is effectively monitoring and reporting on local government budgets, projects, and reserves, and other pertinent information around local government capital outlay and other funding initiatives.</p>	<p>Local Government reports;</p> <p>Activity reports;</p> <p>FY25 budget recommendations.</p>	<p>More efficient administration of local project funding and capital outlay for local governments;</p> <p>Improved reporting and understanding of local funding initiatives.</p>	<p>Hitzman Carswell Chavez</p>	<p>Ongoing</p>

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibilit	Finish Date
1	<p>Issue: DFA has begun consolidating the state’s food and hunger programs from other agencies and received increases in both recurring (\$23.3 million) and nonrecurring sources (\$11.2 million and \$20 million capital outlay) for food initiatives in FY24, including universal free meals at the Public Education Department (PED), but there is limited monitoring and oversight.</p> <p>Goals/Objectives: Monitor progress and spending on universal free meals program and additional DFA food initiative programs. Determine outstanding funding needs.</p>	<p>Activity reports;</p> <p>Volume 1 Policy Brief;</p> <p>Meetings/regular updates with DFA, PED, HED, DOH, HSD, ALTSD, Dept. of Agriculture, etc.</p> <p>FY25 budget recommendations.</p>	<p>Improved understanding of funding gaps and program outcomes;</p> <p>Informed budget recommendations;</p> <p>Accurate tracking and reporting on state food programs.</p>	<p>Hitzman</p> <p>Helms</p> <p>Klundt</p> <p>Esquibel</p> <p>Jorgenson</p> <p>Chenier</p> <p>Carswell</p> <p>Chavez</p>	<p>Fall 2023</p>
2	<p>Issue: With an additional \$25 million in new money appropriated f and \$99 million re-allocated from the connect New Mexico fund to the Office of Broadband Access and Expansion (OBAE), there are millions available for broadband projects but monitoring is limited.</p> <p>Goals/Objectives: Track OBAE spending on the statewide broadband project and evaluate progress on reaching statewide connectivity goals. Stay up to date on federal and state broadband assistance and other grants.</p>	<p>Publish quarterly IT report cards;</p> <p>Update the broadband progress report;</p> <p>Update flow chart of sources and uses of broadband funding;</p> <p>Attend pertinent broadband meetings;</p> <p>Monitor grant awards and spending.</p>	<p>Keep legislators and stakeholders informed on key broadband decisions and accomplishments;</p> <p>Informed IT budget recommendations;</p> <p>Accurate tracking and reporting on broadband funds and initiatives.</p>	<p>Hitzman</p> <p>Liu/Helms</p> <p>Carswell</p> <p>Chavez</p>	<p>Ongoing</p> <p>Broadband Update</p>
3	<p>Issue: Criminal justice data is siloed, making data collection and analysis difficult. NMSC and AOC have received funding in prior years (including \$1 million to NMSC in FY24) to support data integration efforts. However, legislation in 2023 proposed (but failed) to establish a data integration advisory committee beyond just criminal justice data, reflecting a desire for more coordination at the state level for all types of data.</p> <p>Goals/Objectives: Monitor progress on data integration efforts. Work with data partners to ensure the creation of reliable data streams relevant to lawmakers.</p>	<p>Site visits;</p> <p>Memos & Activity reports;</p> <p>Periodic meetings with NMSC and other agencies;</p> <p>FY25 budget recommendations.</p>	<p>Integrated data sharing between justice partners;</p> <p>Improved data on how individuals navigate the criminal justice system;</p> <p>Informed budget recommendations.</p>	<p>Hitzman</p> <p>Rabin</p> <p>Grey</p> <p>Other analysts</p>	<p>Ongoing</p>
4	<p>Other work:</p> <ul style="list-style-type: none"> - Information technology reports & funding issues - DFA contract reporting & special appropriations - Local government relations & meeting materials - Elections issues - Monthly meetings - Board of Finance, Project Certification Committee, Connect New Mexico Council, Cybersecurity planning council 	<p>Activity reports and/or memos;</p> <p>FY25 budget recommendations.</p>		<p>Hitzman</p>	<p>Ongoing</p>

2023 INTERIM WORK PLAN SUMMARY

Joseph Simon

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Although the Legislature has approved significant nonrecurring investments in New Mexico’s roadways, transit systems, and other programs managed by the New Mexico Department of Transportation (NMDOT), the department reports available funding is short of what the department needs to make necessary investments in the state transportation infrastructure. Despite this, the governor vetoed legislation that would have earmarked additional funding for state transportation infrastructure. Achieving a better understanding of department needs is critical to ensure the department has sufficient resources.</p> <p>Objective: Monitor how the NMDOT is using available resources and how resources are prioritized to improve road conditions. Study if additional road funding is needed and from what source annual appropriations for the department should derive.</p>	<p>Quarterly reporting on major investment projects throughout New Mexico.</p> <p>Work with NMDOT staff to identify major investment projects .</p> <p>Attend Transportation Commission meetings.</p> <p>Activity reports</p> <p>Interim policy brief</p>	<p>Improved project oversight and transparency for road projects.</p>	Simon	Ongoing
2	<p>Issue: Capital investments in state facilities have grown, allowing the Facilities Management Division (FMD) of the General Services Department to open new facilities and shift some state agencies from leased space to state-owned space. A recent LFC program evaluation found state-owned space was underutilized and FMD could promote the efficient use of space by adopting building use fees, a concept the department indicated an interest in exploring. Additionally, FMD staff have reported the need for more operating budget as new facilities come online. Given the significant capital costs of new facilities, staff will work to identify if proposed projects result in cost savings from reduced rent expenses or if it would be more efficient for the state to lease space.</p> <p>Objective: Monitor policies and plans to use state facilities more efficiently and identify. Identify where consolidation of agencies into state-owned space will result in savings.</p>	<p>Attend monthly facilities meetings between state agencies and the Facilities Management Division.</p> <p>Activity reports</p> <p>Oversight Issues for Volume II Charts/graphs for Volume III</p>	<p>Increased efficiency of state space utilization.</p> <p>Improved understanding of the capital needs of state agencies.</p>	Simon/Capital Outlay	Fall 2023

3	<p>Issue: Anecdotal reports from agencies throughout the FY24 budget process showed a near universal belief among agency leadership that the state’s current salary structure is insufficient to recruit and retain highly qualified employees. For this reason, the General Appropriation Act of 2023 includes \$1.2 million to the Legislative Finance Committee to conduct a joint study with the Department of Finance and Administration on the State Personnel Act and the state’s system of classification and compensation. During the interim, staff will need to coordinate with both DFA and other interested stakeholders to complete this study and make recommendations to the Legislature in 2024.</p> <p>Objective: Determine the adequacy of state salaries to best promote the recruitment and retention of effective state employees. Measure the competitiveness of state compensation with other public employers and with private industry.</p>	<p>Conduct joint study with the Department of Finance and Administration to review effectiveness of state personnel system and recommendations for amendments to the State Personnel Act, including an analysis of the sufficiency of state compensation and benefits package and attractiveness of state employment opportunities.</p> <p>Attend Personnel Board meetings.</p> <p>Monthly headcount reports.</p> <p>Activity reports.</p> <p>Interim policy briefs.</p>	<p>Recommendation for a compensation package that balances the obligations of the state with the preferences of workers.</p> <p>Identification of high value, high turnover positions</p>	Simon	Fall 2023
4	<p>Issue: Legislation passed during the 2023 session created the Health Care Authority Department, to establish a “single, unified department to administer laws and exercise functions relating to health care purchasing and regulation.” The transition of the Employee Group Benefits Program from the General Services Department to what is now the Human Services Department may prove challenging, particularly with ongoing deficits in group benefits fund caused by a multi-year rate freeze. Notably, the plan does not consolidating the state’s other health care purchasing agencies—the Public School Insurance Authority and the Retiree Health Care Authority—into the new department to improve efficiency. These agencies face continuing challenges: unsustainable rate increases for public schools have diverted funding from the classroom and the retiree authority has continued to seek additional payroll contributions at a time when agencies already report employee take-home pay is insufficient to keep public employees from seeking other jobs.</p> <p>Objective: Monitor changes to how the state purchases active employee and retiree health benefit and evaluate how the state can pursue efficiencies to lower costs.</p>	<p>Assess benefits provided by GSD, NMPSIA, RHCA, and APS.</p> <p>Attend meetings of the Risk Management Advisory Board; NMPSIA, and RHCA.</p> <p>Interim policy brief.</p> <p>Activity Report.</p>	<p>Recommendation for health benefits rates that fully fund the cost of covered benefits and realizes the full benefit of the state’s joint purchasing power.</p>	Simon	Fall 2023

	<p>Issue: The General Services Department’s Risk Management Division administers the public liability fund, which has seen a significant deterioration in funded status. As of December 2022, the department reports assets of \$27 million and projected liabilities of \$104.9 million. Although the department currently has sufficient cash to pay claims, the reduction in reserves may indicate the department will need to increase rates in FY25 and subsequent years to shore up the fund.</p> <p>Objective: Monitor revenue into the fund and the frequency and severity of claims to inform the rate setting process. Monitor which agencies are seeing claims rise most significantly to identify where operations may need to be improved.</p>	<p>Quarterly performance report updates</p> <p>Activity reports.</p> <p>Interim policy briefs.</p>	<p>Recommendation for state agency rates that ensures the department has sufficient funds to pay claims.</p>	<p>Simon</p>	<p>Fall 2023</p>
SECONDARY ISSUES					
1	<p>Monitor effectiveness of enterprise services:</p> <ul style="list-style-type: none"> • State fleet operations • State purchasing • Surplus property sales • State printing and graphics services 	<p>Identify policies and practices that may negatively impact operations.</p> <p>Monitor operating revenues and expense from enterprise operations.</p>	<p>Better program understanding and more informed budget recommendations.</p> <p>Activity reports</p>	<p>Simon</p>	<p>Ongoing</p>
2	<p>Recently approved payroll contribution increases have been forecast to improve the health of the state’s pension systems but proposals to change the plans’ return-to-work policies could compromise those gains if not carefully managed to ensure employees are not incentivized to retire early. Additionally, some have suggested the state consider alternative retirement programs, such as a hybrid defined benefit-defined contribution plan.</p>	<p>Policy analysis on proposals that could significantly impact state finances.</p> <p>Investment performance and funding status updates</p>	<p>Better program understanding and more informed budget recommendations.</p> <p>Activity reports</p>	<p>Simon</p>	<p>Ongoing</p>
3	<p>Attend meeting of relevant agency boards, commissions, and task forces:</p> <ol style="list-style-type: none"> 1. Transportation Commission 2. Personnel Board 3. Public Employees Retirement Association 4. Educational Retirement Board 5. Retiree Health Care Authority 6. Interagency Benefits Advisory Council 7. Risk Management Advisory Board 8. Interagency Pharmaceuticals Purchasing Council. 9. Public Employees Labor Relations Board. 	<p>Ongoing updates</p>	<p>Better program understanding and more informed budget recommendations.</p> <p>Activity reports</p>	<p>Simon</p>	<p>Ongoing</p>

2023 INTERIM WORK PLAN SUMMARY

LFC Economists

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Last year’s long-term forecast was the first time the state attempted to plan for the state’s fiscal position beyond five-years. Long-term planning is a nationally recognized best practice for state fiscal planning.</p> <p>Formalize and improve long-term forecasts with the Consensus Revenue Estimating Group by developing granularity of estimates, including budget forecasting, and considering the impact of tax expenditures in the long-run. Develop planning and recommendations relevant to the long-term forecast.</p>	<p>Hearing and brief</p> <p>Possible LFC sponsored legislation</p> <p>Possible publications or presentations in national forums</p>	<p>Long-term fiscal stability and planning, informed legislators, staff, and public</p>	<p>LFC economists, TRD economists, DFA economists, other tax policy experts</p>	<p>July 2023, December 2023</p>
2	<p>Several significant, outstanding tax policy issues were vetoed in this year’s session, and legislators and staff continue to cite the need for comprehensive tax study in the interim. Analyze the tax code, conduct comparative analyses, and study the potential impacts of tax changes.</p>	<p>Hearing, brief, or memo</p> <p>Possible LFC sponsored legislation</p>	<p>Informed legislators, staff, and public</p> <p>Improved tax structure</p>	<p>LFC economists, TRD economists, DFA economists, other tax policy experts</p>	<p>December 2023</p>
3	<p>Organizational goals and strategies are necessary for effective policymaking. As staff develop policy recommendations, a foundational strategic plan is needed with input from advisory policymakers. Create and execute a strategic plan and informal advisory input to guide economic policymaking.</p>	<p>Memo, approved plans or goals</p>	<p>LFC economist strategic plan, advisory council, improved member support</p>	<p>LFC economists, LFC director, advisory council</p>	<p>December 2023</p>
4	<p>Over time and especially in recent years, the Legislature has created many non-general fund state funds and earmarks to serve specific purposes, such as convert one-time money into recurring revenues, appropriate for specific uses, or divert tax revenue for programmatic or revenue stabilization purposes. A full accounting of these non-general fund trust funds, permanent funds, revenue distributions, and earmarks is needed to understand where state revenues are flowing, how they are being used, and determine best-practices and recommendations for revenues statewide.</p>	<p>Hearing, brief, or memo</p> <p>Possible LFC sponsored legislation</p> <p>Possible publications or presentations in national forums</p>	<p>Informed legislators, staff, and public</p>	<p>LFC economists</p>	<p>August 2023</p>

5	<p>With the move to destination-based sourcing of GRT in FY22 and extensive revenue and expenditure changes made by the state for local governments in the last several years have made it difficult to understand the current fiscal situation for local governments. Work with TRD and LGD to track the net changes to state and local government budgets due to policy changes. Analyze historical trends and compile state-mandated expenditure obligations. Identify any potential issues with the changes and whether statutory adjustments are needed.</p>	Possible hearing, memo or brief	Informed legislators, staff, and public	LFC economists, TRD economists, LGD staff, other experts	Interim
6	<p>Economists can assist analysts in forecasting in a variety of key policy areas like Medicaid enrollment, correctional populations, labor demand and compensation, among others. Greater collaboration between economists and analysts will improve outcomes, help produce better analysis, and offer new professional development opportunities.</p>	Research materials, FIR material, staff training	Informed staff and improved policy analysis	LFC economists, LFC policy analysts	Interim

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Continue to work with TRD on PIT, GRT, insurance, and corporate income tax reporting, especially regarding the disaggregation of data for forecasting and programmatic purposes.</p> <p>Improve accuracy of existing revenue forecasting models. Revise GRT effective tax rate calculations and improve forecasting of revenue impacts from significant changes in the oil and gas industry. Update databases used for fiscal impact reports and revenue forecasting models. Update all models to reflect 2023 legislative session and better capture inflation and wage increases. Update state investment models to reflect increasing interest rate environment and oil revenue contributions.</p> <p>Explore creating more accessible and dynamic resources for legislators and the public, including interactive revenue forecasts and tracking platforms using Tableau or other similar software.</p>	Improved LFC revenue models and tracking	Reduced forecasting error, improved confidence in revenue forecasts and fiscal impact report estimates, improved oil and gas impact forecasting for gross receipts and income taxes, improved FIR analyses	LFC economists, TRD economists, DFA economists	Interim

2	<p>Cross-training the economists in all policy and revenue areas of expertise is crucial for a well-balanced, resilient, and adaptable team. The economists will train each other in all areas throughout the interim, ensuring at least basic understanding and knowledge across the spectrum. Primary responsibilities and ownership over these subject areas will rotate each year until all economists have a mastery over the entire suite.</p>	<p>Informal trainings between economists</p> <p>Possible lunchtime learning sessions for full LFC staff</p>	<p>A resilient and adaptable economist team</p> <p>Improved collaboration, understanding, and coverage within and between economists</p>	LFC economists	Interim
3	<p>Liquor, tobacco, and recreational cannabis excise taxation has been a topic of increased legislative interest over the last few years. Work with TRD and RLD on production, demand, revenue estimates, and reporting of these revenues. Research, summarize, and analyze the effects of excise taxes on state finances and other possible health, behavioral, and economic knock-on effects. Develop tax policy recommendations and new concepts</p>	<p>Possible memo, forecast models, FIR analysis on cannabis changes</p>	<p>Informed legislators, staff, and public</p>	LFC economists, TRD economists, DFA economists, RLD staff	Interim
4	<p>As the Legislature considers increasingly complex changes to property taxes and different approaches to capital outlay, LFC economists will work with the Board of Finance, the DFA Local Government Division, LFC capital outlay analysts and the TRD Property Tax Division to develop state bonding models.</p>	<p>Forecast models, FIR analysis, memos</p>	<p>Informed legislators, staff, and public</p>	LFC economists, LFC analysts, TRD, DFA	Interim
5	<p>The extreme volatility in oil and gas prices/production coupled with the outsized share of recurring revenues leaves state finances and economic health vulnerable to non-business cycle swings. Evaluate effects of federal and state policies on New Mexico production, including long-term production potential.</p> <p>Rystad Energy projects New Mexico oil production will peak by 2030. Work with LFC staff, relevant state agencies, and field experts to develop diversification strategies that will support the state's financial security through industry development, tax reform, and other relevant income streams. Evaluate the impact of recent legislation on the state's oil dependence.</p>	<p>Hearing, brief, research materials</p>	<p>Informed legislators, staff, and public</p>	LFC economists, LFC analysts, Relevant Experts, State Agencies	Interim

6	<p>Following changes during the 2023 legislative session, the film tax credit is expected to more than double in the next five years as benefits increase and productions in the state grow.</p> <p>Work with industry, the Economic Development Department, and other national researchers to continue monitoring the film tax credit, study the implications of legislative changes, and monitor its economic impact.</p>	Hearing, brief, FIRs	Informed legislators, staff, and public	LFC economists	ongoing
7	<p>During the last two legislative sessions, the legislature has considered adopting statewide paid family and medical leave policies, including a state-run program and fund to pay for paid family leave for New Mexico workers. Continue to monitor research on the costs, impacts, and benefits of statewide PFML programs and legislative movement in this space nationwide.</p>	Possible brief, research materials, FIR material	Informed legislators, staff, and public	LFC economists, LFC analysts,	
8	<p>The LFC economist manual needs continual refreshing to improve instructional guides. Update resource library, improve summaries essential economist functions and procedures, and update instructional guides for existing forecast models.</p>	<p>An updated LFC economist manual</p> <p>A centralized repository of LFC forecasting models</p>	An improved resource library and guidance for current future economists	LFC economists	Interim
9	<p>Continuing education in advanced modeling techniques, statistical analysis, and national tax policy trends through online education courses and industry conferences.</p>	Activity report items	Improve revenue forecast results	LFC economists	Interim

Analyst: Cally Carswell

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Outstanding capital outlay funds totaled \$3.1 billion as of December 2022. Balances and project backlogs are likely to grow due to \$1.2 billion in new appropriations, limited agency and local capacity to manage thousands of authorized projects, rising construction costs, and labor limitations. Issues slowing down progress are more quickly recognized and addressed through regular tracking and reporting.</p> <p>Goal: Identify common sources of project delays, assess agency and local capacity and project management efficacy, provide members with regular and informative reporting on project progress.</p>	<p>Output: Quarterly capital outlay reports; subcommittee briefs and hearings.</p> <p>In-depth project and issue reviews, including reporting on new grant initiatives.</p> <p>Recommended vetting criteria for local projects.</p>	<p>Outcome: Project oversight resulting in timely expenditure of funds.</p> <p>Understanding among legislators of factors that contribute to project success.</p> <p>Budget and policy recommendations to address capacity issues and other sources of delay.</p>	Carswell, analysts	Ongoing
2	<p>Issue: Demand for capital outlay exceeds available funds, even with surging revenues.</p> <p>Objective: Provide the Legislature with informative analysis on capital requests and budget recommendations for state agencies and higher education that prioritize need and readiness.</p>	<p>Output: Capital outlay budget recommendations for state agencies and higher education.</p> <p>Capital outlay subcommittee briefs and hearings.</p> <p>Trainings for various audiences on prioritizing capital requests and appropriations.</p>	<p>Outcome: Capital outlay appropriation bills that effectively balance need, capacity to expend funds and complete projects, readiness, and potential benefits with available funding.</p>	Carswell, analysts	February 2024

3	<p>Issue: New Mexico’s capital outlay process is inefficient and carries an unnecessarily high risk that projects to which funds are appropriated will not be completed and will not produce public benefits. Efforts to date to establish a more centralized and coordinated approach to planning, funding, and managing capital projects have failed. As a result, the state is poorly positioned to fully take advantage of unprecedented levels of state and federal funding available for infrastructure.</p> <p>Goal: To efficiently complete projects, increase the community benefits resulting from capital spending, and improve the state’s ability to leverage federal dollars available for a limited time.</p>	<p>Output: Capital outlay briefs and hearings.</p> <p>Policy recommendations for the 2024 Legislature.</p>	<p>Outcome: Capital outlay spending that results in tangible improvements in the state’s communities and does so in an efficient manner.</p> <p>Capital appropriations that more effectively leverage other funding sources.</p>	Carswell	Ongoing
4	<p>Issue: Construction costs continue to rise but recent project cost estimates have varied across facility types and funding sources, with particularly steep increases over just the past year in the cost of public schools seeking funding from the Public School Capital Outlay Council.</p> <p>Goal: Develop cost-per-square-foot baselines for different facility types to guide funding decisions based on analysis of cost trends in New Mexico and neighboring states. Develop a set of best practices for procurement and contracting to control costs to the state of construction.</p>	<p>Output: Capital outlay briefs and hearings.</p> <p>Analysis to support LFC participating on PSCOC.</p> <p>2024 capital outlay framework.</p>	<p>Outcome: Improve the state’s buying power for public projects and protect taxpayers from inflation driven by state revenue surpluses.</p>	Carswell, Liu, Simon	December, Ongoing
5	<p>Issue: Funding available to higher education institutions for building repairs and demolition is inconsistent and inadequate, according to the institutions. Many institutions bundle small repairs into capital outlay requests that are difficult to prioritize at a statewide level.</p> <p>Goal: Develop an approach to funding BR&R and demolition informed by analysis of the outstanding need and available funding sources.</p>	<p>Output: Vol III tables on BR&R need by institution.</p> <p>Budget recommendations for BR&R and demolition.</p>	<p>Outcome: Reduce BR&R and demolition backlogs at higher education institutions and more clearly define the state’s role in funding such projects.</p>	Carswell, Jorgensen	December

6	<p>Issue: The Office of the State Engineer (OSE) received over \$75 million in nonrecurring funding for work on the middle and lower Rio Grande to support river channel improvements, water supply augmentation, interstate compact litigation, and aquifer health. The agency has ongoing opportunities to leverage federal funding for water infrastructure projects that will require state matching funds.</p> <p>Goal: Monitor agency success in committing and expending funds for projects on the Rio Grande. Develop nonrecurring budget recommendations to address high-priority needs and leverage federal dollars.</p>	<p>Output: Activity reports, volume narratives.</p> <p>Hearing on <i>Texas v. New Mexico</i>, related infrastructure investments, and federal funding opportunities.</p> <p>Ongoing participation in Water Task Force activities.</p> <p>FY25 budget recommendations.</p>	<p>Outcome: Increased water security.</p> <p>Completion of water projects that allow for more efficient and effective management of a limited water supply.</p> <p>Maximize federal dollars available to the state.</p>	Carswell, Sanchez	December
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SECONDARY ISSUES

7	<p>Issue: The Legislature exercises limited oversight of reauthorization requests and puts few limits on reauthorizations. The number of reauthorized projects doubled in 2023 over the previous year, likely reflecting the fact that projects due to revert were impacted by COVID-related delays. Forty-one state agency and higher education projects were reauthorized in 2023, with balances totaling approximately \$65 million. Though these projects were originally part of the statewide capital framework, LFC committee members and staff historically have not reviewed or approved the requests before inclusion in the bill. With current revenue surpluses, the Legislature may continue to fund capital projects with general fund. Future reauthorizations will therefore have a general fund impact, meriting increased scrutiny.</p> <p>Goal: Increase legislative oversight of reauthorization requests with staff support, particularly for state agency and higher education projects.</p>	<p>Output: Activity reports, analysis in hearing briefs/quarterly reports.</p> <p>Recommended reauthorization guidelines for state agencies and higher education.</p>	<p>Outcome: Establish a precedent of legislative oversight of state agency and higher education reauthorization requests and scrutinize future general fund impacts.</p>	Carswell	February 2024
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8	<p>Issue: Though counties are constitutionally required to provide adequate facilities for district courts, many lack the financial means to replace aging courthouses. Additionally, district courts often make requests through the state capital outlay process for renovations and repairs. HB505 and HB2 appropriated \$23 million for cost-sharing for both renovation and replacement of district courts. AOC will establish criteria for prioritizing and distributing the funds and there is likely to be ongoing demand for additional appropriations for this purpose.</p> <p>Goal: Establish clear and objective adequacy standards for district court facilities.</p>	<p>Output: Activity reports.</p> <p>Volume I and II narratives.</p> <p>Nonrecurring and capital budget recommendations.</p>	<p>Outcome: Equitable cost-sharing for district court improvements.</p> <p>AOC taking a more assertive role in prioritizing district court improvements, including renovation and repair.</p> <p>Clarity and consistency about the state's role in funding district court improvements.</p>	Carswell, AOC analyst	December
9	<p>Issue: The state provides significant financial support for capital projects at senior centers but lacks consistent standards for facility adequacy or local cost sharing. Additionally, it is unclear the extent to which capital investments in these facilities further statewide programmatic or service goals.</p> <p>Goal: Increase legislative oversight of the capital outlay process for senior centers. Create standards for facility adequacy, cost sharing, and provide the Legislature with more certainty that capital investments in senior centers further statewide programmatic goals.</p>	<p>Output: Activity reports.</p> <p>Analysis on senior center capital outlay in subcommittee / LFC hearing briefs or quarterly reports.</p> <p>Budget recommendations that reflect legislative priorities for senior centers.</p>	<p>Outcome: Capital investments in senior centers that are consistent with objective standards for facility adequacy and that support statewide programmatic goals.</p>	Carswell, Klundt	December

10	<p>Issue: NMCD’s classification system is insufficient to meet current needs and the agency is currently in the process of reevaluating and redesigning the system and made some changes in June 2021. Facility capacity and design should be right-sized to meet the needs of a new classification system, the <i>Duran</i> settlement agreement, and declining prison populations. The agency rescinded plans to close Springer Correctional Center and took over operations of two private prisons in November 2021, despite significant excess capacity in the prison system.</p> <p>Goal: Monitor NMCD’s continuing efforts to resident its classification system and the impact of classification and other changes on facility needs. Evaluate the use of prison facilities that are not owned by the state.</p>	<p>Site visits, activity reports</p> <p>Budget narratives and recommendations</p>	<p>Improved FY24 operating and capital budget recommendations</p>	<p>Rabin, Carswell</p>	<p>Ongoing</p>
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2023 INTERIM WORK PLAN SUMMARY

Communications: Helen Gaussoin

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: LFC staff does important work that influences legislation and management of state agencies, but key to ensuring staff’s information and analysis reach policymakers, managers, and the public is making easily digestible reports readily available.</p> <p>Goal: Continue to improve the quality of writing in reports, consistency in tone and style, and outreach to public directly and through the media.</p>	<p>Update <i>Style Manual</i> to reflect evolution in language and changes in state government; hold training.</p> <p>Update Finance Facts that are three years old and older; expand topics.</p> <p>Continually check functionality of website and correct as needed.</p> <p>With chair’s approval, outreach to communities during travel meetings.</p> <p>“Modernization” of Program Evaluation Unit brand</p> <p>Update of templates for publications</p>	<p>Greater consistency in usage and tone in LFC documents.</p> <p>Accessible background information on state government topics</p> <p>Broader contact with state media.</p> <p>Better imaging for evaluation unit</p> <p>Greater consistency in look of documents, cleaner composition, greater functionality</p>	Gaussoin	<p>Updates by end of June Training in July.</p> <p>Finance Facts updates by end of May.</p> <p>Rebranding of Program Evaluation Unit materials by August</p>

Proposed Program Evaluation Work Plan - May 2023
PROJECTS FOR PROGRAM EVALUATION UNIT

PART I: PROGRAM EVALUATION PROJECTS

A. Current Priority			Staff and Due Date		
Agency Code	Agency Name	Project Descriptions	Lead Evaluator	Evaluation Staff	Due/Hearing Date
Multiple	Multiple	Program Evaluation: Home Visiting Programming	Sarah Dinces	Catherine Dry	July-23
670	CYFD	Program Evaluation: Implementation and Outcomes of the Comprehensive Addiction and Recovery Act (CARA)	Ryan Tolman	Nathan Eckberg/UNM MPA Students	July-23
950	HED and HEIs	Program Evaluation: Higher Education Financial Aid (Opportunity, Lottery, and other state funded scholarships)	Clayton Lobaugh	John Campbell	August-23
B. Next Priority					
350	GSD	Program Evaluation: Review of Risk Management	Micaela Fischer	Annie Armatage	September-23
611, 690, 924	ECECD, CYFD, and PED	Early Childhood Accountability Report	Nathan Eckberg		August-23
630	HSD	Medicaid Accountability Report	Rachel Garcia		September-23

PART II: Progress Reports and Other Projects

A. Current Priority			Staff and Due Date		
Agency Code	Agency Name	Project Descriptions	Lead Evaluator	Evaluator/ Analyst	Report Date
690	CYFD	Progress Report: Juvenile Justice Facilities and Reintegration Centers	John Campbell	Sarah Dinces	June-23
Multiple	Multiple	Progress Report: Status of Substance Abuse Treatment and Outcomes	Rachel Garcia		August-23
Multiple	Multiple	Evidence-based programming (SB 58) and LegisSTAT	Sarah Dinces	Ryan Tolman	Throughout Interim
B. Next Priority			Lead Evaluator	Evaluator/ Analyst	Report Date
Multiple	Multiple	Stacking Income Supports	Sarah Dinces		Fall-23
665	DOH	Developmental Disabilities and Mi Via Waivers	Clayton Lobaugh	Kathleen Gygi	Fall-23
924	PED and Districts	Special Education Review	Annie Armatage		Fall-23

PART III: INFORMATION TECHNOLOGY (IT) REVIEWS and IT PROGRESS REPORTS

A. IT Current Priority			Staff and Due Date		
Agency Code	Agency Name	Project Descriptions	Lead Evaluator	Evaluation Staff	Hearing Date
361	DoIT	IT Project Spotlight - CCWIS	Jessica Hitzman		June-23
361	DoIT	IT Project Spotlights - P25	Jessica Hitzman		August-23
B. IT PARKING LOT			Staff and Due Date		
630	HSD	MMIS			

**Proposed Program Evaluation Work Plan - May 2023
PROJECTS FOR PROGRAM EVALUATION UNIT**

PART IV: Program Evaluation Parking Lot					
Agency Code	Agency Name	Project Descriptions			
308	SoS	Election Administration Costs			
Multiple	Multiple	Progress Report: State-Funded Water Projects			
370	SOS	Evaluation of Process of Starting a Business in NM			
521, 667	EMNRD and NMED	Program Evaluation: Environmental Permitting			
521	EMNRD	State's Role in Fire Preparation and Response			
624	ALTSD	Progress Report: Funding and Performance of the Aging Network			
770	NMCD	Program Evaluation of Operations of the Corrections Department			
795	DHSEM	Review of Operations at the Department of Homeland Security and Emergency Management			
805	DOT and Local Govs.	Program Evaluation: Costs and Outcomes of Capital Outlay Transportation Projects			
924	PED and Districts	Student Attendance and the Attendance for Success Act			
924	PED and Districts	Review of Family Income Index Expenditures by Districts			
924	PED and Districts	Review of Below the Line Appropriations			
	Districts	School District Evaluation: Las Cruces Public Schools			
950 and 924	HEIs and PED	Teacher Preparation, Pipeline, and Outcomes			
950	IHEs	Capital Outlay Review of Select Projects: Higher Education			
950	IHEs	Higher Education Evaluation: Comprehensive Universities			